



ONGC News as on 26 May 2026 (Print & Online)



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ONGC selects BP firm as service provider for Western Offshore fields

State-owned petroleum explorer Oil and natural Gas Corporation (ONGC) on Monday announced it has selected BP Exploration Services India Limited (BPXS), UK, a wholly-owned subsidiary of BP Plc, UK as the Technical Service Provider (TSP) for all the Western Offshore fields, excluding the 43 blocks in Mumbai High. The selection was done through an International Competitive Bidding (ICB) tender for engagement of a TSP to enhance production from mature offshore oil and gas fields in the Mumbai Offshore Basin through the induction of technology, expertise, and best operational and management practices.

BS REPORTER

MORE THAN 24% INCREASE IN OUTPUT TARGETED

ONGC expands BP pact to revive ageing offshore oil, gas fields

SAURAV ANAND
New Delhi, May 25

STATE-RUN OIL and Natural Gas Corporation (ONGC) has expanded its partnership with BP to revive production from ageing offshore oil and gas fields, targeting a more than 24% increase in combined oil and oil-equivalent gas output from western offshore assets over the next decade amid rising import dependence and energy demand.

ONGC on Monday said BP Exploration Services India, a wholly-owned step-down subsidiary of BP, was selected through an international competitive bidding process as Technical Services Provider (TSP) for western offshore fields in the Mumbai Offshore Basin, excluding the flagship Mumbai High field.

The move assumes significance at a time when India's crude import dependence remains above 88%, increasing pressure on domestic upstream companies to enhance recovery from mature fields and arrest production decline.

According to ONGC, the engagement could increase crude oil production from western offshore fields by about 10.8% during the 10-year contract period to 51.26 million metric tonne (MMT) from a baseline of 46.25 MMT. Natural gas production is projected to rise 31.5% to 108.69 billion cubic metres (BCM) from 82.68 BCM.

Combined oil and oil-equivalent gas production from the

TIMELY MOVE

■ The engagement could increase crude oil production from western offshore fields by about 10.8% during the 10-year contract period to **51.26 MMT**

■ Natural gas production is projected to rise 31.5% to **108.69** billion cubic metres from **82.68 BCM**



■ The increase in production is expected to begin from FY27, with full-scale impact visible from FY30

western offshore fields is expected to rise around 24.1% to 159.96 million tonne of oil equivalent (MMTOE) from 128.93 MMTOE during the contract period. The increase in production is expected to begin from FY27, with full-scale impact visible from FY30.

ONGC said Mumbai High, India's largest producing oil field, currently accounts for around 38% of total western offshore oil and oil-equivalent gas production. The company had engaged BP Exploration Alpha for Mumbai High in January 2025.

"Preliminary production data during the initial months of TSP implementation indicate moderation of the earlier decline trajectory and stabilisation of production," ONGC said.

"This has been achieved through focused well, reservoir and facility management

(WRFM) initiatives, optimisation of existing wells, enhanced surveillance, and prioritised facility de-bottlenecking," it added.

Building on this experience, ONGC decided to engage a TSP for the broader western offshore region excluding Mumbai High.

"While ONGC continues to unlock new hydrocarbon resources through greenfield projects, enhancing recovery from mature fields remains equally important to raising domestic production," the company said.

ONGC said it had invited all major international oil companies to participate in the tender process for enhancing production from mature offshore fields through "global technology, expertise, and best-in-class operational and management practices."

Early offshore findings in Andaman show hydrocarbon potential: Lt Guv

SRI VIJAYA PURAM: Andaman and Nicobar Islands Lieutenant Governor D K Joshi on Monday said the offshore oil exploration in the archipelago has gained momentum after decades of inactivity, with early findings indicating promising hydrocarbon potential.

He said the recent exploratory drilling in the Andaman Basin has generated optimism.

"At the Sri Vijaya Puram-2 exploratory well, drilling by Oil India Ltd (OIL) has indicated a gas find with around 87 per cent methane content, alongside another zone with a high probability of crude oil presence. Data validation and commercial viability assessments are currently underway," he said.

"The Andaman Basin has attracted strong interest ahead of upcoming auction rounds for oil blocks, with several global energy majors in discussions with the ONGC and the OIL for potential joint ventures. These collaborations are expected to bring in not just investment, but also advanced technology and specialised equipment required for deep-sea exploration in the region," Joshi added.

Highlighting the untapped potential of the region, the lieutenant governor noted that despite accounting for nearly one-third of India's Exclusive Economic Zone and over a quarter of its coastline, offshore exploration had remained largely absent for the first six to seven decades after Independence, as surrounding waters were designated "no-go zones".

The issue was subsequently

Joshi said there is growing optimism about the basin's long-term potential, with some estimates likening it to large global discoveries

taken up with the Islands Development Agency, paving the way for exploration activities.

Joshi said there is growing optimism about the basin's long-term potential, with some estimates likening it to large global discoveries, making it a "space to watch" in India's energy landscape. In the hospitality sector, the lieutenant governor said the administration has awarded four major projects to firms under the public-private partnership (PPP) model.

"The response from investors has been strong, and even greater interest is being shown for upcoming projects," he said.

Joshi said the administration is expanding helicopter services to further strengthen inter-island connectivity.

Alongside augmenting the Pawan Hans fleet, expressions of interest have been floated for private operators to run licensed routes, drawing significant industry response, he said.

"With 836 pristine islands, tourism holds immense potential, and improving connectivity has been prioritised. Seaplane operations have completed trial runs and, in the first phase, will connect Sri Vijaya Puram with

Long Island, Swaraj Dweep, Shaheed Dweep and Little Andaman. The administration aims to develop the region into a major seaplane hub for the Indian Ocean, and eventually the wider Indo-Pacific region," he said. Highlighting the islands' natural strengths, the lieutenant governor said the region has vast potential for scuba diving and underwater tourism.

Plans are afoot to position the Andaman and Nicobar Islands as a premier scuba diving destination in the Indo-Pacific region, Joshi said.

On the power front, he outlined a major transition towards clean and sustainable energy.

"A decade ago, nearly 90 per cent of the islands' power generation relied on diesel, with only about 10 per cent coming from renewable sources such as solar and limited hydroelectric capacity. However, over the past 10 years, the share of diesel has reduced to around 70 per cent, while solar energy has increased to approximately 25 per cent," he said.

Looking ahead, the administration aims to cut diesel dependence to single digits -- around 8 per cent -- within the next three years. Solar power is projected to rise sharply to 70 per cent, with around 18 per cent of energy needs expected to be met through LNG-based generation, Joshi said. He said proposals are also under examination for a high-voltage direct current (HVDC) undersea cable to connect the islands with the mainland grid, enabling greater energy stability.

PII

ONGC appoints BP to boost output from its western offshore fields

ONGC had engaged BP in January last year for Mumbai High, which accounts for 38% of ONGC's western offshore oil & gas production

OUR CORRESPONDENT

NEW DELHI: State-owned Oil and Natural Gas Corporation (ONGC) has appointed the UK's BP as a technical services provider to boost output from its western offshore oil and gas fields, expanding a partnership aimed at reviving production from India's ageing hydrocarbon assets.

In a statement, ONGC said BP Exploration Services India Limited was selected through an international competitive bidding process to enhance production across western offshore fields in the Mumbai Offshore Basin, excluding the flagship Mumbai High field.

ONGC had engaged BP in January last year for Mumbai High, India's largest producing oil field, which accounts for about 38 per cent of ONGC's western offshore oil and oil-equivalent gas production.

The company said preliminary results from the Mumbai High partnership showed moderation in production decline and improved output stability through better well, reservoir and facility management, along with infrastructure de-bottlenecking and enhanced surveillance.

Under the expanded mandate, BP's India unit will assess



Preliminary results from the Mumbai High partnership showed moderation in production decline, the company said

reservoir performance and identify operational improvements across mature offshore fields using global technologies and management practices.

ONGC said the engagement could increase crude oil production by about 10.8 per cent over the 10-year contract period, raising output to 51.26 million tonnes (MT) from a baseline of 46.25 million tonnes. Natural gas production is projected to rise 31.5 per cent to 108.69 billion cubic metres from 82.68 bcm.

Combined oil and oil-equivalent gas production from

Highlights

- » Under the expanded mandate, BP's India unit will assess reservoir performance and identify operational improvements across mature offshore fields
- » The engagement could raise crude oil output by about 10.8% to 51.26 MT over the 10-year contract period
- » Natural gas output is estimated to rise 31.5% to 108.69 billion cubic metres from 82.68 bcm

the western offshore fields is expected to rise about 24 per cent to nearly 160 million tonnes of oil equivalent during the contract period, the company said.

The increase in production is expected to begin from fiscal year 2027, with full-scale impact visible from FY30.

Under the agreement, the technical services provider will receive a fixed fee for the first two years, followed by a share of revenue generated from incremental hydrocarbon production after cost recovery.

Separately, BP said it "can

confirm that it has been selected by ONGC as TSP for Western Offshore fields (excluding Mumbai High)".

"We are grateful to ONGC for once again reaffirming their trust in us and look forward to supporting an enhanced production from these fields," it added.

ONGC, which accounts for about 75 per cent of India's domestic crude oil and natural gas production, said the partnership is aimed at unlocking additional output from mature offshore assets while supporting India's energy security goals amid rising demand.

Mumbai Offshore Basin is ONGC's most prolific hydrocarbon-producing basin. The basin comprises 43 blocks, of which 28 blocks, including Mumbai High and the giant Bassein gas field, were given to it on a nomination basis.

"While ONGC continues to unlock new hydrocarbon resources through greenfield projects, enhancing recovery from mature fields remains equally important to raising domestic production," the statement said.

ONGC said it entered into a Technical Services Provider (TSP) Contract with BP Exploration Alpha Ltd (BPXA) for the Mumbai High field, which is the

largest oil field of the Mumbai Offshore Basin, in early January 2025.

"Preliminary production data during the initial months of TSP implementation indicate moderation of the earlier decline trajectory and stabilisation of production. This has been achieved through focused well, reservoir and facility management (WRFM) initiatives, optimisation of existing wells, enhanced surveillance, and prioritised facility de-bottlenecking," it said.

Building on this experience, ONGC decided to engage a TSP for the entire Western Offshore (excluding the Mumbai High field) in line with the existing TSP engaged for the Mumbai High field.

"Accordingly, ONGC issued an international competitive bidding (ICB) tender for engagement of a TSP to enhance production from mature offshore oil and gas fields in the Mumbai Offshore Basin (excluding Mumbai High) through the induction of global technology, expertise, and best-in-class operational and management practices. All the major international oil companies were invited to participate," the statement said.

It, however, did not say how many participated in the tender.

■ Household budgets hit, transport costs set to soar
 ■ Opp. parties erupt, govt defends ■ Relief for OMCs

Petrol & diesel prices are hiked 4th time in 2 weeks

MADHUSUDAN SAHOO
 NEW DELHI, MAY 25

Fuel prices rose again on Monday for the fourth time in less than a fortnight, as petrol and diesel prices increased in line with expert recommendations. With Monday's hike, petrol became costlier by ₹2.61 per litre and diesel by ₹2.71 per litre. The latest surge in fuel prices is expected to add further pressure on household budgets and transportation costs for the common man in the country, as consumers continue to suffer rising fuel expenses amid fluctuations in global energy markets.

After this hike, the Opposition parties are up in arms against the government's move, which claims state-run oil companies need to recover losses incurred after keeping rates unchanged despite

increasing global crude oil prices. Following the latest revision, cumulative increases in petrol and diesel prices have neared ₹7.5 per litre since fuel price adjustments resumed on May 15 after

an extended freeze, according to industry sources.

Fuel prices have now reached their highest levels since May 2022 after remaining largely frozen

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Petrol & diesel prices are hiked 4th time in 2 weeks

■ Continued from Page 1

for more than two years, barring a ₹2-per-litre cut in March 2024 ahead of the Lok Sabha elections.

Sources said that in Delhi, petrol prices rose by ₹2.61 per litre to ₹102.12 from ₹99.51, while diesel rates increased by ₹2.71 to ₹95.20 per litre from ₹92.49.

"Similarly, the proportionate hike in petrol and diesel prices are seen in other parts of the country, depending on their state-level taxes. Apart from Delhi, petrol in Mumbai was priced at ₹111.21 per litre and diesel at ₹97.83, while Kolkata rates rose to ₹113.51 and ₹99.82, respectively. In Chennai, petrol costs ₹107.77 and diesel ₹99.55 per litre. Private fuel retailers also moved prices higher alongside state-owned firms," the sources said.

Analysts have earlier cautioned that the government's repeated move on fuel prices hike could raise transportation and logistics expenses, eventually leading to an increase in the prices of essential commodities and food products. However, Union ministers and senior government officials, have defended the fuel hike, citing the fallout of the geopolitical situation like the West Asia conflicts and global energy crisis.

Reacting to the Opposition's criticism of the fuel hike, Union finance minister Nirmala Sitharaman said the crisis in West Asia was not just a geopolitical issue, but it will lead to higher fuel costs for ordinary people. "The West Asia crisis is not only

a diplomatic or geopolitical issue. For businesses and ordinary people, it can mean higher fuel costs, delayed cargo, costlier shipping, shortage of inputs, pressure on working capital and uncertainty in export orders," the finance minister said.

With this hike, senior officials acknowledged that the losses of oil marketing companies have been reduced significantly. "A total of about ₹7.5 per litre-hike in the four rounds of petrol and diesel prices have trimmed the losses state-owned oil firms were incurring from selling fuel below cost to close to ₹600 crores per day. The losses on sale of petrol, diesel and domestic cooking gas LPG were about ₹1,000 crores per day before the start of the May 15 cycle of price revision. The losses are slightly less than ₹600 crores per day," said Sujata Sharma, joint secretary in the ministry of petroleum and natural gas.

Defending the oil price hikes, Sushma Rawat, ONGC director (exploration), also said crude oil prices have remained highly volatile due to uncertainty surrounding the situation. "Whenever there is an announcement of a peace accord, crude prices begin to fall. But when it becomes clear that there is no immediate resolution, prices rise again," Ms Rawat said, adding that India has so far managed to protect consumers from the complete impact of rising global energy prices despite continued volatility in international crude markets.

ONGC Picks BP as Tech Partner for Western Offshore Fields

Our Bureau

New Delhi: State-run Oil and Natural Gas Corporation (ONGC) has once again picked BP to help boost production from some of its largest fields in return for a fee.

BP already has a similar arrangement for ONGC's flagship Mumbai High fields, but the latest move significantly expands its role, making it responsible for helping enhance output from fields that account for about 72% of ONGC's gas production and 60% of its oil output.

For BP, a global energy major that remained a junior partner to Reliance Industries in India for more than a decade, the expanding role across ONGC's upstream assets marks a new trajectory and growing influence in

the country.

ONGC on Monday said BP had been selected as the technical services provider (TSP) for its Western Offshore fields through an open bidding process. Western Offshore includes some of ONGC's largest assets, such as Neelam and Bassein.



It also includes Mumbai High, for which a separate arrangement was put in place last year.

"TSP has indicated a substantial potential increase of 10.8% in crude oil (from baseline production of 46.25 million metric tonnes (MMT) to 51.26 MMT) and 31.5% increase in gas production (from 82.68 billion cubic meters (BCM) to 108.69 BCM) for the 10-year contract period," ONGC said in a statement.

After Mumbai High, ONGC brings in BP in other western offshore oil, gas fields

Oil and Natural Gas Corporation (ONGC) has appointed the UK's BP as a technical services provider to boost output from its western offshore oil and gas fields, expanding a partnership aimed at reviving production from India's ageing hydrocarbon assets.

In a statement, the corporation said BP Exploration Services India Limited was selected through an international competitive bidding process to enhance production across western offshore fields in the Mumbai Offshore Basin, excluding the flagship Mumbai High field. The energy enterprise had engaged BP in January last year for Mumbai

High, India's largest producing oil field, which accounts for about 38% of the company's western offshore oil and oil-equivalent gas production.

The company said preliminary results from the Mumbai High partnership showed moderation in production decline and improved output stability through better well, reservoir, and facility management, along with infrastructure de-bottlenecking and enhanced surveillance. Under the expanded mandate, the India unit of BP will assess reservoir performance and identify operational improvements across mature offshore fields using global technologies and management practices. **-PTI**

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BP subsidiary, ONGC sign TSP agreement

The Hindu Bureau
NEW DELHI

Building on enhanced output from Mumbai High from a similar pact, Oil and Natural Gas Corporation (ONGC) inked another technical services-provider (TSP) pact with BP Plc's subsidiary, BP Exploration Services India, for its Western Offshore fields.

"The TSP will review field performance and identify improvements in reservoir, facilities and wells to boost production from Western Offshore fields (excluding Mumbai High)," ONGC said.

It added the TSP indicated potential to raise crude output by 10.8% and gas output by 31.5% over the 10-year contract period.

"In terms of oil plus oil-equivalent gas, the increase works to about 24.1% (from 128.93 MMTOE to 159.96 MMTOE).

The increase is expected to be visible from fiscal year 2027 with full-scale

TSP indicated a raise in crude output by 10.8% and gas output by 31.5% over 10-year contract period

visibility expected from fiscal year 2030," ONGC said.

BP Exploration Services India would be receiving a fixed fee for the initial two years and thereafter, a service fee premised on the revenue from the incremental production scaled after recovering incremental costs.

In January last year, ONGC inked a TSP contract with BP Exploration Alpha Ltd., another BP subsidiary, for Mumbai High - the largest oil field of the Mumbai Offshore basin.

According to ONGC, preliminary production from the initial months of the contract implementation indicated "moderation of the earlier decline trajectory and stabilisation of production."

ONGC ropes in BP arm to up production across western offshore fields

Our Bureau
New Delhi

State-run ONGC said it has selected BP Exploration Services India (BPXS), a wholly-owned step-down subsidiary of BP, as the technical services provider (TSP) for the entire western offshore fields, excluding Mumbai High (MH).

The TSP will review the field performance and identify improvements in reservoir, facilities and wells to enhance production from western offshore fields, the country's largest exploration and production (E&P) firm said. "The TSP has indicated a substantial potential increase of around 10.8 per cent in crude oil (from baseline production of 46.25 million tonnes (mt) to 51.26 mt) and around 31.5 per cent increase in gas production (from 82.68 billion cubic meters to 108.69 BCM) for

the 10-year contract period," ONGC added.

In terms of O+OEG (oil + oil equivalent of gas), the increase works out to around 24.1 per cent (from 128.93 million tonnes of oil equivalent (MTOE) to 159.96 MTOE).

FIXED FEE

The increase is expected to be visible from FY27 with full scale visibility expected from FY30.

The TSP will receive a fixed fee for the first two years, followed by a service fee based on a percentage share of the revenue from net incremental hydrocarbon production, after recovering incremental costs.

"With this, ONGC aims to realise the enhanced potential of the entire western offshore fields," the Maharatna company said.

Mumbai Offshore Basin is ONGC's most prolific hydrocarbon-producing basin.

SC accepts RIL's fresh request to settle gas row with Centre

New Delhi: SC on Monday accepted a fresh request from Reliance Industries Ltd, which questioned govt's \$2.81 billion demand for alleged pilferage of natural gas by RIL from ONGC block in KG Basin, to resolve the dispute bilaterally with the Centre.

When the plea for conciliation was made by senior advocate Kapil Sibal, attorney general R Venkataramani said a fresh request was made on Monday morning by RIL and govt is willing to consider the request.

A bench of CJI Surya Kant and Justices Joymalya Bagchi and Vipul M Pancholi, which had a week back declined to adjourn the hearing to July on senior advocate Harish Salve's request on personal difficulty, agreed to postpone the four-day-long hearing to the third week of July after the AG said govt was not averse to exploring the bilateral dispute resolution process.

"We will be most happy if the dispute is resolved through conciliation. If you come out with a settlement, we will dispose of the appeal," it said. Last Wednesday, RIL made two attempts to convince the CJI-led bench to adjourn hearing on the same grounds, but the AG had preferred that hearing on RIL's appeal against a Delhi HC judgment be concluded. The CJI-led bench had said, "We will conclude the hearing but will give you breathing time to explore conciliation with the Centre. If you arrive at a settlement ... report it to us and we will dispose of the appeal." **TNN**



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ONGC ropes in BP to boost production

New Delhi: Oil and Natural Gas Corporation (ONGC) has appointed the UK's BP as a technical services provider to boost output from its western offshore oil and gas fields. The company said that BP Exploration Services India was selected through an international competitive bidding process to enhance production. TNN

Bengal to get new land policy within 100 days of swear-in, says Samik

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Kolkata: Bengal will get a comprehensive land and data policies within 100 days of the new govt's swearing-in, state BJP president Samik Bhattacharya announced while addressing members of the Bharat Chamber of Commerce in Kolkata on Monday.

Speaking to **TOI**, Bhattacharya said the new land policy—a prerequisite, he argued, for any serious industrialisation—could follow the Punjab model of land acquisition, under which landowners receive a portion of fully developed land elsewhere in addition to monetary compensation for every acre acquired.

"Without a comprehensive land policy, industrialisation will not happen. (Former CM) Mamata Banerjee said the state would not acquire land for industry, and with fragmented landholdings, it is impossible to set up large industries under such a policy," he said. He added that the party has already discussed industry incentives, including tax holidays, with Union finance minister Nirmala Sitharaman.

On natural resources, Bhattacharya said ONGC had sent 21 letters to the previous state govt for petroleum mining licences for oil exploration



Samik Bhattacharya at the Bharat Chamber of Commerce event on Monday

in Ashoknagar and Ranaghat—all unanswered. He also flagged Bengal's manganese reserves in Bankura and rare earth minerals in Purulia as untapped opportunities.

Bhattacharya was careful to draw a distinction between the party and the govt. "We cannot dictate terms and conditions to the state govt. It will be run by the chief minister and council of ministers. We can only give suggestions," he said.

He took a dig at the previous regime, saying that "even tea vendors used to be registered as MSMEs" and that despite Bengal's geographical advantages—three international borders and borders with multiple states—the state had become "a land of migratory labourers, which is a shame."

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Headline: ONGC partners with BP to enhance production from western offshore oil and gas fields

ओएनजीसी ने पश्चिमी अपतटीय तेल गैस क्षेत्रों से उत्पादन बढ़ाने को बीपी के साथ की साझेदारी

नई दिल्ली, (भाषा)। सार्वजनिक क्षेत्र की ऑयल एंड नैचुरल गैस कॉर्पोरेशन (ओएनजीसी) ने अपने पश्चिमी अपतटीय तेल और गैस क्षेत्रों से उत्पादन बढ़ाने के लिए ब्रिटेन की बीपी को तकनीकी सेवा प्रदाता के रूप में नियुक्त किया है। यह साझेदारी भारत को पुराने हो चुके तेल एवं गैस क्षेत्रों से उत्पादन बढ़ाने के उद्देश्य से की गई है। ओएनजीसी ने बयान में कहा कि बीपी एक्सप्लोरेशन सर्विसेज इंडिया लि. को मुंबई अपतटीय बेसिन के पश्चिमी अपतटीय क्षेत्रों में उत्पादन बढ़ाने के लिए एक अंतरराष्ट्रीय प्रतिस्पर्धी बोली प्रक्रिया के माध्यम से चुना गया है। इसमें प्रमुख मुंबई हाई क्षेत्र शामिल नहीं है। ओएनजीसी ने पिछले वर्ष जनवरी में भारत के सबसे बड़े उत्पादक तेल क्षेत्र मुंबई हाई के लिए बीपी को नियुक्त किया था। यह कंपनी के पश्चिमी अपतटीय तेल और तेल समतुल्य गैस उत्पादन का लगभग 38 प्रतिशत है। कंपनी ने कहा कि मुंबई हाई के लिए साझेदारी से शुरुआती परिणाम में कुछ लाभ दिखे हैं। इसमें उत्पादन में गिरावट में कमी और बेहतर कुआं, जलाशय तथा सुविधा प्रबंधन के साथ ही बुनियादी ढांचे में बाधाओं को दूर करने और बेहतर निगरानी के माध्यम से उत्पादन स्थिर बनाये रखने में सुधार शामिल है। अब नई साझेदारी के तहत, बीपी की भारतीय इकाई वैश्विक प्रौद्योगिकियों और प्रबंधन पद्धतियों का उपयोग करके पुराने पड़ चुके अपतटीय क्षेत्रों में जलाशय प्रदर्शन का आकलन करेगी और परिचालन सुधारों को चिन्हित करेगी।

Crude oil cools, sparks relief rally in ₹, D-St

SUNDAR SETHURAMAN
Mumbai, 25 May

Brent crude prices on Monday slipped below \$100 per barrel for the first time in more than two weeks, while indices posted their strongest gains since April 15 and the rupee hit a two-week high amid hopes of a lasting resolution to the US-Iran conflict.

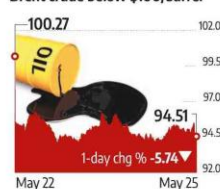
Brent crude fell 5.7 per cent to \$94.6 per barrel, its lowest level since April 21, after US President Donald Trump said over the weekend that Washington and Tehran had largely negotiated a memorandum of understanding for a peace deal. He also indicated that the Strait of Hormuz — through which nearly a fifth of global oil supplies transit — would be reopened.

The Sensex ended at 76,489, up 1,074 points or 1.4 per cent, while the Nifty closed at 24,032, gaining 312 points or 1.3 per cent. For both indices, this marked their highest closing levels since May 8.

The rupee strengthened for a third straight day to close at 95.23 per dollar. It has gained 1.68 per cent after hitting an all-time closing low of 96.83 on May 20. Turn to Page 7 ►

Hormuz hopes

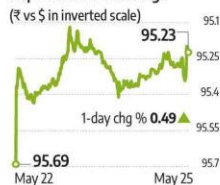
Brent crude below \$100/barrel



Sensex's best gains since April 15



Rupee at two-week high



Source: Bloomberg, Exchanges
Compiled by BS Research Bureau

Crude oil cools, sparks relief rally in Rupee, D-Street

In a media interview, RBI Governor Sanjay Malhotra indicated that the Indian unit is undervalued in both nominal and real effective exchange rate (REER) terms, while reiterating that the central bank would do whatever is required to ensure orderly price discovery in the forex market.

Latest data showed that the six-currency basket trade-weighted REER of the rupee fell to 88.06 by the end of April, from 89.23 at the end of March. The rupee appreciated 0.5 per cent against the dollar to close at 95.23. Despite Monday's recovery, the currency remains down 5.6 per cent against the dollar so far this year.

"The Indian rupee appreciated for the third straight trading session, securing its position as the second-best performing currency in Asia," said Dilip Parmar, research analyst at HDFC Securities.

Parmar added that the rupee capitalised on a dual wave of positive catalysts, retreating crude oil prices amid renewed hopes of a US-Iran breakthrough, and supportive remarks from the RBI governor hinting at a potential undervaluation of the domestic currency.

The decline in oil prices improved global risk appetite and offered relief to import-

dependent economies such as India, where elevated crude prices had recently stoked concerns over inflation, fiscal pressures, and corporate margins. "The sharp decline in oil prices triggered aggressive short-covering and a massive buying wave across banking, automotive, and heavyweight stocks, effectively neutralising concerns over recent domestic fuel price hikes," said Mayank Jain, market analyst at ShareMarket by PhonePe.

However, officials from both the US and Iran cautioned that a final agreement might take time.

According to Seshadri Sen, head of research at Emkay Global Financial Services, markets appear to be pricing in a post-war normalisation in earnings and valuations, though any prolonged disruption in the Strait of Hormuz could once again weigh on corporate earnings and equity valuations.

He noted that while headline valuations have moderated, they remain "unattractive", with the Nifty trading broadly in line with its long-term average based on FY27 earnings estimates.

All NSE sectoral indices, barring one, ended higher. Banking stocks, which had borne the brunt of foreign institutional selling during the recent geopolitical turmoil, witnessed a relief rally

amid hopes of de-escalation.

The Nifty Bank index rose 2.3 per cent. HDFC Bank and ICICI Bank were the top contributors to the Sensex gains.

Shares of oil-marketing companies also advanced after petrol and diesel prices were raised for the fourth time in May.

Bharat Petroleum Corporation, Hindustan Petroleum Corporation, and Indian Oil Corporation gained between 3 per cent and 4 per cent.

Despite the optimism, market participants remained cautious about the sustainability of the rally amid lingering geopolitical and global

macroeconomic risks.

Sen flagged rising US bond yields as a potential headwind for Indian equities, warning that a narrowing US-India yield differential could hurt foreign inflows, pressure the rupee, and compress valuation multiples, particularly in long-duration sectors such as consumer and internet businesses.

The total market capitalisation of BSE-listed firms increased by ₹5.86 trillion to ₹468.7 trillion. Market breadth remained strong, with 2,703 stocks advancing against 1,607 declines.

कच्चा तेल नरम शेयर, रुपये को दम

सुंदर सेतुरामन
मुंबई, 25 मई

अमेरिका-ईरान युद्ध के स्थायी समाधान के संकेत से कच्चे तेल की कीमतों में आज खासी गिरावट आई और शेयर बाजार तथा रुपये में भी मजबूती देखी गई। डॉलर के मुकाबले रुपया 2 हफ्ते के उच्चतम स्तर 95.23 पर बंद हुआ। शुक्रवार को रुपया 95.69 प्रति डॉलर पर बंद हुआ था।

ब्रेट कूड की कीमत 5.7 फीसदी घटकर 94.6 डॉलर प्रति बैरल पर आ गई जो 21 अप्रैल के बाद सबसे कम है। अमेरिकी राष्ट्रपति डॉनल्ड ट्रंप ने कहा कि अमेरिका और ईरान ने शांति समझौते के लिए एक समझौता ज्ञापन पर काफी हद तक बातचीत कर ली है। उन्होंने यह भी संकेत दिया कि होमुज

स्ट्रेट को फिर से खोल दिया जाएगा। शांति समझौते की खबर से ब्रेट कूड दो सप्ताह से अधिक समय में पहली बार 100 डॉलर प्रति बैरल के नीचे आया।

सेंसेक्स 1,074 अंक या 1.4 फीसदी की बढ़त के साथ 76,489 पर बंद हुआ। निफ्टी 312 अंक या 1.3 फीसदी चढ़कर 24,032 पर बंद हुआ। दोनों सूचकांकों में 15 अप्रैल के बाद एब दिन की सबसे बड़ी बढ़त देखी गई।

बंबई स्टॉक एक्सचेंज पर सूचीबद्ध कंपनियों का बाजार पूंजीकरण 5.86 लाख करोड़ रुपये बढ़कर 468.7 लाख करोड़ रुपये रहा।

डॉलर के मुकाबले रुपये में लगातार तीसरे दिन मजबूती आई और यह 20 मई के सर्वकालिक निचले स्तर 96.83 प्रति डॉलर से 1.68 फीसदी चढ़ा है। एचडीएफसी सिक्योरिटीज में शोध विश्लेषक दिलीप परमार ने कहा, 'रुपया लगातार तीसरे कारोबारी सत्र में मजबूत हुआ और यह एशिया में दूसरी सबसे अच्छा प्रदर्शन करने वाली मुद्रा बन गई।' उन्होंने कहा, 'अमेरिका-ईरान वार्ता में नई सफलता की उम्मीदों के बीच कच्चे तेल की कीमतों में नरमी और भारतीय रिजर्व बैंक के गवर्नर की ओर से रुपये के संभावित अवमूल्यन का संकेत देने वाले बयान से रुपये को लाभ मिला।

आरबीआई गवर्नर संजय मल्होत्रा ने संकेत दिया कि रुपये का मूल्य नॉमिनल और वास्तविक प्रभावी ब्याज दर (आरईईआर) दोनों ही दृष्टिकोण से कम आंका गया है। साथ ही उन्होंने दोहराया कि केंद्रीय बैंक विदेशी मुद्रा बाजार में व्यवस्थित मूल्य निर्धारण सुनिश्चित करने के लिए जो भी आवश्यक होगा वह करेगा।

(शेष पृष्ठ 3 पर)

बाजार को करार

ब्रेट कूड हाजिर (डॉलर/बैरल)



सेंसेक्स



कच्चा तेल नरम, शेयर व रुपये को दम

पृष्ठ-1 का शेष

नवीनतम आंकड़ों से पता चलता है कि रुपये की छह मुद्राओं की बास्केट में व्यापार-भारित वास्तविक प्रभावी विनिमय दर (आरईईआर) अप्रैल के अंत में घटकर 88.06 हो गई जो मार्च के अंत में 89.23 थी।

तेल की कीमतों में गिरावट ने निवेशकों के जोखिम लेने की प्रवृत्ति को बढ़ाया और भारत जैसी आयात पर निर्भर अर्थव्यवस्थाओं को राहत प्रदान की। कच्चे तेल की ऊंची कीमतों ने मुद्रास्फूर्ति, राजकोषीय दबाव और कंपनियों के मार्जिन को लेकर चिंता बढ़ा दी थी।

शेयर मार्केट बाय फोनपे के बाजार विश्लेषक मयंक जैन ने कहा, 'कच्चे तेल की कीमतों में आई तेज गिरावट ने बैंकिंग, वाहन और बड़े शेयरों में आक्रामक शॉर्ट-कवरींग और भारी खरीदारी के लिए प्रेरित किया, जिससे हाल में घरेलू इंधन की कीमतों में हुई बढ़ोतरी को लेकर चिंता प्रभावी रूप से बेअसर हो गई।'

रुपया डॉलर के मुकाबले 0.5 फीसदी मजबूत होकर 95.23 पर बंद हुआ। सोमवार की मजबूती के बावजूद इस साल डॉलर के मुकाबले रुपये में 5.6 फीसदी की गिरावट आई है।

एमके ग्लोबल फाइनेंशियल सर्विसेज के शोध प्रमुख शेषाद्री सेन के अनुसार बाजार आय और मूल्यांकन को पश्चिम एशिया युद्ध के बाद स्थिति सामान्य होने को ध्यान में रखते हुए मूल्य निर्धारण कर रहे हैं। हालांकि होर्मुज स्ट्रेट में लंबे समय तक

व्यवधान से कंपनियों की आय और शेयरों के मूल्यांकन पर दबाव पड़ सकता है।

उन्होंने कहा कि शेयरों के दाम में नरमी आई है लेकिन अभी भी वे महंगे बने हुए हैं। निफ्टी वित्त वर्ष 2027 की आय अनुमान के आधार पर अपने दीर्घकालिक औसत के अनुरूप कारोबार कर रहा है।

नैशनल स्टॉक एक्सचेंज पर एक सूचकांक को छोड़कर सभी बढ़त में रहे। निफ्टी बैंक सूचकांक में 2.3 फीसदी की तेजी आई। सेसेक्स की बढ़त में सबसे ज्यादा योगदान एचडीएफसी बैंक और आईसीआईसीआई बैंक का रहा।

मई में चौथी बार पेट्रोल और डीजल की कीमतों में वृद्धि के बाद तेल मार्केटिंग कंपनियों के शेयरों में भी तेजी आई। भारत पेट्रोलियम कॉरपोरेशन, हिंदुस्तान पेट्रोलियम कॉरपोरेशन और इंडियन ऑयल कॉरपोरेशन के शेयरों में 3 से 4 फीसदी के बीच बढ़त दर्ज की गई।

भू-राजनीतिक और वैश्विक व्यापक आर्थिक जोखिमों के बीच बाजार के प्रतिभागी मौजूदा तेजी की स्थिरता को लेकर सतर्क दिखे।

एमके ग्लोबल फाइनेंशियल सर्विसेज के सेन ने अमेरिकी बॉन्ड यील्ड में वृद्धि को भारत के शेयर बाजार के लिए संभावित बाधा के रूप में रेखांकित किया और चेताया कि अमेरिका और भारत में यील्ड के बीच अंतर कम होने से विदेशी निवेश को नुकसान हो सकता है, रुपये पर दबाव बढ़ सकता है और मूल्यांकन मल्टीपल में कमी आ सकती है।

4th hike: Fuel prices up by Rs 7.5 in 10 days

Transport, logistics costs set to rise

GYANENDRA KESHRI
NEW DELHI, DHNS

State-run oil marketing companies increased the petrol price by Rs 2.51 per litre and diesel by Rs 2.71 a litre on Monday, the fourth hike in just 10 days, which will push up transportation and logistics costs, adding to inflationary pressure.

With the latest revision, the cumulative hike in petrol and diesel prices since May 15 stands at around Rs 7.5 per litre. It was hiked by Rs 3 per litre on May 15 followed by 37-91 paise per litre hike on May 19 and May 23.

In Bengaluru, petrol price jumped to Rs 110.93 per litre, while diesel price rose to Rs 98.80 a litre.

In Delhi, petrol price crossed the Rs 100 per litre mark for the first time in over four years. A litre of petrol now costs Rs 102.12 in Delhi, while diesel price has jumped to Rs 95.20 per litre.

The Rs 102.12 per litre pet-



Bengaluru prices

₹110.93 per litre Petrol	₹98.80 per litre Diesel
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Cong protest on May 30

The Karnataka Congress will hold a state-wide protest on May 30 against the recent fuel price hike, accusing the BJP-led Modi government of "looting" the public through repeated revisions.

Details on Page 7

rol price in the national capital includes Rs 16.59 value added tax (VAT) and Rs 4.45 dealer commission, data shared by Indian Oil Corporation showed.

► Fuel prices, Page 8



Publication : Deccan Herald	Editions : Bangalore
Date :26 May 2026	Page : 1, 8

4th hike: Fuel prices up by Rs 7.5 in 10 days

Fuel prices, from Page 1

Hyderabad is the costliest city for motorists with a litre of petrol costing Rs 115.73 and diesel Rs 103.82. It is followed by Thiruvananthapuram, where a litre of petrol costs Rs 115.49 and diesel Rs 104.41. In cities like Patna, Kolkata, Jaipur and Mumbai, one litre petrol now costs more than Rs 110. Fuel prices differ across states because of variations in local taxes.

According to analysts, petrol and diesel prices are likely to go up further as the recent hikes have only marginally reduced the under-recoveries faced by oil marketing companies.

"Oil marketing companies are incurring a loss of about Rs 700-800 crore daily on the sale of auto fuels and domestic LPG, even after factoring the fuel price hike. This high level of under-recoveries is unsustainable," said Prashant Vasisht, senior vice president at ICRA.

The fuel price hikes have started pinching household budgets. Five in every 10 consumers say cost of transportation, products and services have increased due to hike in petrol and diesel prices, according to a survey conducted by LocalCircles. Around 70% consumers surveyed say they will reduce non-essential travel and outings to cope with rising petrol/diesel prices.

"Beyond higher transportation costs, the broader concern is the pass-through effect on the prices of everyday goods," said Vivek Yadav, Partner at BDO India.

Consumers may respond by becoming more value-conscious, prioritising essential purchases and delaying discretionary spending. Businesses that proactively adapt their cost structures today will be better positioned to protect margins and maintain consumer trust in the event of a sustained period of elevated fuel prices, he added.

Modi govt has sprinkled petrol to burn common people's savings: Kharge over latest fuel price hike

PRESS TRUST OF INDIA

NEW DELHI, MAY 25: Congress president Mallikarjun Kharge on Monday lashed out at the Modi government over the latest fuel hike and asked who is benefitting from this "daily robbery".

Petrol and diesel prices were raised by Rs 2.61-2.71 per litre on Monday, marking the fourth increase in less than two weeks as state-owned fuel retailers continued to pass on rising international oil prices to

consumers. In a post on X, Kharge said: "The Daily Assault of FUEL LOOT is not over yet! 4th hike in 10 days!! Petrol Rs 7.35/litre, Diesel Rs 7.53/litre. The Modi government has sprinkled petrol to burn the savings of common people." He pointed out that between 2004 and 2014, during the UPA, international crude oil prices increased by 175.34 per cent, while during the Modi government, not even a single cent of international crude oil prices have increased.

"Despite that, the Modi government has hiked the petrol prices from Rs. 71.41 per litre in 2014 to Rs. 102.12 per litre in 2026, a rise of 43.01 per cent, and diesel prices from Rs 56.71 per litre to Rs 95.20 per litre, an increase of 67.87 per cent," he said. The Modi government has looted Rs 43 lakh crore in the last 12 years, making it a loot of Rs. 1,000 every day, he said. "With the 4th time rise in Petrol and Diesel prices, today the shares of HPCL, BPCL and IOC rose by 5.8%,

4.44% and 3.90% respectively. Profit over People is BJP's DNA," Kharge said. "Every fuel price hike is another blow to household budgets, and has a cascading effect on every aspect of the economy. From Farmers to MSMEs, every strata of the society bears the brunt of BJP's LOOT," the Congress chief alleged. "We repeat. Who is benefitting from this DAILY ROBBERY?" Kharge said in his post.

With the latest revision, cumulative increases in

petrol and diesel prices have nearly touched Rs 7.5 per litre since fuel price revisions resumed on May 15 after a prolonged freeze, stoking concerns over inflationary pressures and higher transportation costs across the economy. The back-to-back increases follow a prolonged freeze in retail fuel prices and come amid elevated crude oil prices in the global market, tightening refining margins, and a weaker rupee, which have sharply raised the cost of imports.

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Date :26 May 2026	Page : 8

Oil Industry maintains seamless supply of petroleum products despite global headwinds

EOI CORRESPONDENT

KOLKATA, MAY 25: The Oil Industry assures all consumers that availability of essential petroleum products—Petrol, Diesel, and Liquefied Petroleum Gas (LPG)—remains normal and uninterrupted across all consumer touchpoints. The overall supply position continues to be stable and adequate, with no shortages reported in major cities or rural areas. This is despite the severe disruption globally due to crisis in West Asia.

IndianOil, BPCL and HPCL are maintaining sufficient stock of fuel and are supplying customers without any issues. The stocks are being monitored on industry basis and are being replenished without any issue.

LPG supplies to domestic consumers are being prioritized and remain normal across the state. The situation is being closely monitored to ensure uninterrupted delivery to all consumers.

The Oil Industry is maintaining close coordination on logistics, stock movement, and retail operations to ensure seamless availability of products. The public is requested to remain assured about consistent service and continue with normal consumption patterns.

We further reassure citizens that there is no cause for concern and sincerely appeals to consumers to avoid panic buying. The public is also advised to rely only on official communications from Oil Marketing Companies for accurate and verified information regarding fuel availability.

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Date :26 May 2026	Page : 11

OMCs ensure uninterrupted fuel supplies amid demand surge

KOLKATA, MAY 25/--/Public Sector Oil Marketing Companies (OMCs)-IndianOil, BPCL and HPCL-continue operations and logistics coordination across the country to ensure uninterrupted availability of Petrol (MS), Diesel (HSD) and LPG amid a sudden and sharp increase in fuel demand in several regions.

In recent days, OMCs have witnessed significantly higher offtake of petroleum products, driven by seasonal agricultural activity and harvesting operations across multiple states. Additional demand pressure has also emerged due to migration of retail customers to Public Sector Retail Outlets due to lower price compared to other suppliers as well as a visible shift of institutional and commercial consumers to retail fuel outlets.

Public Sector OMCs continue to maintain uninterrupted supplies through their extensive nationwide network of terminals, depots, pipelines, LPG bottling plants and retail outlets. Supply teams, transport networks, terminal operations and select Retail Outlets are functioning 24x7 to ensure seamless product movement and timely replenishment across markets. Public Sector OMCs are maintaining close coordination with state administration for seamless fuel supplies.

The Oil Industry would like to reassure consumers that adequate stocks of Petrol, Diesel and LPG are available across the country and all necessary measures are being taken to maintain smooth and uninterrupted supplies.

Public Sector OMCs are continuously reviewing stock positions and closely coordinating on logistics and distribution planning to efficiently meet the enhanced demand scenario. (EOIC)

Fuel prices hiked again; total ₹7.5 a litre in 12 days

SAURAV ANAND
New Delhi, May 25

PETROL AND DIESEL prices were raised by ₹2.61 and ₹2.71 per litre, respectively, on Monday — the fourth increase in less than two weeks — as state-run oil marketing companies (OMCs) accelerated delayed pass-through of soaring global crude prices.

OMCs' daily losses, however, remained close to ₹600 crore despite cumulative fuel price hikes of about ₹7.5 per litre since May 15.

In Delhi, petrol prices rose to ₹102.12 per litre from ₹99.51 and diesel prices to ₹95.20 from ₹92.49.

The latest revision follows a ₹3-per-litre increase on May 15, a 90-paise hike on May 19 and another increase on May 23, when petrol prices were raised by 87 paise and diesel by 91 paise per litre.

"The losses are slightly less than ₹600 crore per day," Sujata Sharma, joint secretary in the

4TH INCREASE



■ OMCs' daily losses near **₹600 crore** even after four rounds of fuel price hikes

■ Crude prices have risen more than **50%** since war began in February-end

ministry of petroleum and natural gas, said on Monday. According to Sharma, daily losses on petrol, diesel and domestic LPG sales were around ₹1,000 crore before the latest cycle of fuel price revisions began earlier this month.

Continued on Page 10

Fuel prices hiked again

GLOBAL CRUDE PRICES have risen more than 50% since late February after the US-Israeli strikes on Iran and escalating tensions in West Asia disrupted shipping movements and pushed up freight and insurance costs.

Despite four successive revisions, analysts said OMC under-recoveries remain elevated because of higher crude prices, a weaker rupee and continuing losses on domestic LPG sales.

Prashant Vasisht, senior vice president and co-group head, corporate ratings, Icra, said the financial stress on fuel retailers remained severe even after the latest hikes. "Despite the latest hike in retail prices of auto fuels, oil marketing companies' under-recoveries remain stubbornly high due to increasing losses in domestic LPG sales and a high premium to the crude marker," Vasisht said.

Icra estimates that at crude oil prices of \$120-125 per barrel, OMCs are still incurring losses of around ₹700-800 crore daily on petrol, diesel and LPG sales.

"This high level of under recoveries is unsustainable," he added. Financial services firm Emkay Global has estimated that petrol and diesel prices



could rise by as much as ₹10 per litre in the near term as OMCs attempt to recover losses arising from elevated crude oil prices.

"We expect hikes of ₹10/litre to cover roughly 50% of under-recoveries, either in one shot or via creeping hikes over 2-3 weeks," Emkay Global said in a report released on May 15.

Harshraj Aggarwal, energy lead analyst, institutional equities, YES Securities, said the latest fuel revisions still leave substantial marketing losses on auto fuels. "The gross marketing loss as of today stands at ₹5.5/litre for petrol and ₹5/litre for diesel. So the expected price hikes could be more ₹2-4/litre if the crude prices don't fall further," Aggarwal said.

The latest increase pushed fuel prices to their highest levels since May 2022 after remaining largely frozen for more than two

years, barring a ₹2-per-litre cut in March 2024 ahead of the general elections.

Earlier in the day, speaking at an event in Mumbai, Finance Minister Nirmala Sitharaman said the reduction in excise duty on petrol and diesel would have a revenue implication of nearly ₹1 lakh crore.

The rise in fuel prices is also adding to inflation concerns. Retail inflation accelerated to 3.48% in April from 3.40% in March, while wholesale inflation climbed to a 42-month high of 8.3%, driven largely by higher fuel and energy costs.

Meanwhile, shares of oil marketing companies rallied sharply on Monday after Brent crude prices fell more than 5% following indications that the Strait of Hormuz could reopen.

Shares of Bharat Petroleum Corporation (BPCL) rose 4.3% to close at ₹308.25 on the BSE after touching an intra-day high of ₹309. Hindustan Petroleum Corporation (HPCL) gained 3.5% to settle at ₹403.40 after rising as much as 5.9% during the session to hit ₹412.55. Shares of Indian Oil Corporation (IOC) advanced 3.1% to close at ₹143.90 after touching an intra-day high of ₹145.30.

Petrol hits Rs 102 in Delhi after fourth hike in 11 days

Fuel prices at four-year high as cumulative hike reaches Rs 7.5 per litre

OUR CORRESPONDENT

NEW DELHI: Petrol and diesel prices rose again on Monday, the fourth time in less than two weeks, as state-run oil companies continued passing on the cost of higher global crude oil prices to consumers.

In Delhi, petrol now costs Rs 102.12 per litre, up from Rs 99.51, while diesel climbed to Rs 95.20 from Rs 92.49. Since May 15, the cumulative increase has reached nearly Rs 7.5 per litre across both fuels. Monday's revision alone added Rs 2.61 per litre to petrol and Rs 2.71 to diesel.

Prices are now at their highest since May 2022. They had

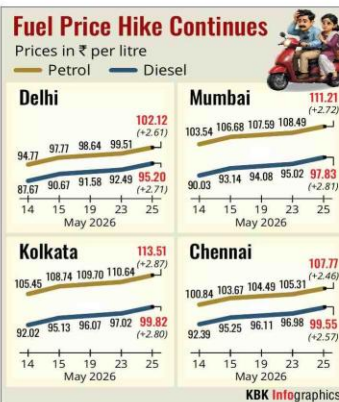


A worker fills fuel into a vehicle at a petrol pump PTI

remained mostly unchanged for over two years, except for a Rs 2 per litre cut in March 2024, which came ahead of national elections.

The hikes have been phased in steps. Retail prices were first raised by Rs 3 per litre on May 15, followed by a 90-paise increase on

Continued on P4



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Petrol hits

May 19, and another round on May 23 when petrol went up by 87 paise and diesel by 91 paise per litre.

Prices differ across cities because of state taxes. After Monday's revision, petrol in Mumbai stands at Rs 111.21 per litre and diesel at Rs 97.85. In Kolkata, petrol costs Rs 113.51 and diesel Rs 99.82. Chennai residents are paying Rs 107.77 for petrol and Rs 99.55 for diesel.

Global crude oil prices rose more than 50 per cent from late February after US-Israeli strikes on Iran disrupted shipping through the Strait of Hormuz, a major oil transit route. State-run retailers had held back passing on those higher costs for several weeks.

On Monday, however, crude prices fell sharply after the United States and Iran agreed in principle to reopen the Strait of Hormuz, with Brent crude dropping more than 5 per cent.

The three state-owned fuel retailers, Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum, together control about 90 per cent of India's fuel market. Despite the price increases, petrol, diesel and domestic cooking gas LPG are still being sold at a loss, let fuel rates have been kept on hold.

Sujata Sharma, Joint Secretary in the Ministry of Petroleum and Natural Gas, said losses were running close to Rs 600 crore per day, down from Rs 1,000 crore before May 15.

Since mid-May, domestic LPG prices have also gone up by Rs 60 per 14.2-kg cylinder, and compressed natural gas by Rs 4 per kg.

Finance Minister Nirmala Sitharaman, speaking in Mumbai, said the revision was a market-driven decision by oil marketing companies. She said the government had already contributed by forgoing over Rs 1 lakh crore annually in tax revenues through excise duty cuts of Rs 10 per litre on petrol and diesel.

Private retailers have also revised prices. Nayara Energy raised petrol and diesel prices by Rs 5 and Rs 3 per litre respectively in March. Shell raised petrol prices by Rs 7.41 and diesel by as much as Rs 25 per litre from April 1. Jio-bp aligned its pump prices with state-run firms.

Congress leader Rahul Gandhi criticised the timing of the increases, saying prices were being raised in instalments after state elections concluded. "Petrol and diesel prices are being increased in instalments so that people's pockets are quietly picked," he wrote on social media.

Congress president Mallikarjun Kharge alleged the government had collected Rs 43 lakh crore over 12 years as petrol prices rose from Rs 71.41 per litre in 2014 to Rs 102.12 today, and diesel from Rs 56.71 to Rs 95.20.

The first increase on May 15 came days after the BJP won three of five state and union territory elections, including West Bengal.

Indian retail inflation stood at 3.48 per cent in April, up from 3.40 per cent in March. Wholesale inflation rose to an over three-year high of 8.3 per cent, driven by fuel and energy costs. The fuel hikes are expected to push up transportation

and logistics costs further.

Prime Minister Narendra Modi last week called on citizens and government departments to conserve fuel, consider remote working and cut non-essential travel, as higher energy prices strain foreign exchange reserves and risk widening the current account deficit. Several state governments have already asked departments to reduce travel and office attendance.

Fuel prices raised for a 4th time; daily OMC losses dip to ₹600 cr

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NEW DELHI

Daily losses of India's state-run oil marketing companies on the sale of petrol, diesel and liquefied petroleum gas (LPG) have narrowed to about ₹600 crore from nearly ₹1,000 crore before retail fuel prices were first raised on 15 May, a senior petroleum ministry official said on Monday.

The comments came on a day global crude prices eased on hopes of a US-Iran peace deal, and after Indian Oil Corp. Ltd, Bharat Petroleum Corp. Ltd and Hindustan Petroleum Corp. Ltd raised petrol and diesel prices for the fourth time in 11 days, taking cumulative increases to around ₹7.5 per litre.

With Monday's hike of ₹2.61 per litre, petrol prices crossed the ₹100-per-litre mark in the national capital to retail at ₹102.12 per litre in



Petrol prices have crossed the ₹100-per-litre mark in Delhi. AFP

Delhi, according to data from Indian Oil Corp.

Defending the move to hike prices, Sujata Sharma, joint secretary, ministry of petroleum and natural gas, said in a media briefing that India's price increases have been much lower compared to other countries. Globally, petrol prices have increased 22% and high-speed diesel, 27%, compared to 7.7% and 8.6%, respectively, in India, she

said.

Sharma pointed out that crude, which was sold at \$60-70 per barrel before the crisis, has at times crossed \$120 per barrel. "If you look at Saudi Contract Price — at which we procure LPG—it has also almost doubled from \$385 to \$780 per tonne."

The price hikes come at a time when wholesale price inflation (WPI) hit a 42-month high of 8.3% in April, while retail inflation touched a 13-month high of 3.48%.

Sharma further noted that the government in March reduced excise duty on the sale of petrol and diesel by ₹10 per litre, taking a monthly hit of ₹14,000 crore to its exchequer.

Separately, Union finance minister Nirmala Sitharaman on Monday said the government is sacrificing ₹1 trillion of revenue by cutting excise

TURN TO PAGE 4

Fuel prices raised again; OMCs' daily losses decline

FROM PAGE 1

duties on diesel and petrol. "The West Asia crisis is not only a diplomatic or geopolitical issue. For businesses and common people, it can mean higher fuel cost, delayed cargo, costlier shipping, shortage of inputs, pressure on working capital and uncertainty in export orders," Sitharaman said while speaking at the 27th foundation day event of Sidbi.

On whether record profits posted by the OMCs in the previous fiscal could help shield consumers and absorb losses, Sharma said: "Whatever they earned in the last year, that will get wiped out in just one quarter at the current rate of losses. It is not that they are profiteering."

The three OMCs cumulatively recorded standalone profits of ₹77,280.65 crore in FY26, representing a 130% increase over the previous year.

Prashant Vasisht, senior vice president and co-group head, corporate ratings, Icria Ltd, said: "Despite the latest hike in retail prices of auto fuels, the under-recoveries of oil marketing companies remain stubbornly high due to increasing losses in domestic LPG sales, and high premium to the crude marker."

Icria estimates that at crude



With Monday's hike of ₹2.61 per litre, petrol prices rose to retail at ₹102.12 per litre in the national capital. PTI

prices of \$120-125 a barrel and considering past 10-year average crack spreads of auto fuels, oil marketing companies are incurring a loss of about ₹700-800 crore daily on the sale of auto fuels and domestic LPG, even after factoring in the fuel price hikes, Vasisht said.

Sujata Sharma said that India's price increases have been much lower compared to other countries

Brent crude prices, however, fell below \$100 per barrel after about a month, amid hopes of a peace deal between Iran and the US, and an eventual easing of energy supply disruptions.

Around 6.15 PM India time, the July contract of Brent on the Intercontinental Exchange was trading at \$97.69, lower by 5.68%, while the July contract of West Texas Intermediate (WTI) on the NYMEX fell 5.6% to \$91.16

per barrel.

A prospective peace deal, if it results in the reopening of the Strait of Hormuz, could ease energy supplies from West Asia. However, recovery of damaged energy infrastructure in the region is expected to take time. The Strait of Hormuz remains a critical route for nearly 20% of global oil and gas trade.

A White House post quoting US President Donald Trump said on Sunday: "The negotiations are proceeding in an orderly and constructive manner, and I have informed my representatives not to rush into a deal in that time is on our side... Both sides must take their time and get it right. There can be no mistakes!"

Earlier, Trump had said an agreement had been largely negotiated, subject to finalization between the US, Iran and several other countries, including major partners in West Asia and Pakistan.

Petrol, diesel prices raised for fourth time in 11 days

MI News Service, New Delhi / Kolkata: Putting more pressure on the consumers across the country for the fourth time in less than two weeks, the prices of petrol and diesel were raised by Rs 2.61 and Rs 2.71 a litre respectively from Monday.

These consecutive hike in prices of petrol and diesel is the direct result of a delayed pass-through of soaring global crude oil costs triggered by the US-Iran conflict.

The latest increase took cumulative hikes since May 15 to nearly Rs 7.50 per litre.

But while everyone is paying more, not everyone is paying the same.

In Kolkata, one litre of petrol now costs Rs 113.51, the highest in the country so far, while in Delhi, it is around Rs 102.12. Mumbai residents are paying Rs 111.21, while Chennai consumers are getting petrol at Rs 107.77.

Similarly, Delhi pays Rs 95.20 for one litre of diesel, but Kolkata pays Rs 99.82. In Mumbai, diesel costs Rs 97.83 per litre, but in Chennai, the rate is Rs 99.55.

This difference may look small on paper. But for daily commuters, cab drivers, transporters and businesses, it adds up fast every time the tank is filled.

So why does the same litre of petrol (and diesel) cost Rs 10-12 more in one state than another?

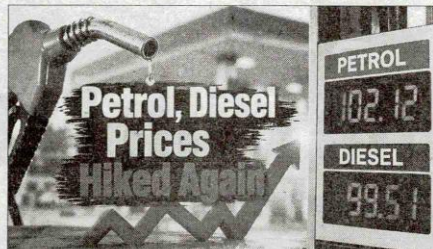
The answer lies largely in taxes. More specifically, Value Added Tax (VAT). Unlike most goods and services in India, petrol and diesel are still outside the Goods and Services Tax (GST) regime. That means every state is free to impose its own VAT rates and cesses on fuel. The Centre levies excise duty uniformly, but states decide how much extra tax consumers pay locally.

With this latest hike, petrol has crossed the 100 mark in the national capital for the first time in nearly four years, last seen above this level in May 2022.

The steady increase in fuel prices comes amid continued volatility in global crude oil markets. Brent crude was trading around USD 103 per barrel recently, with fluctuations driven by geopolitical tensions in West Asia and uncertainty over oil supply routes through the Strait of Hormuz.

Industry officials said oil companies are continuing to adjust retail prices to recover accumulated losses, known as under-recoveries, in addition to current market pressures. These adjustments have led to a rapid series of price hikes in recent weeks.

Experts note that fuel prices have been revised in a staggered manner, similar to previous cycles of international oil shocks, where daily incremental hikes were used to align domestic prices with global



benchmarks.

Analysts warn that further price revisions may continue unless crude oil stabilises below the USD 100-per-barrel mark, adding pressure on household budgets and transportation costs across India.

"As petroleum remains outside the unified GST framework, state governments retain full autonomy over their Value Added Tax (VAT) structures, which currently range from 20 per cent to over 31 per cent. Consequently, final pump prices vary drastically across state lines, driven primarily by each region's specific fiscal deficit requirements, localised inland freight costs, and the compounding effect of ad-valorem taxes stacked alongside localised infrastructure and welfare cesses," said Abhishek Bhilwaria, AMFI-registered mutual fund expert.

In simple terms, states that need more revenue often keep fuel taxes higher because petrol and diesel remain one of

the easiest and most reliable sources of tax collection.

And fuel taxation is not always straightforward.

Some states levy a pure percentage-based VAT. Others use a mix of percentage tax and fixed charges per litre. Several states also impose road development cess, infrastructure cess, or additional surcharges.

Take Telangana, for example. The state imposes 35.2 per cent VAT on petrol and 27 per cent on diesel, making it among the highest fuel-taxing states in the country. Andhra Pradesh follows a layered structure with 31 per cent VAT on petrol along with an additional Rs 4 per litre VAT and Rs 1 road development cess.

That is why states like Andhra Pradesh, Telangana, Kerala, West Bengal and Madhya Pradesh routinely feature among the costliest places to buy petrol in India.

Meanwhile, states such as Delhi, Gujarat, Uttar Pradesh, Haryana and Uttarakhand re-

main relatively cheaper due to lower VAT structures.

The Petroleum Planning and Analysis Cell (PPAC), under the oil ministry, also shows major variations in state-level VAT structures. While some states charge under 15 per cent, others impose effective tax burdens exceeding 30 per cent along with fixed levies.

Fuel transported farther inland becomes more expensive because of logistics and transportation charges. Dealer commissions differ slightly too. Together, these costs widen the final retail gap between cities and states.

For industries that consume large amounts of fuel, these differences directly hit profitability.

The latest fuel hikes themselves are linked to the global crude oil rally triggered by the Iran war and disruptions near the Strait of Hormuz. Indian oil retailers have raised prices repeatedly this month as under-recoveries widened.

Despite the recent hikes, however, government sources argue that India's increase remains relatively modest compared to several global markets facing the same oil shock.

Globally, petrol prices now average around Rs 130 per litre, with several European countries crossing Rs 180. In contrast, India's price levels remain among the lowest for non-subsidised economies.

MORE PAIN? Inflation, weak monsoon outlook and a likely fertiliser squeeze could impact performance in short term

India Inc Pumped up Volume in March Qtr, but Took a Hit from the War, Rising Costs

ET ANALYSIS

Ranjit Shinde

ET Intelligence group: Corporate India's performance in the March 2026 quarter at the sector level was a mixed bag, affected by the input cost inflation and depreciating rupee amid the Iran-Israel conflict that began in late February. While top line growth was strong, driven by upbeat volume growth and realisations, operating margins were under pressure due to higher input costs. Rising cost inflation, expected weak monsoon, and gas shortage that may affect the availability of fertilisers are key factors that are likely to put pressure on India Inc's performance in the coming quarters.

AUTOMOBILES

Hits: Maruti Suzuki India achieved the highest ever quarterly sales volume crossing 6.7 lakh units that helped revenue hit ₹52,463 crore for the first time. M&M, too, reported the highest ever quarterly revenue of ₹54,982 crore, driven by robust growth in automotive and farm segments.

Misses: M&M reported year-on-year margin pressure in the tractor segment while Tata Motors faced high operating costs. Maruti's net profit declined despite record revenue amid higher costs and market-to-market losses on investments.

Outlook: For M&M, the automotive segment is likely to sustain volume momentum while the farm equipment business volume may moderate due to high year-ago base and monsoon related issues. Companies are likely to reel under input cost inflation in the near term.



Revenue change (YoY): 29.6%
Net profit change (YoY): 27.8%

BANKING

Hits: The sector reported double-digit credit growth amid multi-year low asset quality. State Bank of India reported a record low gross NPA ratio of 1.5% compared with around 5% five years ago. PSU banks continued to report record annual net profits.

Misses: Net interest margin (NIM) stayed under pressure amid liquidity squeeze. Market-to-market losses due to the regulatory intervention in the forex market and lower treasury income dragged overall profits.

Outlook: Challenges in attracting deposits will keep cost of borrowings high while inflationary pressure in the economy raises the possibility of higher interest rates, which may in turn affect the current growth momentum in credit offtake.

Revenue change (YoY): 3.8%
Net profit change (YoY): 11.4%

CEMENT

Hits: Ultratech Cement reported strong revenue growth and margin expansion, driven by sustain-

ned construction activities, higher realisation and improved operating leverage.

Misses: Higher input cost inflation affected profitability of Ambuja Cements during the quarter as its Ebitda margin shrank by over 650 basis points to 13.4% year-on-year.

Outlook: Sales volume is expected to moderate to mid-single-digit in FY27 compared with high-single-digit growth in FY26 amid the prediction of a weak monsoon season and rising input costs. Companies will keenly follow cost optimisation to protect margins. Unabated capacity addition may affect pricing power if demand fails to recover after the monsoon period.

Revenue change (YoY): 9.4%
Net profit change (YoY): 16.6%

CONSUMER

Hits: HUL's volume growth bounced back to 6%, the level last seen three years ago. Marico improved Ebitda growth guidance to high teens from earlier projection of mid-teens growth. Nestle reported double digit revenue and profit growth, driven by strong volumes.

Misses: Margins contracted amid higher prices of crude oil and its derivatives. ITC's standalone opera-

ting margin fell to 50% from 61% year-on-year, affected by higher taxes on cigarettes.

Outlook: Rising fuel prices and expectations of a weaker monsoon may affect revenue growth and operating margins in the next two-three quarters. Focus on selling premium products will increase further in response to input cost pressure.

Revenue change (YoY): 11.2%
Net profit change (YoY): 43.7%

OIL AND GAS

Hits: Oil marketing companies including Indian Oil Corporation and Hindustan Petroleum Corporation reported multi quarter high net profits aided by low cost inventory. Upstream oil producer Oil India clocked nine-quarter high revenue and net profit amid elevated crude prices.

Misses: The oil-to-chemicals (O2C) division's margin of RIL fell to a nine-quarter low of 7.9%. Bharat Petroleum Corporation reported lower year-on-year profit due to asset impairment charges.

Outlook: The LPG under-recoveries have surged six-seven times from

March 2026 levels, affected by the impact of the West Asian crisis on gas availability. If the situation persists, the financials of oil marketing companies will be under pressure.

Revenue change (YoY): 7.0%
Net profit change (YoY): 20.5%

PHARMA

Hits: Domestic market reported double-digit year-on-year growth, driven by better pricing and volumes. Sun Pharma reported double digit revenue and profit growth.

Misses: US generics and contract manufacturing business faced pricing pressure during the quarter. Sun Pharma's operating margin was under pressure due to higher investments. Dr. Reddy's Labs and Cipla reported a sharp fall in net profit due to weaker US sales.

Outlook: Sun Pharma's revenue growth is expected to moderate in FY27 amid lower profitability given sustained R&D expenditure. Semaglutide is expected to offer support to sales for companies with domestic focus.

Revenue change (YoY): 9.1%
Net profit change (YoY): 12.1%

INFORMATION TECHNOLOGY

Hits: Infosys and HCL technologies posted three-year strong annual revenue growth in dollar terms for FY26. The new deal momentum continued to be firm during the March quarter.

Misses: Tata Consultancy Services (TCS) reported revenue contraction in annual revenue at 0.5% for the first time since getting publicly listed in 2004. Execution delays resulted in sequential top line decline for top companies.

Outlook: The advancement in the AI capabilities has started posing serious challenges to the existing client deployment models. Indian IT exporters are showing agility to partner with global tech companies active in the AI field to stay relevant amid fast changing client requirements. Near-term dollar revenue growth may remain weak while weaker rupee is likely to support rupee denominated top line growth.

Revenue change (YoY): 12.3%
Net profit change (YoY): 22.5%

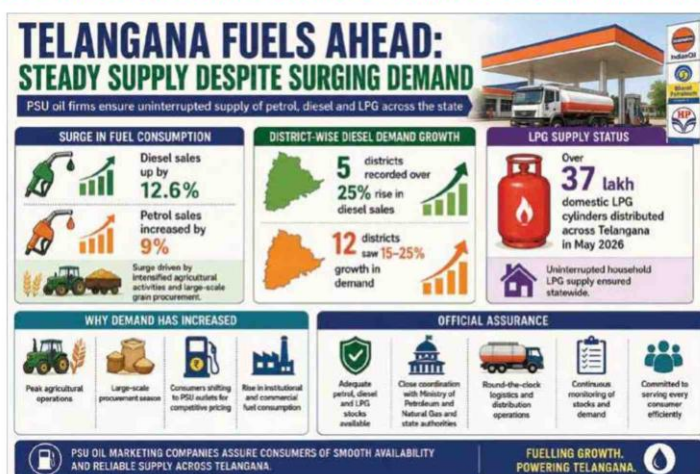
Grain procurement fuels sharp uptick in demand for diesel, petrol across TG

PUBLIC SECTOR COMPANIES ENSURE UNINTERRUPTED PETROL AND DIESEL SUPPLY DESPITE A SIGNIFICANT CONSUMPTION SURGE DRIVEN BY AGRICULTURAL OPERATIONS DURING MAY

HANS NEWS SERVICE
HYDERABAD

PUBLIC sector oil marketing companies, including Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, and Hindustan Petroleum Corporation Limited, have reported a steady and uninterrupted fuel supply across Telangana despite a sharp rise in demand during the ongoing grain procurement season. Officials said coordinated round-the-clock logistics operations have successfully ensured smooth availability of petrol, diesel, and LPG across the state even as consumption surged significantly in May 2026.

According to data, diesel retail sales in Telangana grew by 12.6 per cent, while petrol sales increased by 9 per cent compared to the previous period.



The steep rise is attributed to intensified agricultural activities and large-scale grain pro-

curement operations across the state during the peak season. Officials noted that sever-

al consumers have also shifted to public sector outlets due to competitive pricing, while in-

stitutional and commercial demand has contributed further to the surge.

District-level trends showed strong variation in demand, with five districts recording over 25 per cent growth in diesel sales and 12 districts registering growth between 15 per cent and 25 per cent. The oil marketing companies also confirmed the distribution of more than 37 lakh domestic LPG cylinders across Telangana during the month, ensuring uninterrupted household supply.

The companies said they are continuously monitoring stock levels and strengthening networks to meet rising demand efficiently, assuring consumers that adequate stocks remain available statewide in coordination with the Ministry of Petroleum and Natural Gas and state authorities.

Oil PSUs report sharp rise in the demand for diesel, petrol in State

N. Ravi Kumar
HYDERABAD

Telangana is seeing an increase in demand for petroleum products of late due to intensified agricultural and harvesting activities as major grain procurement operations are under way in the State, according to an official statement issued on behalf of PSU oil marketing companies IOC, BPCL and HPCL.

Further, retail consumers of other suppliers (private oil firms) are increasingly shifting to public sector retail outlets due to competitive pricing. Institutional and commercial consumers are preferring PSU retail outlets owing to the price advantage, the companies said on Monday. Even after the latest round of revision, fuel sold by PSU firms continues to be priced lower compared to private retailers.

Sources said Jio BP petrol and diesel are priced at ₹117.76 and ₹103.90 a litre respectively, while Nayara prices stand at ₹121.01 and ₹106.83. In comparison, petrol and diesel at PSU outlets in Hyderabad were retailing at ₹115.62 and ₹103.76 per litre, respectively, on Monday.

Sources in the trade said the sharp increase in sales at PSU outlets is also being



A customer refuels a car at a petrol station in Hyderabad on Monday, after petrol and diesel prices were hiked for the fourth time in 10 days. RAMAKRISHNA G.

driven by bulk consumers of PSUs shifting to retail outlets.

During the first three weeks of May, diesel sales increased 12.6% and petrol by 9% in the State compared to same period of previous year. The OMCs delivered more than 37 lakh domestic LPG cylinders across Telangana thus far this month.

Sharing details of fuel sales in the State, for the period under consideration, highly placed sources in the oil industry said petrol volume was 1,57,414 kilo litre and diesel 2,29,713 KL. Five districts in the State recorded more than

25% growth in diesel sales from PSU retail outlets while 12 districts recorded growth between 15-25%.

Monday's statement by the oil industry came even as oil marketing companies (OMCs) raised fuel prices for the fourth time within 10 days resulting in the per litre price of petrol going up, including local taxes, in Hyderabad by ₹8.23 and diesel by ₹8.12 for the same quantity. Petrol prices moved up from ₹107.39 on May 14 to ₹115.62 on Monday, while that of diesel rose from ₹95.64 to ₹103.76, respectively.

Despite the sharp increase in fuel demand

across various sectors, the supply chain is continuing smoothly. Indian Oil Corporation (IOC), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) are coordinating operations and logistics round the clock to ensure uninterrupted availability of petrol, diesel and LPG across the State, as per the release.

Public sector oil marketing companies said they are continuously reviewing stock positions and coordinating logistics and distribution planning to effectively meet the increased demand.

CPCL reworks ₹45,000 cr Nagapattinam Cauvery Basin project into a petro-chem complex; IOC to hold 75% in JV

T E Raja Simhan
Chennai

Chennai Petroleum Corporation (CPCL) has changed the focus of its ₹45,000 crore Cauvery Basin Refinery and Petrochemicals Ltd (CBRL) project in Nagapattinam; it is now envisaged as a petrochemical complex, rather than its earlier plans for a conventional refinery.

The project was originally conceived with CPCL and IOC holding 25 per cent each, and the balance 50 per cent with investors. However, the project is currently

structured as a joint venture, with IOC holding 75 per cent and CPCL 25 per cent, CPCL Managing Director H Shankar told *businessline*.

CPCL, along with parent IOC, revisited the project configuration after the originally-proposed refinery-cum-petrochemical complex faced challenges on the internal rate of return, he said.

TECHNICAL STUDY

Shankar said technical and feasibility studies are underway and discussions are being held with Engineers India as well as the Tamil Nadu government regarding in-



H Shankar,
Managing Director, CPCL

centives and project facilitation. CPCL expects preliminary clarity on the revised configuration in about a year.

The original project was envisaged as a 9 million

tonne refinery integrated with a polypropylene unit.

However, the economics of a fuel-heavy configuration became less attractive over time, prompting the partners to reassess the investment structure and product mix, he added.

According to Shankar, the revised proposal could involve cracker-based petrochemical facilities aimed at catering to India's growing petrochemical demand rather than competing in the fuel market. Despite delays, CPCL said groundwork for the project has advanced considerably. It has invested

nearly ₹1,000 crore, primarily towards land acquisition and development activities. The land parcel has been secured with *patta* transfers completed and boundary wall construction under way.

"This project can create an entirely new industrial ecosystem in the Cauvery delta region, with downstream chemical and petrochemical industries coming up around it," Shankar said. He added that the coastal location, road and rail connectivity, and proximity to port infrastructure make Nagapattinam an ideal site for a large petrochemical complex.

OMC stocks jump on price hike, crude oil slipping to \$95 per barrel

Our Bureau
Mumbai

Shares of state-owned oil marketing companies ended Monday's session with solid gains after Brent crude settled near \$95 per barrel — its lowest level in over two weeks — and the government raised domestic fuel prices for the fourth time in less than a fortnight, improving the earnings outlook for state-run retailers.

Hindustan Petroleum Corporation closed 3.52 per cent higher at ₹403.35 on the NSE after touching a session high of ₹412.55. Bharat Petroleum Corporation gained



4.28 per cent to close at ₹308.25, with the session high at ₹309. Indian Oil Corporation ended 3.21 per cent higher at ₹143.95, having hit an intra-day peak of ₹145.30.

All three stocks turned positive for May and are on course to close in the green for the second consecutive month, despite remaining

down 13–19 per cent year-to-date in 2026.

Petrol and diesel prices were raised by ₹2.61 and ₹2.71 a litre respectively on Monday — the fourth hike since May 15 — taking cumulative increases to nearly ₹7.5 a litre. The repeated revisions, aimed at narrowing under-recoveries for OMCs, coincided with a sharp retreat in global crude prices, together widening marketing margins for the three companies, which collectively control around 90 per cent of India's fuel retail market.

Brent crude futures and WTI fell close to 5 per cent each to \$95.43 a barrel and \$91.73 respectively.

Four hikes in 11 days: Petrol, diesel prices now up by over Rs 7/litre

OMC losses down,
but still about
Rs 600 cr/day

Sukalp Sharma
New Delhi, May 25

AFTER HOLDING retail fuel prices for over two-and-a-half months amid the surge in global rates due to the West Asia crisis, public sector oil marketing companies (OMCs) have hiked the prices of petrol and diesel by over Rs 7 per litre in less than two weeks.

While seemingly steep, the cumulative price increase so far

• RISING PRICES

	Retail price (₹/litre)		Price hike (₹/litre)	
	Petrol	Diesel	Petrol	Diesel
May 25	102.12	95.2	2.61	2.71
May 23	99.51	92.49	0.87	0.91
May 19	98.64	91.58	0.87	0.91
May 15	97.77	90.67	3	3

Petroleum Planning & Analysis Cell; Delhi prices

— done through four hikes —
has been the lowest among
»CONTINUED ON PAGE 2

Petrol, diesel now up by over Rs 7 per litre

major economies globally and pump prices in India are still among the lowest in the world, except for countries that heavily subsidise fuel prices, according to industry sources.

Prior to these price increases, the OMCs were incurring cumulative daily under-recoveries of about Rs 1,000 crore on petrol, diesel and liquefied petroleum gas (LPG) sold to households. Although domestic LPG prices have not been hiked since early March, the increase in petrol and diesel prices has reduced the losses to under Rs 600 crore per day now, Petroleum Ministry Joint Secretary Sujata Sharma said Monday. She didn't comment on how much fuel prices could be increased going forward.

In the latest revision, the price of petrol was hiked by Rs 2.61 to Rs 102.12 per litre in Delhi, while diesel price went up by Rs 2.71 to Rs 95.20 per litre, with corresponding changes in other parts of the country.

Fuel prices vary across India due to differences in state-level levies. Since May 15, when the first fuel price hike in over four years was announced, petrol price has gone up by Rs 7.35 per litre, while diesel is up by Rs 7.53 per litre in Delhi, an increase of 7.7% and 8.6%, respectively.

According to industry sources and analysts, the quantum of price hikes effected so far will ease the pressure on the OMCs — Indian Oil, Bharat Petroleum and Hindustan Petroleum — although they are still retailing petrol and diesel below the market price. More cali-

brated and staggered price hikes cannot be ruled out yet.

Prashant Vasisht, senior vice president and co-group head, corporate ratings, ICRA, said the OMCs' losses despite the four rounds of hikes remain "unsustainable". "The under-recoveries of oil marketing companies remain stubbornly high due to increasing losses in domestic LPG sales, and high premium to the crude marker. ICRA estimates that at crude price of \$120-125/barrel and considering past 10-year average crack spreads of auto fuels, oil marketing companies are incurring a loss of about Rs 700-800 crore daily on the sale of auto fuels and domestic LPG, even after factoring the fuel price hike. This high level of under-recoveries is unsustainable," he said.

Global crude oil prices have surged by over 50% due to the West Asia war, which broke out on February 28, and the consequent closure of the Strait of Hormuz. But in a bid to insulate domestic consumers, the government-owned OMCs hadn't passed on the higher rates for retail petrol and diesel until May 15. In fact, the prices of the two auto fuels had not been increased for four years; they were reduced once during the period -- before the 2024 Lok Sabha polls.

Discussions on an increase in petrol and diesel prices had gathered pace within the government, with a consensus that it was necessary. The key considerations were the timing and the quantum: whether to an-

nounce a steep hike in one go or adopt a staggered approach, according to a top government official. Evidently, a staggered approach was chosen.

A one-shot steep price increase wouldn't have been politically palatable, and would have had a shock factor to it, industry sources said. Calibrated price hikes give the government the opportunity to pass on the higher prices to consumers gradually, while keeping a tab on the public reaction and the inflationary impact on an ongoing basis, instead of the inflationary shock and backlash that a steep hike may lead to.

According to industry sources, fuel prices in India continue to be among the lowest in the world, with every major developed economy retailing petrol at prices translating to over Rs 150 per litre in rupee terms. The average for the European Union countries is Rs 179 per litre of petrol and Rs 184 per litre of diesel. Most of India's neighbouring countries are also selling fuels at higher prices, with petrol retailing at over Rs 135 per litre in Pakistan, Myanmar, Nepal and Sri Lanka, and diesel at Rs 125 or more. As per their estimation, the global weighted average of increases amid the West Asia crisis is 22.4% for petrol and 27% for diesel.

"India, therefore, prices petrol and diesel at or below most of the developing world and at roughly half the European pump, while still raising (prices) less than any non-subsidising peer through the present disruption. Every other

major importing economy has passed on the cost to its consumers... India has not. The Indian revision of just over Rs 7 a litre... is the smallest material upward movement of any major economy outside the directly subsidising Gulf producers," said a source.

The Indian crude oil basket, which averaged \$70 per barrel last year, averaged over \$114 in April; in May, it has averaged at about \$108 per barrel so far. Refiners are incurring high additional costs due to emergency sourcing from the spot market and surging shipping and insurance rates. Oil imports in 2025-26 stood at about \$135 billion. If oil prices sustain at \$100 in the current fiscal and import volumes don't fall, the oil import bill could be upwards of \$200 billion for the year.

The crisis has put the OMCs under severe financial stress. On May 12, Petroleum Minister Hardeep Singh Puri had said that the combined losses of the three refiners-cum-fuel retailers were projected at Rs 1 lakh crore in the April-June quarter if prices stayed where they were, enough to wipe out their collective profits for the entire 2025-26 (FY26).

Before hiking retail fuel prices, the government had slashed excise duty by Rs 10 per litre on petrol and diesel late March to blunt the impact of high international prices on the OMCs, but the retailers continue to bleed. The excise duty cut has resulted in the government foregoing revenue of about Rs 14,000 crore a month.

Oil shock: Petrol crosses ₹102

Finance Minister warns that rising fuel pressures could challenge economic stability

RAJESH KUMAR ■ New Delhi

Petrol and diesel prices were hiked for the fourth time in 11 days amid the ongoing West Asia crisis. Petrol and diesel prices were raised by ₹2.61-2.71 per litre on Monday, marking the fourth increase in less than two weeks as State-run Oil Marketing Companies (OMCs) retailers continued to pass on rising international oil prices to consumers. With this revision, petrol will now cost ₹102.12 per litre in Delhi. Similarly, diesel will now cost ₹95.20 per litre from ₹92.49 in the national Capital.

The latest increase in fuel prices is expected to add to the financial burden on commuters, transport operators and businesses across sectors. Notably, crude oil prices fell more than 4 per cent in futures trade on Monday amid growing optimism over a possible breakthrough between



A worker updates the revised prices of petrol and diesel at a petrol pump in West Bengal

the US and Iran that could pave the way for reopening the Strait of Hormuz. The repeated hikes come against the backdrop of elevated global crude oil prices and a weakening rupee, both of which have raised import costs for oil marketing companies.

Petrol and diesel prices were increased on May 15 by Rs 3 per litre each, and on May 19 by 90 paise a litre. This was followed by an 87-paise per litre increase in petrol and a 91-paise hike in diesel rates on May 23. After Monday's increase, petrol at State-run OMC pumps in

Mumbai now costs ₹111.21 per litre and diesel ₹97.83, while prices in Kolkata rose to ₹113.51 and ₹99.82, respectively. In Chennai, petrol is priced at ₹107.77 and diesel at ₹99.55. Prices vary across States due to local taxes.

CONTINUED ON >> P4

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Oil shock: Petrol crosses ₹102

As India imports nearly 85-90 per cent of its crude oil requirements, it has been among the worst affected by the surge in crude oil prices. State-owned Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) together control 90 per cent of India's fuel market.

According to Sujata Sharma, Joint Secretary in the Ministry of Petroleum and Natural Gas, the four rounds of petrol and diesel price hike, totalling about ₹7.5 per litre, have trimmed the losses for State-run OMCs to close to ₹600 crore per day. The losses on sale of petrol, diesel and domestic cooking gas LPG were about ₹1,000 crore per day before the start of the May 15 cycle of price revision.

The May 15 increase came after the ruling Bharatiya Janata Party (BJP) expanded its electoral footprint by winning three of five state and UT elections, including West Bengal.

Oil marketing companies rally as crude falls sharply

PIONEER NEWS SERVICE
■ New Delhi

Shares of oil marketing companies, including BPCL and HPCL, ended higher on Monday, following a sharp correction in crude oil prices and a fresh hike in petrol and diesel prices.

Brent crude, the primary benchmark for global oil prices, fell more than 5 per cent after the US and Iran agreed in principle to reopen the Strait of Hormuz.

Shares of Bharat Petroleum Corporation Ltd (BPCL) climbed 4.30 per cent to end at ₹308.25 on the BSE. During the day, the stock advanced 4.55 per cent to hit an intraday high of ₹309.

Hindustan Petroleum



Corporation Ltd (HPCL) stock settled at ₹403.40, up 3.52 per cent, on the BSE. During the day, it jumped 5.86 per cent to hit the day's high of ₹412.55.

Indian Oil Corporation (IOC) rallied 3.15 per cent to ₹143.90. Intraday, the company's stock advanced 4.15 per cent to ₹145.30.

"At the sectoral level, oil marketing companies (OMCs) continued witnessing strong momentum following recent petrol and diesel price hikes. Stocks such as IOC, BPCL, and HPCL gained sharply as higher retail fuel prices, combined with moderating global crude oil costs, significantly

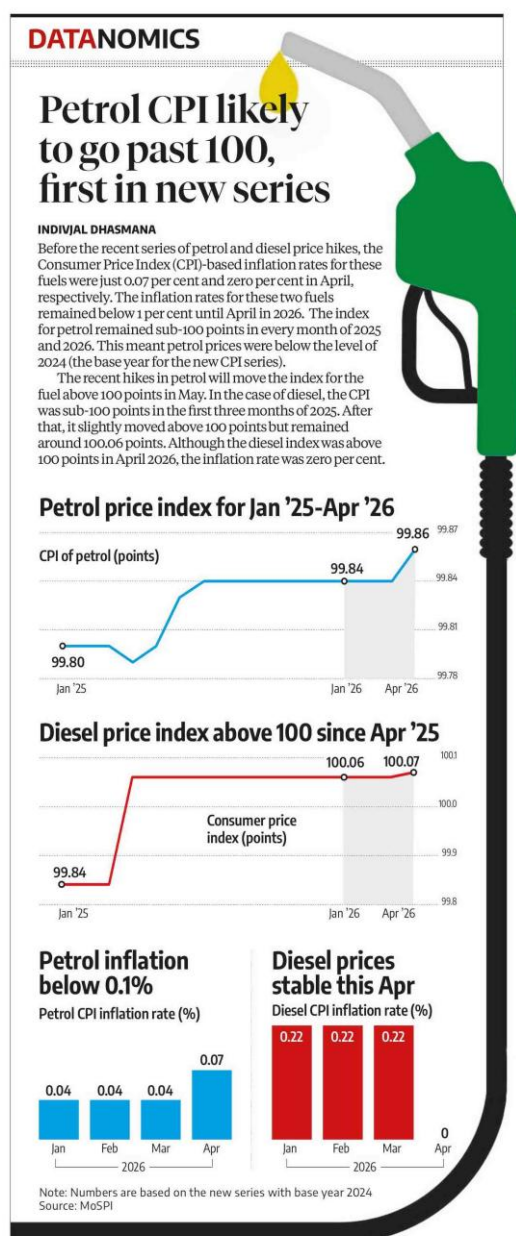
improved near-term refining and marketing margin expectations," said Hariprasad K, Research Analyst and Founder, Livelong Wealth.

Brent crude, the global oil benchmark, tanked 5.53 per cent to \$97.81 per barrel.

Petrol prices were raised by ₹2.61 a litre and diesel by ₹2.71 on Monday, the fourth increase in less than two weeks that extended a delayed pass-through of soaring global crude oil costs triggered by the Iran conflict.

The latest increase took cumulative hikes since May 15 to nearly ₹7.5 per litre.

The hike came as global oil prices fell sharply amid hopes of a potential deal to end the US-Israel war on Iran.



Fuel prices hiked for fourth time in two weeks

SHUBHANGI MATHUR
New Delhi, 25 May

Oil marketing companies (OMCs) on Monday raised petrol and diesel prices by ₹2.61 a litre and ₹2.71 per litre, respectively, announcing such a measure for the fourth time in less than two weeks to pare losses from soaring crude prices.

With the latest revision, non-branded petrol in Delhi breached the ₹100-a-litre mark to cost ₹102.12 a litre. Diesel costs ₹95.20 a litre. Petrol prices have increased by ₹7.38 a litre and diesel by ₹7.52 since May 15.

In May, the state-owned companies hiked fuel prices for the first time in four years as they were making an under-recovery of ₹1,000 crore per day on the sale of petrol, diesel, and LPG cylinders.

OMCs have in the past nine days raised fuel prices piecemeal: ₹3 a litre on May 15 and by 90 paise a litre on May 19. Petrol and diesel prices were hiked again by 87 paise a litre and 91 paise a litre, respectively, on May 23.

The companies are under financial stress from selling fuel at comparatively lower prices, even as crude oil hovers above \$100 a barrel since the beginning of the West Asia crisis, as compared to around \$80 a barrel prior to the conflict.

Following the latest price hike, OMCs' under-recovery on sale of petrol, diesel, and liquefied petroleum gas (LPG) cylinders has come down to less than ₹600 crore a day, said Sujata Sharma, joint secretary at Ministry of Petroleum and Natural Gas (MoPNG). This compares with under-recovery of ₹1,000 crore a day before the price hikes.

GOVT HAS AMENDED LPG RULES SO THAT CONSUMERS SWITCHING TO PNG CAN GET TRANSFER VOUCHERS FOR RESTORATION OF CONNECTIONS

"The crude which was available at \$60-\$70 a barrel pre-conflict has seen fluctuations as high as \$120 a barrel and is currently hovering at around \$106 a barrel. Price of Saudi contract price (CP), the price at which we buy LPG, has doubled to \$780 per tonne from \$385 per tonne," said Sharma.

Experts believe that the possibility of another fuel price hike could not be ruled out as OMCs are still incurring significant losses. Sharma said India has increased prices for motor spirit (MS) or petrol by 7.7 per cent and high-speed

diesel by 8.6 per cent, respectively, compared to hikes in the range of 22 per cent for MS and 27 per cent for HSD globally.

"Will this be the last hike or could there be more coming? One cannot tell now as presently the global price of crude has come lower than \$100/barrel. But this can change depending on the possible agreements reached between USA and Iran," said Madan Sabnavis, chief economist at Bank of Baroda.

The four fuel price hikes could cumulatively add about 35 basis points (bps) to inflation, with the effect spread across May and June, said Gaura Sen Gupta, chief economist at IDFC First Bank, adding that the maximum effect on inflation would likely be seen from June onwards. Gupta added that the May CPI print could cross 4 per cent if there are second-round effects, while

June inflation could track close to 4.5 per cent. The fuel hikes could have a direct impact of around 35 to 40 bps on the CPI, said Sabnavis. He noted that the direct effect would show up first, while the full transmission would depend on how transportation costs filter through.

"So we can say the direct impact will be around 35 to 40 bps and maybe 60 to 80 bps in case of full transmission in the secondary and tertiary segments also," he added. Meanwhile, the government on Monday amended the Liquefied Petroleum Gas (Regulation of Supply and Distribution) rules to allow consumers surrendering their LPG connections to obtain transfer vouchers for future restoration of LPG connections in non-PNG areas.

(With inputs from Himanshi Bhardwaj)

Hormuz fears open new energy lane between India, Canada

Q&A When **Chris Cooter** arrived in New Delhi last August as Canada's High Commissioner to India, the bilateral relationship was still emerging from a diplomatic trough marked by expulsions, suspended trade talks, and frozen consular services. In an interview with **Peerzada Abrar**, he discusses energy infrastructure timelines, the durability of the uranium deal, pension fund flows, and emerging cooperation in artificial intelligence and space. Edited excerpts:

Canadian Prime Minister Mark Carney's March 2026 visit produced a 62-paragraph joint statement, a \$2.6 billion uranium deal, and Comprehensive Economic Partnership Agreement (Cepa) Terms of Reference. What does the relationship feel like now compared with when you arrived last August? And is there a risk this momentum is too dependent on prime ministerial visits?

■ I think it's possible that there are no two countries with so much potential and so little fulfilled between them as Canada and India. We've turned the dial 180 degrees. But we're not resetting the relationship — we're building a new one.

Carney has said we are going to diversify our partnerships because of uncertainty with the US — uncertainty over trade and across the board. It happens that the push created by difficulties with the US aligns quite well with the pull of India. If you look at energy, you mentioned the \$2.6 billion uranium deal. We are the second- or third-largest producer of uranium.

India wants to go from 8 gigawatt

of nuclear-generated clean energy to 100. We have the uranium and the technology to support that. We also have enormous oil reserves. We have the fourth-largest oil reserves in the world, rank fifth in liquefied natural gas (LNG), and fifth in liquefied petroleum gas (LPG). Yet we've sold India practically nothing. We have had almost no engagement with India in those sectors.

We are building infrastructure on Canada's west coast that will allow us to shift from selling primarily to the US to also supplying Asia, and India in particular. That aligns well not only with India's growing energy demand, but also with the fallout from the Gulf conflict. No country wants to be overly dependent on a single market or supplier.

We are also planning to spend an extra \$500 billion on defence between now and 2035. We need a partner like India for cooperation, procurement, and joint ventures.

Five per cent of Canada's population traces its origins to India. We have 400,000 Indian students in Canada — more than all of Europe,



the UK, and Australia combined, and more than in the US. This relationship is not dependent solely on the Prime Minister or a joint statement. There is strong interest on both sides in building something much deeper and broader than we have ever had before.

The escalating West Asia conflict has revived fears around the Strait of Hormuz. With west coast infrastructure coming online, what specific volumes and timelines can Canada realistically offer India?

■ We already have a pipeline to the west coast. Once it is expanded slightly over the next few months, it will be able to deliver about 1 million barrels a day. Canada produces about 6 million barrels a day. India, by the way, imports about 6 million barrels a day.

If you look at LNG, Canada only recently began exports from Prince Rupert. We are looking at reaching 50

million tonnes (mt) a year by 2030, with expectations that capacity could eventually rise to as much as 100 mt a year. India currently imports about 50 mt annually. Conceivably, depending on economic viability, a substantial portion could come from Canada. At the very least, India would gain a secure supply option.

Right now, many investors are holding back because of uncertainty surrounding the Gulf conflict and the global trade system. We are trying to insulate our relationship with India from those risks by providing a reliable source of supply. One thing we would like from India is greater investment in Canada — including in supply chains, infrastructure, and mining.

With Cepa Round 2 having concluded in New Delhi, and Round 3 scheduled in Ottawa in July, India's dairy sector, services sensitivities, and Canada's supply-managed agricultural sectors have derailed previous attempts. Are those landmines still in the room?

■ My reading of the second round of negotiations is that they were quite positive. Nothing stands out as something we cannot resolve.

The two Prime Ministers committed to completing the agreement in 2026 in their joint statement. In fact, they reiterated that commitment twice, including on the sidelines of the G20 in November. We

need to send a signal that both countries are open to greater trade, investment, and mobility. I am quite confident both on the technical side and in terms of the broader political framing that things are moving well.

The CAD \$2.6 billion Cameco-Department of Atomic Energy agreement covers 22 million pounds of uranium between 2027 and 2035. But the 1974 Pokhran test led Canada to suspend nuclear cooperation for decades. How confident are you that this agreement is durable? And beyond fuel supply, is Canada interested in helping build nuclear capacity in India — including small modular reactors?

■ We have a long history. I think we are past that phase. We now have a government led by a Prime Minister who is highly pragmatic. India has the technology and a rapidly growing need for clean energy, which nuclear power can provide. Canada will soon have the world's first operational small modular reactor, but we also possess several other advanced nuclear technologies. We have an entire ecosystem of highly skilled and experienced nuclear technology companies.

We also have a bilateral agreement in place dating back to 2015. What we now need to focus on are the specifics. Beyond fuel supply, what exactly can we do together on technology? But I would say the door is open.

Time to stop slipping on oil

Renewable energy can make India resilient to oil shocks

ILLUSTRATION: BINAY SINHA



T N NINAN

The whole world, India included, will have breathed easier following the announcement that the United States and Iran have come close to an initial agreement. Hopefully, that should extend the ceasefire and reopen the Strait of Hormuz for shipping. No details are available at the time of writing, and one cannot be certain that there won't be more blips on the way to a deal — or deals, since a preliminary one is likely to need follow-up agreements with difficult details. So the release of tension is probably accompanied by people also holding their breath!

Sunday's announcement should help lower the prices of oil, gas and other critical commodities like urea. But even if a deal is actually reached, it will take months for the situation to return to the pre-war normal. Still, the world economy will have avoided the sharp slowdown that seemed a real prospect last week. India, hugely dependent on imports of both oil and gas, as well as urea and other commodities produced in the Gulf area, will be particularly relieved.

The country has had a crisis-prone history associated with oil price shocks, one that is worth a brief recount in order to underline the need to avoid repeating that history. For, every oil price spurt so far has led to an economic crisis that, in turn, has provoked political change. This was true of the first oil shock of 1973, which quadrupled oil prices almost overnight, from \$3 per barrel to \$12. Inflation soared to 30 per cent, and the Opposition was able to force Indira Gandhi on to the back foot. The chain of events led to India's only experience with dictatorial "Emergency" rule.

The second oil shock, in 1979, saw oil prices double

to \$23.50 per barrel, with prices in the spot market surging to \$40. India's shell-shocked economy shrank by an unprecedented 5 per cent. The government fell, and Indira Gandhi returned to power. The third oil shock of 1990, caused by Saddam Hussein's invasion of Kuwait, was less severe and lasted barely six months, yet it provoked a foreign exchange crisis. That triggered a positive outcome: Widespread economic reforms by (you guessed it) a new government.

Finally, the oil shock of 2012 saw oil prices reach \$125 per barrel and stay above \$100 till 2014. That led to a surging current account deficit, and the rupee getting famously grouped with the "Fragile Five". That more or less sank an already embattled Manmohan Singh government, and (along with other factors) helped bring Narendra Modi to power. His government began on a lucky note. Oil prices halved to \$50 by 2015, and fell further to an average of \$44 per barrel in 2016. That boosted economic growth to over 8 per cent for a couple of years.

It is this historical vulnerability to oil shocks that caused the US-Iran war to provoke worries among Indian consumers and policymakers, not just about oil prices (up 50 per cent and more) but also about the assured supply of gas and urea. The grim prospect was of higher inflation, lower growth, a higher current account deficit, and a bigger fiscal deficit. Those four horsemen may still show up, but it won't be the crisis that some had feared.

The averted crisis should provoke thought about the steps required to insulate the economy from external shocks. Past attempts have focused on finding domestic oil and gas, with very modest results; import dependency has increased to 90 per cent for oil and about 50 per

cent for gas. Now, for the first time in our history, solar and wind energy offer an alternative solution, not just because of their enormous generation potential, but also because they are now competitive when compared to new coal-based power plants. Indeed, solar energy may be competitive even after considering storage costs, thereby reducing the need for back-up power.

Renewable energy generation has already grown by leaps and bounds, and now accounts for about a quarter of electricity generation. The ambitious target is to raise that share to 50 per cent by 2030. Even that should be only a mid-term goal, for non-fossil-based electrification has the potential to grow even further.

In broad terms, India should aim to become an electro-state. The railways have already electrified virtually all their traction. But the electrification of road transport (though competitive, compared to petrol and diesel) has made slow progress compared to other countries, with relatively few public charging stations installed. Domestic cooking should be electrified too, reversing the push for gas-based cooking. Many industrial processes that currently rely on hydrocarbons could also switch to electricity, as China has done on a massive scale. The need for oil and gas will not disappear, but the dependence can be reduced enough to make the economy resilient to West Asian tremors.

Such a drive is likely to have much greater potential, and meet with greater success, than the government's renewed stress on coal. For instance, coal-based fertiliser plants have been tried in the past, didn't do well and had to be shut down. And coal gasification, another policy thrust, will require massive quantities of water at a time when the country is already water-stressed.

A renewable energy drive will have a critical impact on India's external balances. The country's large and growing deficit in trade in goods (a massive 8 per cent of gross domestic product or GDP in 2025-26) has been covered for the most part by the surplus on trade in services (5 per cent of GDP). The composite trade deficit of 3 per cent of GDP is almost entirely on account of oil and gas, and would more or less disappear if their imports could be sharply reduced.

The country would then be less dependent on capital inflows, which so far have been a reliable feature and helped to double foreign exchange reserves over the past decade to a peak of some \$730 billion. But foreign portfolio investors, once enthusiastic about the Indian stock market, have pulled out as much as \$45 billion in the last 18 months, while net foreign direct investment has shrunk dramatically. The rupee reflects this external weakness, even as the Reserve Bank's foreign exchange reserves have fallen by \$40 billion to \$688 billion. The currency weakness has further affected India's appeal to foreign investors. India needs to be made a more attractive destination. A more hydrocarbon-proof economy will take the country a big step closer to that goal.

The author is former editor and chairman of *Business Standard*

Oil companies' losses down to Rs 600 cr per day following fuel price hikes

PRESS TRUST OF INDIA

NEW DELHI, MAY 25: The four rounds of petrol and diesel price hike, totalling about Rs 7.5 per litre, have trimmed the losses state-owned oil firms were incurring from selling fuel below cost to close to Rs 600 crore per day, Sujata Sharma, Joint Secretary in the Ministry of Petroleum and Natural Gas, said on Monday. The losses on sale of petrol, diesel and domestic cooking gas LPG were about Rs 1,000 crore per day before the start of the May 15 cycle of price revision.

"It (losses) is slightly less than Rs 600 crore per day," she said. These losses include those from the sale of domestic LPG as well. LPG sold to domestic households is a subsidised product, and the difference between the cost and retail selling price is made good by the government. Petrol and diesel, on the other hand, are deregulated products whose pricing is market-determined. The losses on these products accumulated after state-owned oil companies kept retail rates frozen despite the war in Iran pushing up input crude oil prices by over 50 per cent.

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ECONOMY **PAGE 2**

**NEW IIP SERIES
TO COVER RARE
EARTH AND GAS**



THE NEW SERIES of the Index of Industrial Production (IIP) is set to substantially expand the coverage by incorporating minor and rare earth minerals, gas supply, water supply, sewerage, and waste management sectors, according to the government, reports **Kuldeep Singh**.

BASE YEAR UPDATED TO 2022-23 FROM 2011-12

New IIP series set to cover rare earth, gas

KULDEEP SINGH
New Delhi, May 25

THE NEW SERIES of the Index of Industrial Production (IIP) is set to substantially expand the coverage by incorporating minor and rare earth minerals, gas supply, water supply, sewerage, and waste management sectors, according to the Ministry of Statistics and Programme Implementation (MoSPI).

The statistics ministry will release the revised IIP with 2022-23 as the new base year, replacing the earlier 2011-12 series, on June 1. This marks the third major high-frequency economic indicator to undergo a base year revision after GDP and the Consumer Price Index, aiming to present a more accurate and contemporary picture of India's industrial performance.

In a major overhaul, the item basket and weights have been comprehensively revised by adding relevant commodities and removing outdated ones. The updated basket now consists of 1,042 products mapped to 463 item groups. The revised IIP is aligned with the National Industrial Classification (NIC-2025), ensuring greater consistency with other official statistical systems.

The updated series introduces enhanced granularity with new sub-indices. Electricity now has separate indices for generation from renewable and non-renewable sources.

INDUSTRIAL DATA OVERHAUL

■ New series set for release on June 1 to reflect a more contemporary industrial structure

■ Item basket overhauled: **1,042** products mapped to 463 item groups

■ Outdated items removed and new commodities added to improve representativeness



■ Granularity introduced: Electricity split into renewable vs non-renewable

■ Closed or structurally altered factories to be replaced

The Mining and Quarrying sector has been divided into three sub-indices covering Fuel Minerals, Metallic Minerals (including Rare Earth Minerals), and Non-Metallic Minerals (including Minor Minerals).

Methodological improvements have also been implemented, the MoSPI said. Factories that are permanently closed or have significantly changed their production lines will be replaced with comparable units. The panel of factories will be strengthened by including newly commissioned large-scale units that begin production during the life of the series.

For linking the old 2011-12 series with the new 2022-23 series, the Geometric Mean method will be used, with link-

ing factors calculated at the level of the General Index and Sectoral Indices.

On the price deflator front, the Technical Advisory Committee on IIP has recommended using the Output Producer Price Index (PPI) as the preferred deflator once it becomes available. Until then, the Wholesale Price Index (WPI) will continue as an interim measure.

The first release of the new series will provide index numbers from April 2023 onwards, including the quick estimate for April 2026. Along with the All-India General Index, the release will include sector-wise indices for Mining and Quarrying, Manufacturing, Electricity & Gas Supply, and Water Supply, Sewerage & Waste Management.

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Oil slides to 2-week low

OIL PRICES FELL about 5% to two-week lows on Monday as optimism grew that the United States and Iran were moving closer to a peace deal that would reopen the Strait of Hormuz, even though Washington and Tehran played down hopes for an imminent breakthrough.

Brent crude futures were down \$4.97, or 4.8%, at \$98.57 a barrel at 15:19 GMT (20:49 Indian Standard Time) and US West Texas Intermediate futures were down \$4.85, or 5%, at \$91.75. Both contracts traded at their lowest since May 7. "Even though it's not done, there seems to be some hope that we will start to get some oil moving through the Strait of Hormuz," said Phil Flynn, senior analyst with Price Futures Group. Even if a peace deal is reached, analysts expect a return to normal oil flows through the Strait will take months, while damaged oil and gas facilities are repaired.

—REUTERS

US-Iran peace hopes bring back the bulls

● Indices rally over 1%, m-cap swells ₹5.86 lakh crore

KUSHAN SHAH
Mumbai, May 25

EQUITY MARKETS GAINED sharply on Monday as hopes of a US-Iran peace deal pushed crude oil prices lower, boosting investor sentiment. Benchmark indices, the Sensex and the Nifty, rose 1,074 points (1.42%) and 312 points (1.32%), respectively.

The rally extended to the broader market as well. The BSE MidCap index gained 386 points (0.83%) to close at 46,992.18, while the BSE SmallCap index advanced 696 points (1.33%) to 53,095.80.

Market breadth remained positive for a fifth consecutive session, with 2,785 stocks advancing against 1,535 declining, translating into an advance-decline ratio of 1.81. Investor wealth increased by ₹5.86 lakh crore during the session.

Both foreign portfolio

CHEER ON STREET

SENSEX
Intra-day, May 25



investors (FPIs) and domestic institutional investors (DIIs) were net buyers. FPIs purchased equities worth ₹822 crore on a net basis, while DIIs bought shares worth ₹3,857 crore, according to BSE data.

Vinod Nair, head of research at Geojit Investments, said markets gained momentum on expectations

of a US-Iran deal, though global sentiment remains uncertain given the rapidly changing geopolitical situation. He attributed the rally in large-cap stocks to attractive valuations relative to long-term averages, while financial stocks benefited from strong fourth-quarter earnings.

Vikram Kasat, head of advi-

sory at PL Capital, said gains in financials, oil marketing companies, automobile stocks and other interest rate-sensitive sectors lifted market sentiment. A stronger rupee, supportive global cues and expectations of policy stability also aided the rally, he added.

Continued on Page 10

US-Iran peace hopes bring back the bulls

GOING FORWARD, KASAT expects market direction to depend on crude oil prices, geopolitical developments, foreign institutional flows and domestic macroeconomic indicators.

"On the macro front, global bond yields softened modestly, while rupee depreciation appears to have stabilised, aided by RBI commentary highlighting that the currency is undervalued. However, it is still early to confirm a sustained trend. The durability of the current momentum will depend on a credible de-escalation of geopolitical tensions and continued stability in crude oil prices," Nair added.

From a technical perspective, Nandish Shah, deputy vice-president at HDFC Securities, said the Nifty has decisively crossed the key resistance level of 23,800, resulting in a breakout from its recent consolidation phase. He expects the next resistance levels at 24,370 and



24,600, while 23,800 is likely to act as immediate support.

Sectorally, 23 of the 25 BSE indices ended in positive territory. Banking and financial services stocks led the gains. Hospitals and FMCG were the only sectors to close marginally lower. Among individual stocks, major gainers included Bajaj Finance, Larsen & Toubro, HDFC Bank, Eternal and Bajaj Finserv. IT majors Infosys and TCS, along with Hindustan Unilever and Sun Pharma, were losers.

India turns to Latin America, Africa for oil after Hormuz crisis

Reuters

feedback@livemint.com

NEW DELHI: Indian refiners turned to imports from Latin America and Africa after supplies from the West Asia were disrupted as the Israeli-US war on Iran restricted shipping in the Strait of Hormuz, data provided by trade sources show.

Refiners in the world's third-largest oil importer and consumer bought most of their crude from the nearby West Asia until the war broke out at the end of February.

In April and May, Indian refiners raised imports from Venezuela, Brazil, Angola and Nigeria to make up the shortfall, as well as continuing to buy Russian oil, preliminary data from Kpler show.

Last month, India skipped purchases from Iraq as exports were halted, while it received Iranian oil after a gap of seven years following a temporary waiver granted by Washington to help stabilise global oil prices.

New Delhi reduced imports from Russia by about 29.4% from March to 1.6 million barrels



India raised oil imports from Venezuela, Brazil, Angola and Nigeria. ISTOCKPHOTO

per day (bpd) as Nayara Energy shut its 400,000-bpd refinery for maintenance, the data showed.

However, in May, India is due to get about 1.9 million bpd of Russian oil and about 41,000 bpd of Iraqi oil, preliminary data from Kpler showed.

Overall, India imported 4.57 million bpd oil in April, unchanged from March, but down 15.5% from a year earlier, the data showed.

Imports from the United Arab Emirates (UAE) rebounded in April to 669,700 bpd from

230,600 bpd in March while intake of Saudi Arabian oil stayed at about 619,500 bpd, the data showed.

The UAE and Saudi Arabia are the only Gulf producers with pipelines that export crude bypassing the Strait of Hormuz, while Kuwait, Iraq, Qatar, and Bahrain rely on the waterway for shipments.

The share of the Organization of the Petroleum Exporting Countries, including the UAE as its member during the month, in India's imports rose to 45.2% in April from about 30% in March, the data showed.

The UAE exited OPEC in May, freeing it from oil output quotas.

Higher imports from the UAE helped arrest a decline in the West Asia's share of India's imports, while the share of Russian oil declined to about 35% from nearly 50%.

Russia remained India's top oil supplier, followed by the UAE and Saudi Arabia. Brazil was the fourth-largest supplier, while Venezuela ranked fifth. Venezuela is on course to become the fourth-largest supplier in May, Kpler data showed.

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QUICK EDIT

Let prices adjust

State-run fuel retailers raised prices of petrol and diesel for the fourth time in less than a fortnight on Monday. This takes their cumulative post-oil-shock increase in the price of each of these two fuels to about ₹7.5 per litre. Despite the hikes, public sector oil marketing companies are losing a little under ₹600 crore per day on their sales, according to Sujata Sharma, joint secretary at the ministry of petroleum. Sure, fuel retailers made outsized profits last year, when prices weren't cut despite crude oil costing less globally, but more money could now be lost within a quarter, given this year's bills, the ministry added. Fuel price hikes are a hot-button issue in Indian politics, as they don't just stoke inflation, but are widely seen as a public-policy decision more than a market necessity or business imperative. It would be better to snap this legacy link between populism and economic policy. State intervention in crisis time can be justified in favour of stability and the West Asia war has been an exceptional blow to the economy. But oil usage needs compression globally and bills need to be widely shared for fuel prices to do their market job. A bullet boldly needs to be bitten on this reform.

Oil slides as ships move toward Hormuz

Georgi Kornichev &
Natalia Tikhonova

An agreement between the U.S. and Iran that reopens the Strait of Hormuz to shipping promises to knock down oil prices and ease the upward pressure on costs for transport, manufacturing, food and consumer fuels across the world.

But the full benefits of a deal would be uneven and take time to filter through. It will take a while to clear out the bottleneck in the strait, and shippers said they would need to see an extended period of calm before they are confident enough to sail normally through it.

A U.S. official said Sunday there is an agreement in principle under which Iran would reopen the Strait of Hormuz, but President Trump indicated a signed deal could take time, and that both sides had to get it right.

Brent crude oil futures were down 5.2% to \$94.39 a barrel in overnight trading, while front-month West Texas Intermediate crude oil futures dropped 5.7% to \$91.08 a barrel. Equity markets across most of the Asia-Pacific region advanced.

Seafarers said Sunday that some ships stuck in the Persian Gulf already have started moving toward the strait in anticipation of a deal that opens the critical waterway. The route out of the oil-rich Gulf is typically the conduit for about 20% of the world's petroleum supply.

A reopening would reduce inflation pressures. That, in turn, would support household spending and corporate margins. It would also give central banks, including the Federal Reserve, more room to hold rates steady or even revive rate-cut plans.

Still, it would be difficult to return energy supplies to their prewar level quickly given the damage to facilities, halted oil production and tanker obstacles to shipping through Hormuz, said Hamad Hussain, commodities economist at Capital Economics.

"All of this will keep oil prices elevated for some time—prices would only start to trend lower as and when the supply-demand balance in the oil market materially improves, which is likely to be well into 2027," Hussain said.

In addition, fuel prices could take longer to decline than crude oil prices because of depleted inventories and damage to production facilities. Global stockpiles—which governments rushed to drain as Middle Eastern supplies dried up—have fallen at a record pace since the start of the war. They plunged by 250 million barrels over March and April, according to the International Energy Agency, a Paris-based club of energy-consuming nations. A deal would



Seafarers remain cautious and production facilities will take time to be restored. REUTERS

stop the bleeding, but the world then has to refill depleted tanks.

A framework deal for talks between the U.S. and Iran "reduces the risk of escalation and increases the chance the conflict would be over, which could start the path to rebuilding, repositioning and reopening of key supply chains," said Rachel Ziemba, an adjunct senior fellow at the Center for a New American Security, a Washington-based think tank.

But, she said, that depends on whether the deal is merely another cease-fire extension or the start of a more lasting settlement. "A lot depends on the terms," she said.

The deal that was coming together over the weekend would extend the current cease-fire while the two sides reopen the Strait of Hormuz and begin talks on Iran's nuclear program.

Assuming shipping traffic through Hormuz picks up in June, the U.S. Energy Information Administration recently forecast that the price of international benchmark Brent crude will average \$89 a barrel at the end of this year and \$79 in 2027. The price started this

year around \$60.

The conflict already has disrupted more than a billion barrels of supply. Shipping, insurance and freight costs are likely to normalize more slowly than crude prices as shipowners and underwriters will need proof that Hormuz is physically safe—with mines cleared, attacks stopped and any new regime for managing the strait clarified—before they treat Gulf voyages as normal again.

The chief executive of Adnoc, the state-owned energy corporation of the United Arab Emirates, said recently that even if the conflict ends immediately, flows through Hormuz would take at least four months to reach 80% of prewar levels. Full flows, he said, wouldn't return before the first or second quarter of next year.

The conflict has also left a hefty repair bill. Rystad Energy estimates that war-related repair and restoration costs for energy-linked assets in the region would carry a price tag of as much as \$58 billion.

FOR BLOOMBERG VIA REUTERS
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Publication : Mint	Editions : New Delhi
Date :26 May 2026	Page : 2

India turns to Latin American, African oil after Hormuz blockade

New Delhi: Indian refiners turned to imports from Latin America and Africa after supplies from the Middle East were disrupted as the Israeli-US war on Iran restricted shipping in the Strait of Hormuz, data provided by trade sources show. Refiners in the world's third-largest oil importer and consumer bought most of their crude from the nearby Middle East until the war broke out at the end of February.

REUTERS

Saudi Arabia, other Gulf nations must normalise ties with Israel to reach deal with Iran, says Trump

Agence France-Presse
WASHINGTON

U.S. President Donald Trump on Monday said Saudi Arabia and other Gulf nations must normalise ties with Israel as part of efforts to reach a deal with Iran, adding fresh uncertainty into protracted peace negotiations.

Progress over a deal to end the conflict that broke out in late February has slowed as both sides talked

down the prospect of an imminent agreement, with the Islamic Republic saying that they were not close to signing and Mr. Trump warning he was in no hurry.

Abraham Accords

In another hurdle for any deal, the U.S. leader said it should be mandatory for Qatar, Pakistan, Egypt, Turkiye, and Jordan to sign up to the Abraham Accords, a set of agreements

brokered in 2020 with nations historically hostile to Israel.

"After all the work done by the United States to try and pull this very complex puzzle together, it should be mandatory that all of these Countries, at a minimum, simultaneously, sign onto the Abraham Accords," Mr. Trump wrote in a social media post.

DEAL NOT CLOSE: IRAN
» PAGE 14

Iran says progress on several issues, but agreement with U.S. not yet close

Tehran talks down hopes of imminent peace deal with U.S.; Iran official says 'conclusion reached on a large portion of the issues under discussion'; Iranian state media reports officials on a visit to Qatar as part of 'diplomatic process' to end war

Agence France-Presse
TEHRAN

Iran warned on Monday that, while some progress had been made, it was not yet close to striking a deal with the United States to end the war in West Asia, after a weekend of mixed messages from Washington and Tehran.

World oil prices tumbled on renewed optimism about an agreement, after top U.S. diplomat Marco Rubio suggested a deal could be reached within the day but a top Iranian official responded: "No one can make such a claim."



Beneath the calm: Vessels sailing through the Strait of Hormuz, as seen from Musandam, Oman, on Monday. REUTERS

"We thought we might have some news last night, maybe today," U.S. Secretary of State Rubio told reporters during a visit to New Delhi, referring to hopes for a deal.

But in Tehran, Foreign Ministry spokesman Esmail Baqaei poured cold water on hopes for a quick final settlement.

"It is correct to say that we have reached a conclu-

sion on a large portion of the issues under discussion," he told a weekly news briefing. "But to say that this means the signing of an agreement is imminent – no one can make such a claim."

Service fees in Hormuz

Mr. Baqaei stressed that Iran would continue to manage maritime traffic through the Strait of Hormuz by charging service fees. "The services that are provided – navigational services in addition to the measures necessary to protect the environment of the Strait of Hormuz, the Persian Gulf and the Sea of Oman – require the collec-

tion of certain fees," he said.

Earlier, U.S. President Donald Trump had said that he had told his negotiators "not to rush into a deal, in that time is on our side", and warned that the U.S. naval blockade would remain in place until a deal was reached.

Meanwhile, Iran's top negotiator Mohammad Bagher Ghalibaf arrived in Qatar on Monday, state media reported. A delegation headed by "Mr. Ghalibaf, travelled to Doha today. This trip comes as part of the diplomatic process", said the official IRNA news agency, adding that talks will be held to end the war

Go short on natural gas contract now at ₹274

Gurumurthy K
bl. research bureau

Natural gas prices have come down in the past few days. The natural gas futures contract traded on the Multi-Commodity Exchange touched a high of ₹303.4 per mmBtu on Wednesday last week, and tumbled about 10 per cent from there.

It is currently trading at ₹274.

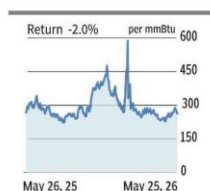
COMMODITY CALL.

The fall below ₹280 is a negative, which indicates that the upmove in place since late April this year has reversed.

The region around ₹280 will now act as a good resistance.

As long as the contract stays below ₹280, the bias will remain negative. The contract could fall to ₹255 in the short term.

To avoid this fall, the con-



tract has to rise above ₹280 first, and then get a subsequent break above ₹290. Only then will the upside remain open to see ₹300 and higher levels. But such a strong rise looks less likely.

TRADE STRATEGY

Traders can go short now at ₹274. Add more shorts on a rise at ₹278. Keep the stop-loss at ₹284.

Trail the stop-loss down to ₹271 as soon as the contract falls to ₹268.

Revise the stop-loss down to ₹267 and ₹264 when the price touches ₹265 and ₹261, respectively.

Exit the shorts at ₹258.



Publication : The Hindu Business Line

Editions : New Delhi

Date :26 May 2026

Page : 10

**Crude oil at 2-week low as
US, Iran deal gains pace**

London: Crude oil prices fell about 5 per cent to two-week lows as optimism grew that the US and Iran were moving closer to a peace deal. Brent crude futures were down \$5.04 at \$98.50 a barrel at 1327 GMT. US WTI futures were down \$4.82 at \$91.78. Both contracts traded at their lowest since May 7. REUTERS

Publication : The Hindu Business Line	Editions : New Delhi
Date :26 May 2026	Page : 3

Piped natural gas customers barred from buying LPG cylinders

Reuters
New Delhi

India has barred piped natural gas customers from buying liquefied petroleum gas (LPG) cylinders with immediate effect, a government order dated Monday showed.

India has cut LPG supplies to some industries due to the shortage caused by the closure of the Strait of Hormuz due to the US-Israeli war on Iran. New Delhi is pushing customers to use piped gas. India consumed 33.15 million tonnes of LPG, mostly used as cooking gas, in 2025.

Online

Headline	ONGC partners BP subsidiary as technical services provider to boost output from Western Offshore Fields		
Publication	ANI News	Edition	Online Coverage
Published Date	25 May 2026		

ONGC partners BP subsidiary as technical services provider to boost output from Western Offshore Fields

<https://www.aninews.in/news/business/ongc-partners-bp-subsiidiary-as-technical-services-provider-to-boost-output-from-western-offshore-fields20260525172611>

State-owned Oil and Natural Gas Corporation (ONGC) has entered into a contract with BP Exploration Services India Limited (BPXS) as the Technical Services Provider (TSP) for its entire Western Offshore assets (excluding Mumbai High field) in a major move aimed at enhancing production, arresting output decline, and strengthening India's domestic energy security. The contract has been awarded after ONGC issued an International Competitive Bidding (ICB) tender to improve output from ageing offshore fields in the Mumbai Offshore Basin, following its earlier TSP engagement in the Mumbai High field, which is the largest oil field in the basin and accounts for around 38 per cent of Western Offshore production. The earlier Mumbai High TSP arrangement had shown early signs of stabilising production decline through focused Well, Reservoir and Facility Management (WRFM), optimisation of existing wells, enhanced surveillance and de-bottlenecking of facilities, encouraging ONGC to extend the model to other mature offshore assets.

Under the new agreement, BPXS will review field performance across reservoirs, wells and facilities in the Western Offshore region and identify interventions to enhance hydrocarbon recovery. The Mumbai Offshore Basin, which consists of 43 blocks with a mix of nomination and auctioned regimes, has been under continuous development for over four decades and remains a key contributor to India's domestic oil and gas production. The TSP is expected to deploy global best practices and technology-driven solutions to extract additional output from ageing fields, which ONGC sees as essential alongside new exploration efforts to meet rising energy demand. As part of the contract, BPXS has projected a potential increase of about 10.8 per cent in crude oil production from 46.25 MMT to 51.26 MMT and a 31.5 per cent rise in natural gas output from 82.68 BCM to 108.69 BCM over ten years. Overall hydrocarbon output is expected to rise by about 24.1 per cent, with visible gains likely from FY27 and full impact expected by FY30. The contract structure includes a fixed fee for the initial two years, followed by a performance-linked service fee based on revenue from incremental production after cost recovery. With this move, ONGC aims to replicate the efficiency gains achieved in Mumbai High across its wider Western Offshore portfolio to maximise recovery from mature fields and strengthen domestic energy security.

Headline	SC defers RIL-ONGC gas dispute hearing, allows conciliation		
Publication	Bharat Horizon	Edition	Online Coverage
Published Date	26 May 2026		

SC defers RIL-ONGC gas dispute hearing, allows conciliation

<https://bharathorizon.com/politics/law-order/sc-defers-ril-ongc-gas-dispute-hearing-allows-conciliation.html>

The Supreme Court on Monday agreed to postpone the hearing of a dispute between Reliance Industries Ltd (RIL) and the government over a \$2.81 billion

demand for alleged pilferage of natural gas from an ONGC block in the Krishna-Godavari (KG) basin. The court allowed RIL's fresh request to resolve the matter through bilateral conciliation with the Centre.

Fresh Plea for Conciliation

Senior advocate Kapil Sibal, representing RIL, made a fresh plea for conciliation. Attorney General R. Venkataramani informed the court that RIL had made a fresh request on Monday morning and the government was willing to consider it. The bench, led by Chief Justice of India, had earlier declined to adjourn the hearing to July but agreed to postpone the four-day-long hearing to the third week of July after the Attorney General stated that the government was not averse to exploring the bilateral dispute resolution process.

Court's Response

The CJI-led bench remarked, "We will be most happy if the dispute is resolved through conciliation. If you come out with a settlement, we will dispose of the appeal." Last Wednesday, RIL had made two attempts to convince the bench to adjourn the hearing, but the Attorney General had preferred that the hearing on RIL's appeal against the Delhi High Court judgment be concluded. However, after the fresh request, the court allowed the matter to be taken up in July.

The dispute involves allegations that RIL pilfered natural gas from a block owned by Oil and Natural Gas Corporation (ONGC) in the KG basin. The government had raised a demand of \$2.81 billion from RIL for the alleged pilferage. RIL has contested this demand, and the matter is currently pending before the Supreme Court.

Headline	ONGC partners BP subsidiary as technical services provider to boost output from Western Offshore Fields		
Publication	Calcutta News	Edition	Online Coverage
Published Date	25 May 2026		

ONGC partners BP subsidiary as technical services provider to boost output from Western Offshore Fields

<http://calcuttanews.net/news/279074481/ongc-partners-bp-subsiidiary-as-technical-services-provider-to-boost-output-from-western-offshore-fields>

State-owned Oil and Natural Gas Corporation (ONGC) has entered into a contract with BP Exploration Services India Limited (BPXS) as the Technical Services Provider (TSP) for its entire Western Offshore assets (excluding Mumbai High field) in a major move aimed at enhancing production, arresting output decline, and strengthening India's domestic energy security.

The contract has been awarded after ONGC issued an International Competitive Bidding (ICB) tender to improve output from ageing offshore fields in the Mumbai Offshore Basin, following its earlier TSP engagement in the Mumbai High field, which is the largest oil field in the basin and accounts for around 38 per cent of Western Offshore production.

The earlier Mumbai High TSP arrangement had shown early signs of stabilising production decline through focused Well, Reservoir and Facility Management (WRFM), optimisation of existing wells, enhanced surveillance and de-bottlenecking of facilities, encouraging ONGC to extend the model to other mature offshore assets.

Under the new agreement, BPXS will review field performance across reservoirs, wells and facilities in the Western Offshore region and identify interventions to enhance hydrocarbon recovery. The Mumbai Offshore Basin, which consists of 43 blocks with a mix of nomination and auctioned regimes, has been under continuous development for over four decades and remains a key contributor to India's domestic oil and gas production.

The TSP is expected to deploy global best practices and technology-driven solutions to extract additional output from ageing fields, which ONGC sees as essential alongside new exploration efforts to meet rising energy demand.

As part of the contract, BPXS has projected a potential increase of about 10.8 per cent in crude oil production from 46.25 MMT to 51.26 MMT and a 31.5 per cent rise in natural gas output from 82.68 BCM to 108.69 BCM over ten years. Overall hydrocarbon output is expected to rise by about 24.1 per cent, with visible gains likely from FY27 and full impact expected by FY30.

The contract structure includes a fixed fee for the initial two years, followed by a performance-linked service fee based on revenue from incremental production after cost recovery.

With this move, ONGC aims to replicate the efficiency gains achieved in Mumbai High across its wider Western Offshore portfolio to maximise recovery from mature fields and strengthen domestic energy security.

Headline	Petrol, diesel prices hiked again: Fuel crosses ₹100 in Delhi after 4th rise in 10 days		
Publication	Daily Hunt (Mobile)	Edition	Online Coverage
Published Date	25 May 2026		

Petrol, diesel prices hiked again: Fuel crosses ₹100 in Delhi after 4th rise in 10 days

<http://m.dailyhunt.in/news/india/english/mathrubhumi+english-epaper-mtbumien/petrol+diesel+prices+hiked+again+fuel+crosses+100+in+delhi+after+4th+rise+in+10+days-newsid-n713511893>

Fuel prices across India were raised again on Monday, marking the fourth hike in nearly two weeks, as state-run oil marketing companies continue calibrated revisions amid rising global crude oil prices and geopolitical tensions.

Petrol prices have increased by 2.61 per litre, while diesel has gone up by 2.71 per litre. Following the latest revision, petrol in New Delhi is priced at 102.12 per litre, while diesel stands at 95.20 per litre.

Crude oil prices, however, dropped in international markets during early trade on Monday, even as retail fuel rates in India continued to rise due to prior cost pressures and under-recovery adjustments.

The repeated increases come as oil companies attempt to recover losses incurred after holding retail prices steady despite crude oil crossing the \$100 per barrel mark in global markets.

With the latest changes, cumulative increases in petrol and diesel prices are almost Rs 7.5 per litre since fuel rate revision resumed on May 15 after a prolonged freeze.

Oil executives cite geopolitical tensions, under-recoveries and currency pressure

Senior officials from state-run oil firms, including ONGC and BPCL, said the hikes reflect continued volatility in global crude markets driven by West Asia tensions, currency fluctuations, and accumulated under-recoveries faced by oil marketing companies.

Speaking on the impact of the West Asia conflict, ONGC Director (Exploration) Sushma Rawat said crude oil prices have remained highly volatile amid uncertainty over the conflict.

"Whenever there is a declaration that there is a peace accord, the crude prices start to dip. And when you realise that there is no solution, the prices go up again," Rawat said.

She noted that Indian consumers had been shielded from the full impact of rising global energy prices for a period of time.

"The government has given relief to the people for 76 days, during which the price has not increased. The price has increased, because the OMCs were taking a hit of almost Rs 1,000 crore a day. How long do you sustain that?" she asked.

Former Marketing Director of Bharat Petroleum Corporation Ltd (BPCL), Sukhmal Kumar Jain, also highlighted financial stress on public sector oil companies due to rising crude prices and a weakening rupee.

"The public sector oil companies are still in heavy under-recoveries," Jain said, adding that crude prices had risen from around USD 65-70 per barrel to USD 110-115 per barrel during the conflict period.

He said India's heavy dependence on imported crude oil had amplified the economic impact.

Jain added that India imports nearly 85 per cent of its crude requirements.

"The situation for the oil companies is that the cost is more and the recovery is less," he said.

Headline	ONGC picks BP as tech partner for Western Offshore fields		
Publication	DataStreet	Edition	Online Coverage
Published Date	26 May 2026		

ONGC picks BP as tech partner for Western Offshore fields

<https://datastreet.in/ongc-picks-bp-as-tech-partner-for-western-offshore-fields/>

BP already has a similar arrangement for ONGC's flagship Mumbai High fields, but the latest move significantly expands its role, making it responsible

for helping enhance output from fields that account for about 72% of ONGC's gas production and 60% of its oil output.

Headline	Diesel, petrol price hike: Fuel rates increased for fourth time since Iran war began		
Publication	ET Auto	Edition	Online Coverage
Published Date	25 May 2026		

Diesel, petrol price hike: Fuel rates increased for fourth time since Iran war began

<https://auto.economictimes.indiatimes.com/news/oil-and-lubes/diesel-petrol-price-hike-fuel-rates-increased-for-fourth-time-since-iran-war-began/131299766>

This rise reflects global crude oil price surges and ongoing geopolitical tensions. Oil companies have been facing significant daily losses.

Fuel prices have seen another hike. Petrol and diesel rates have gone up, marking the fourth increase in under two weeks. The Oil Marketing Companies (OMCs) increased the petrol prices by 2.61 per litre and diesel prices by 2.71 per litre on Monday, marking the fourth hike in less than two weeks.

With the latest revision, cumulative increases in petrol and diesel prices are almost 7.5 per litre since fuel rate revision resumed on May 15 after a prolonged freeze.

Petrol price was increased by 2.61 a litre to 102.12 per litre in Delhi from 99.51, while diesel rates have been increased by 2.71 to 95.20 per litre from 92.49.

Advt The hikes come amid elevated global crude oil prices and a weakening rupee, which have increased pressure on oil marketing companies' import costs.

Earlier on Sunday, senior executives from state-run oil companies ONGC and Bharat Petroleum Corporation Ltd said that the recent increase in petrol and diesel prices reflect the impact of prolonged geopolitical tensions in West Asia, rising global crude oil prices and mounting pressure on oil marketing companies due to under-recoveries.

Months of blockade and disruptions in the Strait of Hormuz have caused high stress in energy shipments across the world, causing rippling effects on economies which are dependant on the West Asia for their oil and gas supplies.

Speaking about the impact of the West Asia conflict, ONGC Director (Exploration) Sushma Rawat noted that the crude oil prices have remained highly volatile amid uncertainty over the conflict.

"Whenever there is a declaration that there is a peace accord, the crude prices start to dip. And when you realise that there is no solution, the prices go up again," Rawat told ANI.

She added that India had so far shielded consumers from the full impact of the surge in global energy prices.

"The government has given relief to the people for 76 days, during which the price has not increased. The price has increased, because the OMCs were taking a hit of almost 1,000 crore a day. How long do you sustain that?" she asked.

Advt Meanwhile, former Marketing Director, BPCL, Sukhmal Kumar Jain also said public sector oil companies had been under severe financial pressure due to rising crude prices and a weakening rupee.

"The public sector oil companies are still in heavy under-recoveries," Jain told ANI, adding that crude prices had risen from around USD 65-70 per barrel to USD 110-115 per barrel during the conflict period. He further noted that India's dependence on imported crude oil had amplified the impact on the economy.

Jain also highlighted the India is dependent on imports to meet about 85 per cent of its crude requirements. He said depreciation of the rupee against the US dollar has further increased the burden on oil companies.

"The situation for the oil companies is that the cost is more and the recovery is less," he added.

The recent hike in fuel prices Petrol and diesel prices were hiked recently on May 23, with OMCs increasing the rates petrol by 0.87 per litre, while diesel prices were raised by 0.91 per litre.

Prior to the revisions in fuel rates, state-run OMCs had claimed they were bearing losses of nearly 1,000 crore per month.

In the global market, oil prices plunged over five percent on hopes of a peace deal to end to the war between the United States and Iran, despite US President Donald Trump downplaying its imminence.

As of around 2300 GMT Sunday, the price of North Sea Brent crude slipped 5.1 percent to \$98.22 per barrel, while West Texas Intermediate fell 5.2 percent to \$91.57 a barrel before recovering slightly, according to AFP.

Trump has tempered expectations of a ceasefire agreement to end the war, saying in Truth Social post that he had "informed my representatives not to rush into a deal in that time is on our side".

Washington and Tehran have observed a ceasefire since April 8 while mediators push for a negotiated settlement, although Iran has imposed controls on Gulf shipping and US has blockaded Iran's ports.

Headline	Bangladesh launches fresh offshore oil, gas tender with sweeter terms for foreign firms		
Publication	ET Energyworld	Edition	Online Coverage
Published Date	25 May 2026		

Bangladesh launches fresh offshore oil, gas tender with sweeter terms for foreign firms

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/bangladesh-launches-fresh-offshore-oil-gas-tender-with-sweeter-terms-for-foreign-firms/131299892>

New production sharing contracts offer more attractive terms to international companies. This initiative targets 26 offshore blocks in the Bay of Bengal.

DHAKA, - Bangladesh launched an international tender on Sunday for oil and gas exploration in 26 offshore blocks in the Bay of Bengal, offering more attractive terms to foreign companies as it seeks to tackle worsening domestic gas shortages and reduce reliance on costly LNG imports.

The South Asian country has faced declining gas reserves and rising dependence on imported liquefied natural gas (LNG) while energy prices remain vulnerable to geopolitical tensions and supply disruptions linked to the Iran war.

State-run Petrobangla published the tender documents on its website under the revised Bangladesh Offshore Model Production Sharing Contract (PSC) 2026, setting November 30 as the deadline for bid submissions.

"We have made the terms more attractive than before to encourage participation from international companies," Energy Minister Iqbal Hassan Mahmood told a press conference.

"The offshore tender is part of the government's action plan to increase domestic gas supply and reduce import dependence."

Under the revised PSC, companies will relinquish only 20 per cent of exploration acreage during the exploration phase, compared with 50 per cent previously. Mandatory contributions to the workers' welfare fund have also been reduced to 1.5 per cent from 5 per cent.

Officials hope the revised terms will revive investor interest after Bangladesh's previous offshore licensing round in March 2024 failed to attract a single bid despite several multinational companies purchasing data packages. Deep and shallow water blocks on offer in tender

It is offering 15 deep-water and 11 shallow-water blocks in the Bay of Bengal. Petrobangla said a basic information package containing geological and related data would be available from June 1.

The government has also revised the gas pricing formula to improve commercial viability. Deepwater gas prices will now be linked to Brent crude instead of high-sulphur fuel oil, allowing contractors to receive up to 11 per cent of the three-month average Brent price, subject to a floor of \$70 per barrel and a ceiling of \$100.

A review conducted after the failed 2024 round found that foreign companies had raised concerns over gas pricing, pipeline construction costs and profit-sharing obligations.

Despite resolving maritime boundary disputes with India in 2012 and Myanmar in 2014, Bangladesh has yet to make a major offshore gas discovery. By contrast, neighbouring India, Myanmar and Pakistan have expanded deepwater exploration activities in recent years.

Major international companies including ConocoPhillips, Santos, POSCO Daewoo and ONGC have previously explored Bangladeshi offshore blocks before exiting the projects.

Headline	ONGC appoints BP unit to boost production from western offshore oil and gas fields		
Publication	ET Government	Edition	Online Coverage
Published Date	25 May 2026		

ONGC appoints BP unit to boost production from western offshore oil and gas fields

<https://government.economictimes.indiatimes.com/news/psu/ongc-appoints-bp-unit-to-boost-production-from-western-offshore-oil-and-gas-fields/131308158>

ONGC said the new partnership has the potential to increase crude oil production by around 10.8 per cent over the 10-year contract period, taking output from 46.25 million metric tonnes (MMT) to 51.26 MMT.

ONGC , which accounts for nearly 75 per cent of India's domestic crude oil and natural gas production , has appointed BP Exploration Services India Limited as Technical Services Provider (TSP) for enhancing production from its western offshore oil and gas fields, excluding the Mumbai High field.

The appointment follows an international competitive bidding process undertaken by ONGC to bring in global expertise, advanced technologies and best operational practices for mature offshore fields in the Mumbai Offshore Basin

ETInfra on May 21 had reported on ONGC plans to outsource its entire western offshore supply chain operations to a single entity, departing from the current system of using multiple vendors and suppliers, for which India's biggest oil and gas explorer spends some \$600 million every year.

Mumbai Offshore Basin is ONGC's largest hydrocarbon-producing basin and comprises 43 blocks, including 28 nomination regime blocks, contributing a major share of the company's crude oil and natural gas production.

According to ONGC, BP Exploration Services India Limited, a wholly owned step-down subsidiary of BP Plc, will review field performance and recommend improvements in reservoir management, facilities and wells to enhance production from western offshore assets.

The company said the engagement builds on its earlier Technical Services Provider contract with BP Exploration Alpha Ltd for the Mumbai High field signed in January 2025. Preliminary results from the Mumbai High engagement have shown moderation in production decline and stabilisation through well, reservoir and facility management initiatives, optimisation of existing wells and infrastructure de-bottlenecking.

ONGC said the new partnership has the potential to increase crude oil production by around 10.8 per cent over the 10-year contract period, taking output from 46.25 million metric tonnes (MMT) to 51.26 MMT. Natural gas production is projected to rise by about 31.5 per cent from 82.68 billion cubic metres (BCM) to 108.69 BCM.

In oil and oil equivalent gas (O+OEG) terms, overall production is expected to increase by nearly 24.1 per cent from 128.93 MMTOE to 159.96 MMTOE during the contract period. The gains are expected to start becoming visible from FY27, with full-scale impact likely from FY30.

Under the agreement, the Technical Services Provider will receive a fixed fee for the first two years, followed by a service fee linked to a share of revenue generated from incremental hydrocarbon production after recovery of incremental costs.

ONGC said the initiative is aimed at unlocking the enhanced production potential of its entire western offshore portfolio, estimated at 72.62 MMTOE O+OEG, while strengthening India's long-term energy security through improved domestic output.

Headline	ONGC appoints BP unit to boost production from western offshore oil and gas fields		
Publication	ET Infra	Edition	Online Coverage
Published Date	25 May 2026		

ONGC appoints BP unit to boost production from western offshore oil and gas fields

<https://infra.economictimes.indiatimes.com/news/energy/ongc-appoints-bp-unit-to-boost-production-from-western-offshore-oil-and-gas-fields/131308195>

ONGC said the new partnership has the potential to increase crude oil production by around 10.8 per cent over the 10-year contract period, taking output from 46.25 million metric tonnes (MMT) to 51.26 MMT.

Mumbai Offshore Basin, ONGC's largest producing asset, comprises 43 blocks and contributes a major share of the company's oil and gas output.

ONGC , which accounts for nearly 75 per cent of India's domestic crude oil and natural gas production , has appointed BP Exploration Services India Limited as Technical Services Provider (TSP) for enhancing production from its western offshore oil and gas fields, excluding the Mumbai High field.

The appointment follows an international competitive bidding process undertaken by ONGC to bring in global expertise, advanced technologies and best operational practices for mature offshore fields in the Mumbai Offshore Basin

Advt ETInfra on May 21 had reported on ONGC plans to outsource its entire western offshore supply chain operations to a single entity, departing from the current system of using multiple vendors and suppliers, for which India's biggest oil and gas explorer spends some \$600 million every year.

To read more: ONGC to outsource western offshore supply chain operations to single entity in \$600 million deal

Mumbai Offshore Basin is ONGC's largest hydrocarbon-producing basin and comprises 43 blocks, including 28 nomination regime blocks, contributing a major share of the company's crude oil and natural gas production.

According to ONGC, BP Exploration Services India Limited, a wholly owned step-down subsidiary of BP Plc, will review field performance and recommend improvements in reservoir management, facilities and wells to enhance production from western offshore assets.

The company said the engagement builds on its earlier Technical Services Provider contract with BP Exploration Alpha Ltd for the Mumbai High field signed in January 2025. Preliminary results from the Mumbai High engagement have shown moderation in production decline and stabilisation through well, reservoir and facility management initiatives, optimisation of existing wells and infrastructure de-bottlenecking.

Advt ONGC said the new partnership has the potential to increase crude oil production by around 10.8 per cent over the 10-year contract period, taking output from 46.25 million metric tonnes (MMT) to 51.26 MMT. Natural gas production is projected to rise by about 31.5 per cent from 82.68 billion cubic metres (BCM) to 108.69 BCM.

In oil and oil equivalent gas (O+OEG) terms, overall production is expected to increase by nearly 24.1 per cent from 128.93 MMTOE to 159.96 MMTOE during the contract period. The gains are expected to start becoming visible from FY27, with full-scale impact likely from FY30.

Under the agreement, the Technical Services Provider will receive a fixed fee for the first two years, followed by a service fee linked to a share of revenue generated from incremental hydrocarbon production after recovery of incremental costs.

ONGC said the initiative is aimed at unlocking the enhanced production potential of its entire western offshore portfolio, estimated at 72.62 MMTOE O+OEG, while strengthening India's long-term energy security through improved domestic output.

Headline	ओएनजीसी ने बीपी के साथ की साझेदारी		
Publication	Hindustan	Edition	Online Coverage
Published Date	25 May 2026		

ओएनजीसी ने बीपी के साथ की साझेदारी

<https://www.livehindustan.com/ncr/new-delhi/story-ongc-appoints-bp-to-boost-offshore-oil-and-gas-production-in-india-201779717025927.html>

ओएनजीसी ने अपने पश्चिमी अपतटीय तेल और गैस क्षेत्रों से उत्पादन बढ़ाने के लिए बीपी को तकनीकी सेवा प्रदाता के रूप में नियुक्त किया है। यह साझेदारी भारत के पुराने क्षेत्रों से उत्पादन बढ़ाने के उद्देश्य से की गई है, जिसमें मुंबई हाई क्षेत्र शामिल नहीं है।

नई दिल्ली। सार्वजनिक क्षेत्र की ऑयल एंड नैचुरल गैस कॉर्पोरेशन (ओएनजीसी) ने अपने पश्चिमी अपतटीय तेल और गैस क्षेत्रों से उत्पादन बढ़ाने के लिए ब्रिटेन की बीपी को तकनीकी सेवा प्रदाता के रूप में नियुक्त किया है। यह साझेदारी भारत की पुराने हो चुके तेल एवं गैस क्षेत्रों से उत्पादन बढ़ाने के उद्देश्य से की गई है। ओएनजीसी ने बयान में कहा कि बीपी एक्सप्लोरेशन सर्विसेज इंडिया लि. को मुंबई अपतटीय बेसिन के पश्चिमी अपतटीय क्षेत्रों में उत्पादन बढ़ाने के लिए एक अंतरराष्ट्रीय प्रतिस्पर्धी बोली प्रक्रिया के माध्यम से चुना गया है। इसमें प्रमुख मुंबई हाई क्षेत्र शामिल नहीं है।

Headline	Today's News » After Mumbai High, ONGC brings in BP in other western offshore oil, gas fields		
Publication	Indian Oil and Gas	Edition	Online Coverage
Published Date	26 May 2026		

Today's News » After Mumbai High, ONGC brings in BP in other western offshore oil, gas fields

<http://www.indianoilandgas.com/viewnews.php?id=64703>

Regulation Alternative Energy / Fuel New Projects Market Watch Companies May 26, 2026: State-owned Oil

and Natural Gas Corporation (ONGC) has appointed the UK's BP as a technical services provider to boost output from its western offshore oil and gas fields, expanding a partnership aimed at reviving production from India's ageing hydrocarbon assets.

In a statement, ONGC said BP Exploration Services India Limited was selected through an international competitive bidding process to enhance production across western offshore fields in the Mumbai Offshore Basin, excluding the flagship Mumbai High field.

ONGC had engaged BP in January last year for Mumbai High, India's largest producing oil field, which accounts for about 38 per cent of ONGC's western offshore oil and oil-equivalent gas production.

The company said preliminary results from the Mumbai High partnership showed moderation in production decline and improved output stability through better well, reservoir and facility management, along with infrastructure de-bottlenecking and enhanced surveillance.

Under the expanded mandate, BP's India unit will assess reservoir performance and identify operational improvements across mature offshore fields using global technologies and management practices.

ONGC said the engagement could increase crude oil production by about 10.8 per cent over the 10-year contract period, raising output to 51.26 million tonnes from a baseline of 46.25 million tonnes. Natural gas production is projected to rise 31.5 per cent to 108.69 billion cubic metres from 82.68 bcm.

Combined oil and oil-equivalent gas production from the western offshore fields is expected to rise about 24 per cent to nearly 160 million tonnes of oil equivalent during the contract period, the company said.

The increase in production is expected to begin from fiscal year 2027, with full-scale impact visible from FY30.

Headline	ONGC partners BP subsidiary as technical services provider to boost output from Western Offshore Fields		
Publication	Lokmat Times	Edition	Online Coverage
Published Date	25 May 2026		

ONGC partners BP subsidiary as technical services provider to boost output from Western Offshore Fields

<https://www.lokmatimes.com/business/ongc-partners-bp-subsiidiary-as-technical-services-provider-to-boost-output-from-western-offshore-fields/>

New Delhi [India, May 25 : State-owned Oil and Natural Gas Corporation (ONGC) has entered into a contract with BP Exploration Services India

Limited (BPXS) as the Technical Services Provider (TSP) for its entire Western Offshore assets (excluding Mumbai High field) in a major move aimed at enhancing production, arresting output decline, and strengthening India's domestic energy security.

The contract has been awarded after ONGC issued an International Competitive Bidding (ICB) tender to improve output from ageing offshore fields in the Mumbai Offshore Basin, following its earlier TSP engagement in the Mumbai High field, which is the largest oil field in the basin and accounts for around 38 per cent of Western Offshore production.

The earlier Mumbai High TSP arrangement had shown early signs of stabilising production decline through focused Well, Reservoir and Facility Management (WRFM), optimisation of existing wells, enhanced surveillance and de-bottlenecking of facilities, encouraging ONGC to extend the model to other mature offshore assets.

Under the new agreement, BPXS will review field performance across reservoirs, wells and facilities in the Western Offshore region and identify interventions to enhance hydrocarbon recovery. The Mumbai Offshore Basin, which consists of 43 blocks with a mix of nomination and auctioned regimes, has been under continuous development for over four decades and remains a key contributor to India's domestic oil and gas production.

The TSP is expected to deploy global best practices and technology-driven solutions to extract additional output from ageing fields, which ONGC sees as essential alongside new exploration efforts to meet rising energy demand.

As part of the contract, BPXS has projected a potential increase of about 10.8 per cent in crude oil production from 46.25 MMT to 51.26 MMT and a 31.5 per cent rise in natural gas output from 82.68 BCM to 108.69 BCM over ten years. Overall hydrocarbon output is expected to rise by about 24.1 per cent, with visible gains likely from FY27 and full impact expected by FY30.

The contract structure includes a fixed fee for the initial two years, followed by a performance-linked service fee based on revenue from incremental production after cost recovery.

With this move, ONGC aims to replicate the efficiency gains achieved in Mumbai High across its wider Western Offshore portfolio to maximise recovery from mature fields and strengthen domestic energy security.

Headline	ONGC appoints BP for western offshore oil and gas fields		
Publication	MSN India	Edition	Online Coverage
Published Date	26 May 2026		

ONGC appoints BP for western offshore oil and gas fields

<https://www.msn.com/en-in/news/world/ongc-appoints-bp-for-western-offshore-oil-and-gas-fields/ar-AA241kuY>

Public sector Oil and Natural Gas Corporation (ONGC) has appointed the UK's BP as a technical services provider to boost output from its western offshore oil and gas fields.

ONGC said it had appointed a technical services provider (TSP) for Mumbai High, the largest oilfield in the Mumbai Offshore Basin, in January last year, and preliminary production data indicated moderation in decline and greater output stability through focused well, reservoir and asset management, optimisation of existing wells, enhanced surveillance, and infrastructure de-bottlenecking. The company said in a statement that BP Exploration Services India Limited, a wholly-owned step-down subsidiary of BP Plc, was selected through an international competitive bidding process to enhance production across western offshore fields in the Mumbai Offshore Basin, excluding Mumbai High. It added that the TSP will assess reservoir performance and identify operational improvements across mature offshore fields using global technologies and management practices. In a separate statement, BP also confirmed that it was selected by ONGC as TSP for western offshore fields, excluding Mumbai High. The project has the potential to increase crude oil production by nearly 10.8%, raising output to 51.3 million tonnes from 46.3 MT over the 10-year contract period, ONGC said. Natural gas production is also projected to rise 31.5% to 108.7 billion cubic metres from 82.7 bcm. Oil and oil-equivalent gas production from the western offshore fields is expected to rise about 24%, from 130 MT to about 160 MT of oil equivalent during the contract period. The increase is expected to start becoming visible from FY27, with full-scale impact expected from FY30, the company said. Under the agreement, the technical services provider will receive a fixed fee for the first two years, followed by a share of revenue generated from incremental hydrocarbon production after cost recovery. ONGC, which accounts for about 75% of India's domestic crude oil and natural gas production, said the partnership will help unlock additional output from mature offshore assets while supporting India's energy security goals amid rising demand. Mumbai Offshore Basin, comprising 43 blocks, is ONGC's most prolific hydrocarbon-producing basin.

Headline	ONGC appoints BP to boost output from its western offshore fields		
Publication	Millennium Post	Edition	Online Coverage
Published Date	26 May 2026		

ONGC appoints BP to boost output from its western offshore fields

<https://www.millenniumpost.in/business/ongc-appoints-bp-to-boost-output-from-its-western-offshore-fields-661533>

New Delhi: State-owned Oil and Natural Gas Corporation (ONGC) has appointed the UK's BP as a technical services provider to boost output from its

western offshore oil and gas fields, expanding a partnership aimed at reviving production from India's ageing hydrocarbon assets.

In a statement, ONGC said BP Exploration Services India Limited was selected through an international competitive bidding process to enhance production across western offshore fields in the Mumbai Offshore Basin, excluding the flagship Mumbai High field.

ONGC had engaged BP in January last year for Mumbai High, India's largest producing oil field, which accounts for about 38 per cent of ONGC's western offshore oil and oil-equivalent gas production.

The company said preliminary results from the Mumbai High partnership showed moderation in production decline and improved output stability through better well, reservoir and facility management, along with infrastructure de-bottlenecking and enhanced surveillance.

Under the expanded mandate, BP's India unit will assess reservoir performance and identify operational improvements across mature offshore fields using global technologies and management practices.

ONGC said the engagement could increase crude oil production by about 10.8 per cent over the 10-year contract period, raising output to 51.26 million tonnes (MT) from a baseline of 46.25 million tonnes. Natural gas production is projected to rise 31.5 per cent to 108.69 billion cubic metres from 82.68 bcm.

Combined oil and oil-equivalent gas production from the western offshore fields is expected to rise about 24 per cent to nearly 160 million tonnes of oil equivalent during the contract period, the company said.

The increase in production is expected to begin from fiscal year 2027, with full-scale impact visible from FY30.

Under the agreement, the technical services provider will receive a fixed fee for the first two years, followed by a share of revenue generated from incremental hydrocarbon production after cost recovery.

Separately, BP said it can confirm that it has been selected by ONGC as TSP for Western Offshore fields (excluding Mumbai High).

We are grateful to ONGC for once again reaffirming their trust in us and look forward to supporting an enhanced production from these fields, it added.

ONGC, which accounts for about 75 per cent of India's domestic crude oil and natural gas production, said the partnership is aimed at unlocking additional output from mature offshore assets while supporting India's energy security goals amid rising demand.

Mumbai Offshore Basin is ONGC's most prolific hydrocarbon-producing basin. The basin comprises 43 blocks, of which 28 blocks, including Mumbai High and the giant Bassein gas field, were given to it on a nomination basis.

While ONGC continues to unlock new hydrocarbon resources through greenfield projects, enhancing recovery from mature fields remains equally important to raising domestic production, the statement said.

ONGC said it entered into a Technical Services Provider (TSP) Contract with BP Exploration Alpha Ltd (BPXA) for the Mumbai High field, which is the largest oil field of the Mumbai Offshore Basin, in early January 2025.

Preliminary production data during the initial months of TSP implementation indicate moderation of the earlier decline trajectory and stabilisation of production. This has been achieved through focused well, reservoir and facility management (WRFM) initiatives, optimisation of existing wells, enhanced surveillance, and prioritised facility de-bottlenecking, it said.

Building on this experience, ONGC decided to engage a TSP for the entire Western Offshore (excluding the Mumbai High field) in line with the existing TSP engaged for the Mumbai High field.

Accordingly, ONGC issued an international competitive bidding (ICB) tender for engagement of a TSP to enhance production from mature offshore oil and gas fields in the Mumbai Offshore Basin (excluding Mumbai High) through the induction of global technology, expertise, and best-in-class operational and management practices. All the major international oil companies were invited to participate, the statement said.

It, however, did not say how many participated in the tender.

Headline	ONGC drills India's deepest well at 1,000 metres depth in Ladakh for pilot geothermal power plant		
Publication	Startuppedia	Edition	Online Coverage
Published Date	25 May 2026		

ONGC drills India's deepest well at 1,000 metres depth in Ladakh for pilot geothermal power plant

<https://startuppedia.in/trending/ongc-drills-indias-deepest-well-at-1000-metres-depth-in-ladakh-11871554>

ONGC has drilled India's deepest geothermal well at a depth of 1,000 metres in Ladakh's Puga Valley, aligning with PM Modi's sustainable energy plan.

Oil and Natural Gas Corporation (ONGC) has successfully drilled the country's deepest geothermal well at a depth of 1,000 metres in Ladakh's Puga Valley.

ONGC drills India's deepest well at 1,000 metres depth

Located at an altitude of over 14,000 feet in eastern Ladakh , the Puga Valley project is being developed under challenging Himalayan conditions, including extreme cold, difficult terrain, and limited operational windows due to snowfall.

Despite these hurdles, ONGC's Energy Centre has continued to advance the ambitious geothermal initiative, which is expected to pave the way for India 's first geothermal power plant.

ONGC posted on social media , Aligned with Hon'ble Prime Minister Shri Narendra Modi's vision for alternative and sustainable energy, ONGC is unlocking Ladakh's geothermal potential in Puga Valley.

According to project details, the geothermal well is designed to tap underground heat reservoirs capable of generating high-temperature steam and hot fluids.

Earlier exploratory studies in the region had already indicated temperatures exceeding 200C at relatively shallow depths, making Puga Valley one of the most promising geothermal zones in the country.

The project is part of a larger collaboration between the Ladakh Administration, LAHDC Leh, and ONGC.

Under the extended five-year agreement, ONGC will establish a pilot 1 MW geothermal power plant and prepare a roadmap for the large-scale commercial development of geothermal energy in the region.

The successful drilling of the 1,000-metre well is therefore being viewed as both an engineering achievement and a strategic breakthrough for India's long-term energy security.

Aligned with Hon'ble Prime Minister Shri @narendramodi 's vision for alternative and sustainable energy, #ONGC is unlocking Ladakh's geothermal potential in Puga Valley.

ONGC teams have successfully drilled India's deepest geothermal well at 1,000 metres, overcoming extreme pic.twitter.com/FjAAtp4rh0 Oil and Natural Gas Corporation Limited (ONGC) (@ONGC_) May 25, 2026

A note on ONGC

Founded in 1956, Oil and Natural Gas Corporation is India 's largest government-owned oil and gas explorer and producer.

The Maharatna PSU operates across the energy value chain and has increasingly expanded its focus towards cleaner and alternative energy solutions, including geothermal, solar, and green hydrogen initiatives.

Headline	Diesel, petrol price hike: Fuel rates increased for fourth time since Iran war began		
Publication	The Economic Times	Edition	Online Coverage
Published Date	25 May 2026		

Diesel, petrol price hike: Fuel rates increased for fourth time since Iran war began

<https://economictimes.indiatimes.com/industry/energy/oil-gas/diesel-petrol-price-hike-fuel-rates-increased-for-fourth-time-since-iran-war-began/articleshow/131298921.cms>

The Oil Marketing Companies (OMCs) increased the petrol prices by Rs 2.61 per litre and diesel prices by Rs. 2.71 per litre on Monday, marking the fourth hike since the Iran war began.

The Oil Marketing Companies (OMCs) increased the petrol prices by Rs 2.61 per litre and diesel prices by Rs. 2.71 per litre on Monday, marking the fourth hike in less than two weeks.

With this, the diesel price in Delhi is now hiked to Rs 95.20 per litre, and petrol hiked to Rs 102.12.

Earlier on Sunday, senior executives from state-run oil companies ONGC and Bharat Petroleum Corporation Ltd said that the recent increase in petrol and diesel prices reflect the impact of prolonged geopolitical tensions in West Asia, rising global crude oil prices and mounting pressure on oil marketing companies due to under-recoveries.

Quote of the day by Clint Eastwood: 'There's only one way to have a happy marriage and as soon as I learn what it is I'll get married again...' - A life lesson on why there is no perfect formula for marriage explained by the Hollywood legend

Speaking about the impact of the West Asia conflict, ONGC Director (Exploration) Sushma Rawat noted that the crude oil prices have remained highly volatile amid uncertainty over the conflict.

"Whenever there is a declaration that there is a peace accord, the crude prices start to dip. And when you realise that there is no solution, the prices go up again," Rawat told ANI.

She added that India had so far shielded consumers from the full impact of the surge in global energy prices.

"The government has given relief to the people for 76 days, during which the price has not increased. The price has increased, because the OMCs were taking a hit of almost Rs 1,000 crore a day. How long do you sustain that?" she asked.

Meanwhile, former Marketing Director, BPCL, Sukhmal Kumar Jain also said public sector oil companies had been under severe financial pressure due to rising crude prices and a weakening rupee.

"The public sector oil companies are still in heavy under-recoveries," Jain told ANI, adding that crude prices had risen from around USD 65-70 per barrel to USD 110-115 per barrel during the conflict period. He further noted that India's dependence on imported crude oil had amplified the impact on the economy.

Jain also highlighted that India is dependent on imports to meet about 85 per cent of its crude requirements. He said depreciation of the rupee against the US dollar has further increased the burden on oil companies.

"The situation for the oil companies is that the cost is more and the recovery is less," he added.

Headline	ONGC picks BP as tech partner for Western Offshore fields		
Publication	The Economic Times	Edition	Online Coverage
Published Date	26 May 2026		

ONGC picks BP as tech partner for Western Offshore fields

<https://economictimes.indiatimes.com/industry/energy/oil-gas/ongc-picks-bp-as-tech-partner-for-western-offshore-fields/articleshow/131316796.cms>

BP already has a similar arrangement for ONGC's flagship Mumbai High fields, but the latest move significantly expands its role, making it responsible for helping enhance output from fields that account for about 72% of ONGC's gas production and 60% of its oil output.

NEW DELHI: State-run Oil and Natural Gas Corporation ONGC) has once again picked BP to help boost production from some of its largest fields in return for a fee.

BP already has a similar arrangement for ONGC's flagship Mumbai High fields, but the latest move significantly expands its role, making it responsible for helping enhance output from fields that account for about 72% of ONGC's gas production and 60% of its oil output.

For BP, a global energy major that remained a junior partner to Reliance Industries in India for more than a decade, the expanding role across ONGC's upstream assets marks a new trajectory and growing influence in the country.

ONGC on Monday said BP had been selected as the technical services provider (TSP) for its Western Offshore fields through an open bidding process. Western Offshore includes some of ONGC's largest assets, such as Neelam and Bassein

Government assures 78 days of oil amid MPs' concerns

It also includes Mumbai High, for which a separate arrangement was put in place last year.

"TSP has indicated a substantial potential increase of 10.8% in crude oil (from baseline production of 46.25 million metric tonnes (MMT) to 51.26 MMT) and 31.5% increase in gas production (from 82.68 billion cubic meters (BCM) to 108.69 BCM) for the 10-year contract period," ONGC said in a statement.

Headline	ONGC Onboards BP Unit to Boost Production from Western Offshore Fields		
Publication	UNI India	Edition	Online Coverage
Published Date	25 May 2026		

ONGC Onboards BP Unit to Boost Production from Western Offshore Fields

<http://www.uniindia.com/~ongc-onboards-bp-unit-to-boost-production-from-western-offshore-fields/Business%20Economy/news/3855317.html>

Oil and Natural Gas Corporation Limited (ONGC) has onboarded BP Exploration Services India Limited (BPXS), a wholly-owned step-down subsidiary of BP Plc, as Technical Services Provider (TSP) for enhancing hydrocarbon production from its entire Western Offshore fields excluding the Mumbai High field.

In a release on Monday, ONGC said India's exploration and production sector remains critical to meeting rising energy demand, with the company accounting for nearly 75 per cent of the country's domestic crude oil and natural gas production.

It said the Mumbai Offshore Basin continues to be its most prolific hydrocarbon-producing basin.

ONGC stated that it had earlier entered into a TSP contract with BP Exploration Alpha Ltd for the Mumbai High field in January 2025 and preliminary results indicated moderation in production decline and stabilisation through focused Well, Reservoir and Facility Management initiatives.

Building on that experience, the company floated an International Competitive Bidding tender for engagement of a TSP for the remaining Western Offshore fields to improve production through global technology and operational best practices. Following evaluation, BPXS was selected for the contract.

According to ONGC, the TSP has projected a potential increase of around 10.8 per cent in crude oil production from 46.25 MMT to 51.26 MMT and nearly 31.5 per cent increase in gas production from 82.68 BCM to 108.69 BCM over the ten-year contract period. Overall oil and oil equivalent gas production is expected to rise by about 24.1 per cent from 128.93 MMTOE to 159.96 MMTOE.

The company said the increase in production is expected to become visible from FY27, with full-scale impact likely from FY30 onwards.

Under the agreement, the TSP will receive a fixed fee during the initial two years, followed by a service fee linked to incremental hydrocarbon production revenues after recovery of additional costs.

ONGC said the initiative is aimed at unlocking the enhanced production potential of the entire Western Offshore portfolio by leveraging advanced technologies and global best practices to strengthen India's energy security.

Headline	"Why are petrol, diesel prices rising in creeping manner despite OMC's super profits?" asks Manish Tewari, slams fourth hike		
Publication	ANI News	Edition	Online Coverage
Published Date	25 May 2026		

"Why are petrol, diesel prices rising in creeping manner despite OMC's super profits?" asks Manish Tewari, slams fourth hike

<https://www.aninews.in/news/national/politics/why-are-petrol-diesel-prices-rising-in-creeping-manner-despite-omcs-super-profits-asks-manish-tewari-slams-fourth-hike20260525082805>

Congress MP Manish Tewari on Monday questioned the rationale behind repeated fuel price hikes across the country, even as he cited strong profit growth reported by state-run oil marketing companies (OMCs). In a post shared on X, Tewari asked Union Petroleum Minister Hardeep Singh Puri why petrol and diesel prices were being increased in a "creeping manner" despite what he described as "whopping profits" earned by public sector oil companies. Citing financial figures, Tewari claimed that the three state-run OMCs collectively posted profits of Rs 77,280.65 crore in FY 2025-26, marking a 130 per cent jump compared to the previous financial year. He further said that even in the fourth quarter (January-March 2026), during heightened geopolitical tensions following strikes involving Israel and the United States on Iran, the companies recorded profits of Rs 19,470 crore--about 40 per cent higher than the same period last year. "Why @HardeepSPuri Why ? State Run Oil Marketing Companies (OMC's) made whopping profits in FY 2025 -26 . The Three OMC's made a cumulative profit of Rs . 77,280.65 crores a 130% jump over FY 2024-25. Even in (Quarter 4, Jan -March 2026) Q-4 2025-26 when Isreal and US struck Iran the profit of the three OMC 's was Rs 19,470 crores a 40% jump over the same period last year," Tewari wrote on X. "When these OMC's have made super profits why is the price of Petrol and Diesel being increased every day in a creeping manner?" Tewari added, also pointing to Delhi petrol prices at Rs 102.12 per litre and diesel at Rs 95.20 per litre, and Chandigarh petrol at Rs 98.12 per litre and diesel at Rs 86.09 per litre. "While the OMC's are making hay people are being crushed under a repressive pricing regime? Is this governance?" he asked. Another Congress MP Manickam Tagore also joined the criticism of the government alleging that the Union Government was only working for corporates. "The "OMC loss" argument -- DEMOLISHED: They say OMCs are losing 38/litre on diesel today. Let's ask: Where did 81,000 crore go? IOC + BPCL + HPCL posted 81,000 crore RECORD PROFIT in FY24 -- while you paid 100+/litre. They made profits for 7 quarters. Passed on ZERO to consumers. Crude crashed in 2016 -- they hiked excise by 11/litre & kept it. OMCs made record profits FY24 -- prices stayed high. Crude surges in 2026 -- prices hiked within DAYS. Loss flows to YOU. Profit stays with THEM. And Modi calls this "shielding consumers"? 2014: Crude \$114 Petrol 72 2016: Crude \$27 Petrol 64 2026: Crude \$97 Petrol 103 OMCs didn't share profits for 7 quarters. But passed losses in 7 days. Modi works for corporates. PROVED AGAIN," he posted on X. The remarks come amid the fourth round of fuel price hikes in less than two weeks, driven by sustained volatility in global crude oil markets and ongoing geopolitical tensions in West Asia. Following the latest revision, petrol prices in Delhi crossed the Rs 100-mark, rising by Rs 2.61 to Rs 102.12 per litre, while diesel increased by Rs 2.71 to Rs 95.20 per litre. Similar increases were recorded across major metro cities, including Kolkata, Mumbai and Chennai. In Kolkata, petrol rose to Rs 113.51 per litre and diesel to Rs 99.82 per litre. Mumbai saw petrol at Rs 111.21 and diesel at Rs 97.83 per litre, while Chennai recorded petrol at Rs 107.77 and diesel at Rs 99.55 per litre. Jaipur also witnessed an increase, with petrol at Rs 112.66 per litre and diesel at Rs 97.78 per litre. The successive hikes have triggered public concern, with commuters expressing frustration over rising transport costs. Some citizens said the price rise was "tough for the common man," while others pointed to the impact on taxi operators and daily travel expenses. Meanwhile, Compressed Natural Gas (CNG) prices in Delhi were also raised by Rs 1 per kg on Saturday, further adding to the financial burden on households and transport operators. The repeated increases in petrol, diesel and CNG prices come amid pressure on oil marketing companies due to elevated global crude prices, currency fluctuations, and supply uncertainties linked to West Asia tensions, particularly concerns over key shipping routes such as the Strait of Hormuz. The continued hikes in petrol, diesel and CNG prices are likely to increase logistics and transportation costs further, potentially triggering a cascading effect on retail inflation and impacting household budgets as well as commercial transport sectors across the country. (ANI)

Headline	'Mehangai manav' strikes again: Congress slams PM on fuel hike		
Publication	Devdiscourse	Edition	Online Coverage
Published Date	25 May 2026		

'Mehangai manav' strikes again: Congress slams PM on fuel hike

<https://www.devdiscourse.com/article/politics/3921263-mehangai-manav-strikes-again-congress-slams-pm-on-fuel-hike>

The Congress party launched a fierce attack on Prime Minister Narendra Modi over the latest fuel price hike, calling it a "daily robbery" on consumers.

The Congress on Monday launched a scathing attack on Prime Minister Narendra Modi over the latest fuel hike, with Rahul Gandhi alleging that the "mehangai manav" has struck again and he has just one job of making promises during elections and attacking people's pockets at other times.

Congress president Mallikarjun Kharge also lashed out at the Modi government over the issue and asked who is benefitting from this "daily robbery".

Petrol and diesel prices were raised by Rs 2.61-2.71 per litre on Monday, marking the fourth increase in less than two weeks as state-owned fuel retailers continued to pass on rising international oil prices to consumers.

In a post in Hindi on X, Gandhi said, "Mehangai manav Modi strikes again. He raises petrol and diesel prices in installments - ensuring that your pockets are quietly picked."

"For months, I had been warning of an impending economic storm. But Modi Ji, true to form, was busy with elections at the time and the moment the elections ended, he hiked the prices of petrol and diesel by Rs 8," the leader of opposition in the Lok Sabha said.

And, this upward trend will only continue, he claimed.

"'Mehangai manav' Modi has just one job: promises during elections, and attacking people's pockets at other times," Gandhi said.

Congress president Kharge alleged that the Modi government has looted Rs 43 lakh crore in the last 12 years.

"The Daily Assault of FUEL LOOT is not over yet! 4th hike in 10 days!! Petrol Rs 7.35/litre, Diesel Rs 7.53/litre. The Modi government has sprinkled petrol to burn the savings of common people," he said in a post on X.

He pointed out that between 2004 and 2014, during the UPA rule, international crude oil prices increased by 175.34 per cent, while during the Modi government, "not even a single cent" of international crude oil prices have increased.

"Despite that, the Modi government has hiked the petrol prices from Rs 71.41 per litre in 2014 to Rs 102.12 per litre in 2026, a rise of 43.01 per cent, and diesel prices from Rs 56.71 per litre to Rs 95.20 per litre, an increase of 67.87 per cent," Kharge said.

The Modi government has looted Rs 43 lakh crore in the last 12 years, making it a loot of Rs 1,000 everyday, he alleged.

"With the 4th time rise in Petrol and Diesel prices, today the shares of HPCL, BPCL and IOC rose by 5.8%, 4.44% and 3.90% respectively. Profit over People is BJP's DNA!" the Congress chief said.

"Every fuel price hike is another blow to household budgets, and has a cascading effect on every aspect of the economy. From Farmers to MSMEs, every strata of the society bears the brunt of BJP's LOOT," he alleged.

"We repeat. Who is benefitting from this DAILY ROBBERY?" Kharge said in his post.

Addressing a press conference, Congress spokesperson Ragini Nayak said a few days ago, Narendra Modi was stating at an election rally that there is no oil crisis in the country and there would be no inflation.

"Amit Shah was also singing the same tune, and Petroleum Minister Hardeep Singh Puri was also stating that our oil reserves are full. There is no crisis. A question for Narendra Modi-if everything is hunky-dory, then...Despite the fall in crude oil prices in the international market, why are petrol-diesel prices rising in India?" she said.

Why have petrol prices been increased by Rs 8 and diesel by Rs 7.80 in the last 11 days, she asked.

"The 43 lakh crore rupees collected from the public by increasing excise duty-why isn't that revenue being used to provide relief to the country's people in this economic crisis?" Nayak asked.

"The country's three oil companies, which control 90 per cent of the domestic retail market, have seen a 41 per cent surge in their combined net profit for the fourth quarter. During the global crisis that Narendra Modi is citing, these companies' combined profit stands at Rs 19,470 crore," she claimed.

"The truth is that Narendra Modi is filling his friends' coffers by cutting into the public's pockets, which is why petrol-diesel prices are being hiked repeatedly. Even as other countries are providing relief to the public on petrol-diesel, after collecting Rs 43 lakh crore, Narendra Modi is still breaking the public's back by driving up inflation," she said.

Today, in the Modi government, there's nothing but inflation-prices of things keep rising every other day, she claimed.

Posing questions to the government, she said the country is facing a daily shortage of oil and how will its supply be ensured.

"The country is burdened with a debt of Rs 216 lakh crore; how will they pay it off? During Operation Sindoor, China stood with Pakistan, and now Modi's friend Trump is going to China-so how will they improve their foreign policy? How will all this be set right-by making REELs or by handing out melodies? Narendra Modi will have to answer these questions," she said.

With the latest revision, cumulative increases in petrol and diesel prices have nearly touched Rs 7.5 per litre since fuel price revisions resumed on May 15 after a prolonged freeze, stoking concerns over inflationary pressures and higher transportation costs across the economy.

Petrol prices were raised to Rs 102.12 a litre in Delhi from Rs 99.51 previously, while diesel rates were increased to Rs 95.20 per litre from Rs 92.49.

Headline	Why India may not be done with petrol, diesel price hikes yet Explained		
Publication	Hindustan Times	Edition	Online Coverage
Published Date	25 May 2026		

Why India may not be done with petrol, diesel price hikes yet | Explained

<https://www.hindustantimes.com/india-news/why-india-may-not-be-done-with-petrol-diesel-price-hikes-yet-explained-101779681574953.html>

India's fuel prices have surged amid Strait of Hormuz disruptions due to the US-Iran war, with hikes of over 7 per litre in both petrol and diesel prices.

Updated on: May 25, 2026 10:06 AM IST

India's fuel prices have now been raised four times in less than two weeks, and experts say another hike cannot be ruled out as the US-Iran war continues to disrupt global energy supplies and keep crude oil markets volatile.

State-run oil marketing companies (OMCs) on Monday increased petrol prices by 2.61 per litre and diesel by 2.71 per litre, taking cumulative hikes since May 15 to about 7.35 and 7.53 per litre respectively.

In Delhi, petrol is now retailing at 102.12 per litre and diesel at 95.20 the first time in four years that petrol prices in the national capital have crossed the 100 mark.

Track Live Updates on Petrol, Diesel price hikes across India

The hikes come amid continuing tensions in West Asia following the US-Iran conflict that erupted in late February. A major reason behind soaring oil prices has been the disruption of traffic through the Strait of Hormuz.

Why the Strait of Hormuz matters to India's fuel prices

The sharp rise in petrol and diesel prices in India is closely linked to the disruption of oil movement through the Strait of Hormuz one of the world's most crucial energy shipping routes. Nearly one-fifth of global crude oil and liquefied natural gas supplies pass through the narrow waterway between Iran and Oman, making it vital for countries heavily dependent on imported energy, including India.

Following the escalation of the US-Iran conflict in West Asia, commercial movement through the strait has been severely disrupted, triggering fears of supply shortages across global markets.

The uncertainty pushed Brent crude prices sharply higher, increasing costs for Indian state-run oil companies that import most of the country's crude requirements. Since India imports over 85% of its crude oil needs, any disruption in global supplies or spike in international prices directly impacts domestic fuel rates.

Why experts believe more hikes may follow

Industry executives and energy analysts say the current round of revisions may not be over yet

According to sector experts quoted by Reuters, state-run retailers are still trying to recover current revenue losses as well as past under-recoveries accumulated while they held prices steady despite rising crude costs during the early phase of the war and assembly election season.

Brent crude had jumped from about \$72.87 per barrel on February 27 to nearly \$120 in March after the conflict escalated sharply. Though prices have eased recently and briefly slipped below \$100 amid hopes of diplomacy, analysts say the current crude environment remains expensive enough to keep pressure on Indian fuel retailers.

Experts tracking OMC finances estimate that daily losses, once pegged at nearly 1,000 crore collectively, have fallen substantially after repeated hikes but have not disappeared entirely. Several analysts told Reuters that they believe a fifth increase is possible unless Brent stabilises well below \$100 per barrel for a sustained period.

Govt had earlier hinted at difficult decisions

The Centre had already indicated earlier this month that fuel price corrections could become unavoidable

Petroleum minister Hardeep Singh Puri had said that at some stage the government has to take a view on petroleum pricing amid severe global supply disruptions.

Prime Minister Narendra Modi too had urged citizens to conserve fuel and foreign exchange by adopting measures such as carpooling, greater use of public transport and avoiding unnecessary expenditure. The messaging was widely viewed as preparation for prolonged economic and energy uncertainty.

Banker Uday Kotak had also cautioned that India must prepare for a much more complex problem linked to geopolitical instability and energy security.

US-Iran peace talks raise hopes, but Hormuz blockade remains

Recent diplomatic developments have slightly cooled global oil prices, with reports suggesting ongoing backchannel talks between Washington and Tehran over a possible ceasefire and reopening of the Strait of Hormuz.

US officials have indicated that progress is being made toward a broader agreement involving regional de-escalation and restoration of energy flows. Former US President Donald Trump has claimed a framework is largely negotiated, though Iranian officials have publicly downplayed some of the claims.

However, the US has also reportedly maintained that the effective blockade and restrictions around the Strait of Hormuz will continue until a formal agreement is reached. That has fuelled expectations that while the route could reopen after a successful deal, energy supplies will likely remain constrained until negotiations are fully concluded.

For now, commercial movement through the strait remains heavily disrupted, with security risks, insurance concerns and naval tensions continuing to affect oil shipments. Experts warn that even after a diplomatic breakthrough, normal operations may take time to resume fully.

OMC profits trigger debate

The repeated hikes have also sparked criticism because the three state-run fuel retailers - Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum - recently reported strong profits.

Together, the companies posted combined net profits of over 77,000 crore in 2025-26, driven by stable crude prices and strong refining margins for much of the year before the conflict intensified.

Still, company executives maintain that current retail prices do not fully account for the sharp rise in global crude and transportation costs triggered by the West Asia crisis.

For consumers, the immediate concern remains whether the fragile US-Iran negotiations succeed quickly enough to reopen the Strait of Hormuz and cool crude prices or whether prolonged uncertainty pushes India toward yet another round of fuel price hikes.

Headline	Fuel Prices Are Up, But It Still Won't Cover Oil Firms' Losses. Here's Why		
Publication	NDTV	Edition	Online Coverage
Published Date	25 May 2026		

Fuel Prices Are Up, But It Still Won't Cover Oil Firms' Losses. Here's Why

<https://www.ndtv.com/india-news/fuel-prices-are-up-but-it-still-wont-cover-oil-firms-losses-heres-why-11546103>

Petroleum Minister Hardeep Singh Puri had said OMC under-recoveries were around Rs 1,000 crore a day.

Currency movements could also quickly erode the gains from fuel price hikes.

Petrol and diesel prices have been hiked by nearly Rs 7.5 per litre over the past 10 days

But the latest increase may not be enough to fully erase oil marketing companies' losses

Petroleum Minister Hardeep Singh Puri had said OMC under-recoveries were around Rs 1,000 crore a day

New Delhi:

Petrol and diesel prices have been hiked by nearly Rs 7.5 per litre over the past 10 days as the government looks to help oil marketing companies (OMCs) offset losses triggered by disruptions linked to the Middle East war.

But the latest increase may not be enough to fully erase OMC losses.

Petroleum Minister Hardeep Singh Puri had said OMC under-recoveries were around Rs 1,000 crore a day. If sustained for a full year at the same rate, that would translate into roughly Rs 3.6 lakh crore.

Considering annual diesel consumption of 11,340 crore litres and petrol consumption of 6,230 crore litres, their combined consumption stands at 17,570 crore litres. Based on this, a Rs 1 per litre price hike offsets OMC losses by about Rs 17,570 crore, according to the SBI Ecwrap report.

On a straight-line basis, this suggests a cumulative price increase of around Rs 20.5 per litre would be needed to fully offset losses. With Rs 7.5 per litre already hiked, this implies an additional increase of roughly Rs 13 per litre may still be required to bridge the gap.

"Despite the latest hike in retail prices of auto fuels, the under-recoveries of oil marketing companies remain stubbornly high due to increasing losses in domestic LPG sales and the high premium in crude markets," Prashant Vasisht, Senior Vice President and Co-Group Head, Corporate Ratings, ICRA, told NDTV.

ICRA estimates that at crude prices of \$120-125 per barrel, and considering the past 10-year average crack spreads for auto fuels, OMCs are incurring losses of about Rs 700-800 crore per day on the sale of auto fuels and domestic LPG, even after factoring in the recent fuel price hikes, he added.

He said this level of under-recovery is unsustainable.

Currency movements could also quickly erode the gains from fuel price hikes. The SBI report noted that even a Rs 2 depreciation in the rupee could raise the effective crude import cost enough to offset the benefit of a Rs 3 per litre fuel price increase.

Fuel demand patterns also complicate the picture.

It is observed that price hikes are often followed by a short-term drop in fuel consumption, limiting OMCs' ability to immediately recover losses.

"The historical data shows that a hike in petrol and diesel prices is followed by an immediate decline in consumption, although it recovers thereafter with no visible annual drop," the SBI Ecwrap report said.

Headline	Petrol, Diesel Prices Up By Rs 7.50 In Ten Days: More Hikes Coming?		
Publication	News 18	Edition	Online Coverage
Published Date	25 May 2026		

Petrol, Diesel Prices Up By Rs 7.50 In Ten Days: More Hikes Coming?

<https://www.news18.com/india/petrol-diesel-prices-up-by-rs-7-50-in-ten-days-more-hikes-coming-ws-l-10110372.html>

Brent crude prices have remained volatile after the US-Iran conflict escalated, raising import costs for countries dependent on foreign crude.

India has now seen four fuel price hikes in just two weeks, with petrol and diesel prices cumulatively rising by around Rs 7.5 per litre as the fallout of the ongoing US-Iran conflict continues to ripple through global oil markets. The increases have come in calibrated steps rather than a single sharp revision, but signals from oil marketing companies (OMCs), refiners, and market analysts suggest the pressure may not be over yet.

The latest hike (Rs 2.61 per litre for petrol and Rs 2.71 per litre for diesel) comes at a time when global crude oil prices remain elevated amid fears of supply disruptions in West Asia, one of the world's most critical energy-producing regions. India, which imports more than 85 per cent of its crude oil requirement, remains highly vulnerable to such shocks.

According to industry estimates, state-run OMCs such as Indian Oil Corporation, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited have been absorbing a large part of the increase instead of fully passing it on to consumers immediately.

Why Prices Have Been Rising And More Hikes May Come

The trigger for the price hikes has been the sharp jump in global crude oil prices following escalating tensions between the United States and Iran. There have been disruptions in shipping through the Strait of Hormuz, through which nearly one-fifth of global oil supplies pass.

Brent crude prices have remained volatile after the conflict escalated, raising import costs for countries dependent on foreign crude. Even when crude prices temporarily cooled, refiners argued that procurement costs, freight premiums, insurance rates and currency fluctuations continued to keep pressure on fuel pricing.

India's retail fuel prices are not revised entirely in real time during periods of volatility. Instead, OMCs often absorb some losses temporarily to avoid sudden consumer shocks. However, sustained high crude prices eventually force revisions.

The Big Concern: Growing Under-Recoveries

A major reason fuel prices may continue rising is the growing burden of under-recoveries" faced by oil marketing companies. In simple terms, under-recovery happens when companies sell petrol and diesel at prices lower than the actual cost of procuring, refining, transporting and marketing the fuel.

After crude oil prices shot up because of the US-Iran conflict, Indian refiners suddenly began paying significantly more for imported crude. But domestic retail prices were not raised immediately in proportion to that increase. As a result, OMCs began absorbing the difference themselves.

For instance, if the actual cost of supplying fuel rises sharply, but pump prices are increased only gradually, the remaining gap becomes a loss for the OMC.

Brokerage estimates suggest these losses widened rapidly after crude prices surged and shipping and insurance costs also climbed due to tensions in West Asia. Petroleum Minister Hardeep Puri had stated earlier this month that OMCs in India were facing Rs 1000 crore worth of losses every day.

According to estimates cited by Kotak Institutional Equities, before the recent hikes, OMCs were losing roughly Rs 12 Rs 15 per litre on diesel, and around Rs 9Rs 11 per litre on petrol. Even after the cumulative Rs 7.5 per litre increase over the past two weeks, analysts estimate that diesel under-recoveries may still remain at around Rs 5Rs 7 per litre, while petrol losses may still be around Rs 3Rs 5 per litre depending on crude prices and exchange rates.

There are several reasons behind the growing under-recoveries:

India's Heavy Import Dependence: India imports over 85 per cent of its crude oil requirement, making it highly vulnerable to international price shocks.

Retail Prices Are Not Fully Market-Linked During Crises: Although fuel prices are officially deregulated, OMCs often avoid sudden steep hikes during geopolitical crises or inflationary periods to reduce pressure on consumers and the broader economy.

Freight And Insurance Costs Have Jumped: The conflict has pushed up tanker freight charges, marine insurance premiums, and supply-chain risks around the Strait of Hormuz.

Rupee Weakness Adds More Pressure: Since crude oil is bought in US dollars, any weakening of the rupee further raises import costs for refiners. Even as the Rupee recovered on Monday, it was at Rs 95.20 against the US dollar.

OMCs Recovering Past Losses : Even if global crude prices soften temporarily, companies may keep retail prices elevated because they are trying to recover losses accumulated during weeks when fuel was sold below cost.

The Rs 25-Rs 28 Per Litre Warning

One of the strongest warnings had come from Kotak Institutional Equities earlier this month, which estimated that petrol and diesel prices may need to rise by Rs 25Rs 28 per litre if current crude trends persist and losses are fully passed on. The firm reportedly said OMCs are facing unsustainable under-recoveries" because retail price hikes have lagged far behind the rise in global crude prices.

However, the Union government strongly rejected the projection, calling such estimates misleading" and clarifying that no such proposal was under consideration.

While that may calm fears of a massive hike, officials have also acknowledged that oil companies are under severe stress.

Union Petroleum Minister Hardeep Singh Puri had earlier acknowledged that OMCs were carrying losses because they were not fully passing on the burden of expensive crude to consumers. He indicated that the government was trying to strike a balance between protecting consumers from inflation and ensuring the financial health of public sector refiners.

BPCL Signals More Hikes May Come

Fresh concern emerged after Raj Kumar Dubey of Bharat Petroleum Corporation Limited said further fuel price hikes could become inevitable if the geopolitical crisis continues. According to his statement in Times Of India, current market conditions leave little room for stability unless tensions ease substantially and global supply chains normalise.

Uday Kotak's Warning At CII Summit

At the recent CII Annual Summit, banker Uday Kotak warned that India may need to prepare for a prolonged period of expensive energy if geopolitical instability continues globally. He also urged the country to prepare for tougher economic conditions ahead. We have not seen the impact in the last two months of the Middle East war in terms of energy price transmission. It's coming. And it's coming big," he said. The shock is coming," Kotak cautioned, while urging businesses and policymakers to prepare in advance. My view is we should prepare for paranoia before the event. And we must hope that tough times do not come or remain. But we must prepare for the worst."

His remarks reflected growing fears in financial circles that the current crisis may not be a short-term disruption alone.

Therefore, at present, it appears that there may still be more fuel price hikes if the geopolitical crisis continues and crude oil prices remain elevated. However, India's strategy so far suggests that any further increases may continue to happen gradually rather than through one dramatic revision.

Much now depends on whether the US-Iran conflict de-escalates, how long crude prices remain high, and how much financial strain OMCs are forced to absorb before passing more costs on to consumers.

For now, the fourth fuel price hike may not be the last.

Headline	'Why are petrol, diesel prices rising despite OMCs' super profits?' Congress MP Manish Tewari slams fourth hike		
Publication	The Economic Times	Edition	Online Coverage
Published Date	25 May 2026		

'Why are petrol, diesel prices rising despite OMCs' super profits?' Congress MP Manish Tewari slams fourth hike

<https://economictimes.indiatimes.com/news/politics-and-nation/why-are-petrol-diesel-prices-rising-despite-omcs-super-profits-congress-mp-manish-tewari-slams-fourth-hike/articleshow/131299873.cms>

New Delhi [India: Congress MP Manish Tewari on Monday questioned the rationale behind repeated fuel price hikes across the country, even as he cited strong profit growth reported by state-run oil marketing companies (OMCs).

In a post shared on X, Tewari asked Union Petroleum Minister Hardeep Singh Puri why petrol and diesel prices were being increased in a "creeping manner" despite what he described as "whopping profits" earned by public sector oil companies.

Citing financial figures, Tewari claimed that the three state-run OMCs collectively posted profits of Rs 77,280.65 crore in FY 2025-26, marking a 130 per cent jump compared to the previous financial year. He further said that even in the fourth quarter (January-March 2026), during heightened geopolitical tensions following strikes involving Israel and the United States on Iran, the companies recorded profits of Rs 19,470 crore--about 40 per cent higher than the same period last year.

"Why @HardeepSPuri Why ? State Run Oil Marketing Companies (OMC's) made whopping profits in FY 2025 -26 . The Three OMC's made a cumulative profit of Rs . 77,280.65 crores a 130% jump over FY 2024-25. Even in (Quarter 4, Jan -March 2026) Q-4 2025-26 when Isreal and US struck Iran the profit of the three OMC 's was Rs 19,470 crores a 40% jump over the same period last year," Tewari wrote on X.

"When these OMC's have made super profits why is the price of Petrol and Diesel being increased every day in a creeping manner?" Tewari added, also pointing to Delhi petrol prices at Rs 102.12 per litre and diesel at Rs 95.20 per litre, and Chandigarh petrol at Rs 98.12 per litre and diesel at Rs 86.09 per litre.

"While the OMC's are making hay people are being crushed under a repressive pricing regime? Is this governance?" he asked.

Another Congress MP Manickam Tagore also joined the criticism of the government alleging that the Union Government was only working for corporated.

"The "OMC loss" argument -- DEMOLISHED: They say OMCs are losing 38/litre on diesel today. Let's ask: Where did 81,000 crore go? IOC + BPCL + HPCL posted 81,000 crore RECORD PROFIT in FY24 -- while you paid 100+/litre. They made profits for 7 quarters. Passed on ZERO to consumers. Crude crashed in 2016 -- they hiked excise by 11/litre & kept it. OMCs made record profits FY24 -- prices stayed high. Crude surges in 2026 -- prices hiked within DAYS. Loss flows to YOU. Profit stays with THEM. And Modi calls this "shielding consumers"? 2014: Crude \$114 Petrol 72 2016: Crude \$27 Petrol 64 2026: Crude \$97 Petrol 103 OMCs didn't share profits for 7 quarters. But passed losses in 7 days. Modi works for corporates. PROVED AGAIN," he posted on X.

The remarks come amid the fourth round of fuel price hikes in less than two weeks, driven by sustained volatility in global crude oil markets and ongoing geopolitical tensions in West Asia.

Following the latest revision, petrol prices in Delhi crossed the Rs 100-mark, rising by Rs 2.61 to Rs 102.12 per litre, while diesel increased by Rs 2.71 to Rs 95.20 per litre. Similar increases were recorded across major metro cities, including Kolkata, Mumbai and Chennai.

In Kolkata, petrol rose to Rs 113.51 per litre and diesel to Rs 99.82 per litre. Mumbai saw petrol at Rs 111.21 and diesel at Rs 97.83 per litre, while Chennai recorded petrol at Rs 107.77 and diesel at Rs 99.55 per litre. Jaipur also witnessed an increase, with petrol at Rs 112.66 per litre and diesel at Rs 97.78 per litre.

The successive hikes have triggered public concern, with commuters expressing frustration over rising transport costs. Some citizens said the price rise was "tough for the common man," while others pointed to the impact on taxi operators and daily travel expenses.

Meanwhile, Compressed Natural Gas (CNG) prices in Delhi were also raised by Rs 1 per kg on Saturday, further adding to the financial burden on households and transport operators.

The repeated increases in petrol, diesel and CNG prices come amid pressure on oil marketing companies due to elevated global crude prices, currency fluctuations, and supply uncertainties linked to West Asia tensions, particularly concerns over key shipping routes such as the Strait of Hormuz.

The continued hikes in petrol, diesel and CNG prices are likely to increase logistics and transportation costs further, potentially triggering a cascading effect on retail inflation and impacting household budgets as well as commercial transport sectors across the country.

Headline	Reduction Of VAT To 5% Can Ease Fuel Prices By ₹15 Per Litre: Industry Body		
Publication	The Free Press Journal	Edition	Online Coverage
Published Date	25 May 2026		

Reduction Of VAT To 5% Can Ease Fuel Prices By ₹15 Per Litre: Industry Body

<https://www.freepressjournal.in/business/reduction-of-vat-to-5-can-ease-fuel-prices-by-15-per-litre-industry-body>

The Centre should direct all state governments to impose a VAT of 5 percent on petrol and diesel, said the Chamber of Trade and Industry. It has written to Oil Minister Hardeep Singh Puri, seeking the imposition of 5 percent VAT by all states

The Chamber of Trade and Industry (CTI) on Monday said that the Centre should direct all state governments to impose a flat value-added tax (VAT) of 5 percent on petrol and diesel.

According to NDTV Profit, the industry body has written to Union Oil and Gas Minister Hardeep Singh Puri, seeking the imposition of a fixed VAT of 5 percent by all state governments for the next three months to provide relief to consumers from rising prices.

The CTI urged the minister to call an emergency meeting of all state finance ministers to implement the decision.

The industry body said that if all state governments agree to reduce VAT to 5 percent, petrol and diesel prices may become cheaper by Rs 10-15 per litre.

The CTI argued that out of the 28 states in the country, 21 states have Bharatiya Janata Party governments. Hence, it will be feasible to convince state governments to let go of petrol and diesel revenues for three months.

The industry body said a reduction in VAT could shield consumers from price shocks if further hikes are planned.

VAT is imposed by state governments. While some states impose a VAT of 20 percent, it goes beyond 30 percent in certain states.

In states like Telangana and Haryana, petrol costs over Rs 115 per litre and Rs 110 per litre due to high state-imposed taxes.

VAT imposed on fuel sales contributes a significant share to state finances. The Centre has recently reduced excise duty on petrol and diesel to reduce the impact of rising crude oil prices.

Crude oil prices have jumped from around \$65 per barrel to \$100 per barrel due to the West Asia conflict.

Indian oil marketing companies have raised petrol and diesel prices four times in the last 11 days to offset some losses caused by the sharp rise in crude oil prices.