

Pump fuel prices raised; inflation risks build up

₹3 hike in retail diesel, petrol prices; CNG costlier by ₹2

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Oil-marketing companies (OMCs) on Friday raised the retail prices of non-branded petrol and diesel by an average of ₹3 per litre, the first increase in four years, days after Prime Minister Narendra Modi called for restraint in fuel consumption amid the West Asia crisis and rising global petroleum prices. City gas distribution companies also raised compressed natural gas (CNG) prices by about ₹2 per kg.

The increase is expected to partially reduce under-recoveries for state-run fuel retailers, but it is also likely to push up retail inflation from May and trigger wider cost pass-through across the economy. Truck operators and logistics companies have already indicated freight rates could rise by 3-3.5 per cent.

Following the revision, non-branded petrol in Mumbai will cost ₹106.68 per litre, while diesel will be priced at ₹93.14 per litre. Turn to Page 9 ▶

PHOTO: PTI



Non-branded petrol now costs ₹97.77 per litre in Delhi and ₹106.68 in Mumbai after prices were increased by ₹3 per litre — the first in over four years

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'Voluntary consumption cuts better than sharp price hikes'

Amid the prolonged West Asia conflict, India has refrained from sharp price hikes that could hurt the vulnerable, while advocating voluntary consumption cuts and conservation steps, according to senior government officials.

Retail inflation

Q1FY27 RBI forecast	4%
April inflation rate	3.5%

Likely impact of hike on pump prices

SBI 15-20 bps

IDFC First 12 bps
(only direct passthrough)

India Ratings 42 bps
(including milk price hike)

Source: BS Research

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■ Freight rates may rise 3-3.5% as truckers fear margin wipeout

■ India's ecom and ride-hailing firms brace for higher fuel costs

Now, CCI asks Apple for its India turnover

A division Bench of chief justice Devendra Kumar Upadhyaya and justice Tejas Karia directed the CCI not to issue any final order in its investigation into alleged anti-competitive practices by Apple until the next hearing in July, while also asking the company to cooperate with the ongoing probe.

Declining to grant any further time to Apple for appearing before the CCI and furnishing information relating to its domestic turnover, the Bench told the regulator, "Lay your hands off till July 15. Proceed with the matter. They will cooperate but you will not pass a final order."

Recording the CCI's statement, the court ordered that "no final decision shall be taken" until the matter is heard again in mid-July. The proceedings arise from Apple's challenge in November last year to the amendments to the Competition Act, 2002, and the 2024 Monetary Penalty Guidelines, which permit penalties to be calculated on the basis of global revenue instead of India-specific or product-specific revenue.

The amended provisions empower the CCI to impose fines of up to 10 per cent of a company's global revenue from all products and services, replacing the earlier norm that restricted penalties to revenue generated from the specific product or service under scrutiny in India. The law further provides that the average revenue of the preceding three financial years would be considered while calculating penalties. Apple argued that the amended framework could expose it to penalties amount-

ing to nearly 38 billion dollars.

Singhvi told the court that the CCI had fixed the final hearing in the matter for May 21 even though Apple's plea was already listed before the High Court on July 15.

He argued that permitting the regulator to proceed further would render Apple's challenge to the global turnover framework "infructuous".

CCI lawyer Singh submitted that the company had been delaying proceedings in a case pending since 2021. "A multinational company is stalling a regulator's hand in 2026," Singh told the Bench.

According to the regulator, Apple had failed to provide the required information despite being granted seven extensions, thereby preventing the adjudication proceedings from reaching a conclusion.

The CCI submitted that the investigation had already been completed, the Director General's report had been furnished to Apple, and the company was now expected to respond. The regulator said Apple was prolonging the matter through litigation.

The High Court observed that it could not, at this stage, compel Apple to disclose the disputed information without first examining whether the company was legally entitled to withhold it.

At the same time, it clarified that the CCI would remain free to draw adverse inferences or take such steps as permissible under the law if Apple failed to cooperate. It nevertheless directed that while proceedings before the CCI may continue, no final order should be passed before the next hearing.

Fuel prices at pump rise; inflation risks build

Indraprastha Gas Ltd (IGL) raised CNG prices in Delhi to ₹79.09 per kg, while Mahanagar Gas increased prices in Mumbai to ₹84 per kg.

"The modest hike in retail prices of ₹3 per litre for petrol and diesel provides limited relief to OMCs," said Prashant Vasisht, senior vice-president and co-group head, corporate ratings, ICRA Ltd.

"Icra estimates that at crude prices of \$105-110 per barrel, and considering the past 10-year average crack spreads for auto fuels, OMCs incur losses of about ₹500 crore per day on the sale of auto fuels and domestic LPG, even after factoring in the fuel price hike," he added.

The government had signalled a possible fuel price increase over the past week as

state-run OMCs continued selling petrol and diesel at relatively lower retail prices despite procuring crude oil at sharply elevated rates. Fuel prices had remained largely unchanged even as crude traded above \$100 per barrel amid escalating tensions in West Asia. Union Oil Minister Hardeep Singh Puri had said on May 12 that OMCs were incurring losses of around ₹1,000 crore per day by selling petrol and diesel below market-linked levels. He added that under-recoveries in the first quarter of FY27 could rise to ₹2 trillion, while losses may touch ₹1 trillion.

The government had earlier reduced excise duty on petrol and diesel by ₹10 per litre in late March in a bid to provide relief to consumers

and support OMCs.

According to a research report by State Bank of India, the latest fuel price increase could reduce OMC under-recoveries by around ₹52,700 crore, equivalent to nearly 15 per cent of the sector's estimated FY27 losses.

The report, however, cautioned that any further depreciation in the rupee could offset these gains by raising the effective import cost of crude oil. "Our calculations show that, even an additional depreciation of ₹2 in the rupee (from FY27 current average at ₹94) raises the effective crude oil price pushing the landed import cost which fully offsets the gains from the current fuel price hike," it said.

Gaura Sen Gupta, chief economist at IDFC First Bank, said the increase in fuel prices would add about 12 basis points to headline consumer price inflation (CPI), factoring in only the direct impact. "May CPI inflation is estimated at nearly 3.9 per cent, incorporating the fuel price hike. Full-year FY27 CPI inflation is expected to average 4.9 per cent, factoring in both the increase in fuel prices and second-round effects," she said.

Exports at 4-yr high, trade deficit widens

Following the duty increase on gold, Agrawal said he expected imports of the yellow metal to decline in the coming months. "Consumption-based usage of gold should go down due to the duty hike," he told reporters on Friday. The commerce ministry estimated services exports at \$37.24 billion in April, up 13.4 per cent year on year. Services imports were estimated at \$16.66 billion, slightly below \$16.91 billion in April 2025, leaving India with an estimated services trade surplus of \$20.58 billion. The Reserve Bank of India is expected to release final services trade data later this month.

The impact of supply-chain disruption stemming from the conflict in West Asia was visible in India's trade with the United Arab Emirates, with both exports and imports declining by more than 30 per cent in April. India's crude oil imports, most of which pass through Strait of Hormuz, also fell 10 per cent to \$18.63 billion.

The US remained India's largest export destination in April, although exports rose only marginally to \$8.48 billion from \$8.38 billion a year earlier. Imports from the US fell 4.7 per cent to \$5.27 billion.

Exports to Singapore recorded an unexpected surge, nearly doubling to \$3.20 billion in April. Merchandise exports

Megha Arora, director at India Ratings & Research, said the combined impact of the fuel and milk price increases could raise CPI inflation by around 42 basis points. "The actual impact on CPI inflation is likely to be higher as the fuel price increase will affect CNG prices, transportation, freight, the e-commerce industry, and diesel users, coastal fish farmers and aquaculture farmers," she said.

Higher diesel prices are also expected to increase pressure on the farm sector by raising operational and mechanisation costs across the agricultural cycle. "Diesel powers more than 60 per cent of farm mechanisation activities, and overall cultivation expenses are projected to rise by 6-10 per cent," said Vinod Goyal, chief executive officer at Agricare Corporation.

"Fuel price increases are immediately passed on by equipment owners to farmers. Hiring rates for tractors, rotavators and tillers are expected to rise, adding an estimated burden of ₹400-600 per hour for essential ploughing operations," he added.

(Inputs from Asit Ranjan Mishra & Sanjeeb Mukherjee)

to China increased 27 per cent to \$1.77 billion in April. China also remained India's largest source of imports, with shipments rising 20.9 per cent to \$11.97 billion.

India's cumulative exports stood at \$80.80 billion in the first month of FY27, a year in which the government is targeting total exports of \$1 trillion. According to Agrawal, the government is relying on the implementation of recently concluded trade agreements, along with support for exporters under the Export Promotion Mission, to achieve the target.

The commerce department would work with exporters to deliver export growth of 10-15 per cent this year, Agrawal said. "In the uncertain global environment, supply chains normally get recalibrated. We will work with our exporters to see if our quest to diversify to new markets can become part of that shift in supply chains," he added.

Meanwhile, Federation of Indian Export Organisations President S C Ralhan stressed the need for continued policy support for exporters, stable logistics supply chains and greater market-access initiatives to sustain export momentum in the coming months. "The growth in merchandise