

Third fuel price hike in 10 days

WHILE DIESEL PRICES were increased by 91 paise to ₹92.49 per litre from ₹91.58 previously. The latest revision follows a ₹3 per litre increase in petrol and diesel prices on May 15 and another 90 paise per litre hike on May 19, ending a prolonged freeze in retail fuel prices.

Compressed natural gas (CNG) prices were also increased by ₹1 per kg on Saturday, marking the third hike in recent days and taking the cumulative increase to ₹4 per kg since May 15. CNG prices in Delhi were raised to ₹81.09 per kg from ₹80.09 earlier, according to Indraprastha Gas.

“OMC still incurring under-recoveries of ₹700 crore per day considering crude price of \$120-125/bbl,” said Prashant Vasisht, senior vice-president and co-group head, corporate ratings, ICRA.

Sourav Mitra, partner, oil and Gas, Grant Thornton Bharat, said the recent back-to-back fuel price increases would provide only partial relief to OMCs but not a full cushion, adding that even if the West Asia situation stabilises, risks around the Strait of Hormuz could keep crude oil prices elevated above \$90 per barrel. “Combined with a weakening rupee, this continues to pressure OMC margins, and they could still face under-recoveries,” he said.