

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-1732
ANSWERED ON- 15/12/2025

PETROL AND DIESEL PRICING AND COLLECTION OF CENTRAL REVENUE

1732 DR. SASMIT PATRA:

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

- (a) the excise duty, cess and surcharge collected from petrol and diesel since 2020, year-wise;
- (b) the share of fuel taxes in total central tax revenue;
- (c) the tax reduction foregone during periods of high crude prices;
- (d) whether Government admits that fuel taxation has become a silent mass tax on household budgets, transport, agriculture and MSMEs; and
- (e) whether any threshold pricing formula exists beyond which Government automatically reduces taxes to protect consumers, whether price burden is used as a revenue-balancing instrument?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

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

The prices of petroleum products in the country are linked to the price of respective products in the international market. India imports more than 85% of its crude oil requirements. Crude oil prices (Indian basket) increased from USD 80.64/bbl (November 2021) to \$116/bbl (June 2022), whereas domestically, Petrol and Diesel prices have come down to Rs. 94.77 and Rs. 87.67 per litre respectively (Delhi prices) from Rs. 110.04 and Rs. 98.42 per litre in November 2021 as a result of various steps taken by Government and PSU OMCs.

Central Excise duty was reduced by the Central Government by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs reduced the retail prices of petrol and diesel by Rs. 2 per litre each. In April 2025, excise duty on Petrol and Diesel was increased by Rs. 2 per litre each but this was not passed on to consumers.

PSU OMCs have also carried out an intra-state freight rationalisation. This has benefitted consumers located at remote areas, far from Petroleum Oil & Lubricants (POL) Depots in the form of reduced Petrol and Diesel prices in remote parts within the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.

The details of contribution of petroleum sector to central exchequer since 2020-21 are given at Annexure-I.

The details of share of petroleum sector in total revenue receipts of the Central/ State Governments are given at Annexure-II.

Annexure referred to in reply to Rajya Sabha Unstarred Question No. 1732 asked by Dr. Sasmit Patra to be answered on 15.12.2025 regarding “Petrol and diesel pricing and collection of central revenue”.

Contribution of Petroleum Sector to Central Exchequer

(Rs. in Crore)

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Contribution to Central Exchequer					
A. Tax/ Duties on Crude oil & Petroleum products					
Cess on Crude Oil	10,676	19,214	21,445	19,580	18,559
Royalty on Crude Oil / Natural Gas	3,590	5,639	9,822	9,286	9,195
Customs Duty	13,514	11,423	14,985	13,134	14,337
NCCD on Crude Oil	1,016	1,121	1,192	1,191	1,197
Excise Duty	3,72,970	3,63,305	2,87,575	2,73,684	2,71,529
Service tax	1	-	-	-	-
IGST	11,594	19,726	22,236	20,930	19,065
CGST	6,158	10,843	13,012	12,230	10,653
Others	365	338	59	51	46
Sub Total (A)	4,19,884	4,31,609	3,70,326	3,50,086	3,44,581
B. Dividend to Government/ Income tax etc.					
Corporate/ Income Tax	21,909	29,219	33,292	57,493	43,245
Dividend income to Central Govt.	10,393	22,612	15,673	19,310	22,095
Dividend distribution tax	-	-	-	-	-
Profit Petroleum on exploration of Oil/ Gas	2,883	8,862	8,776	5,505	5,322
Sub Total (B)	35,185	60,694	57,741	82,308	70,663
Total Contribution to Central Exchequer (A+B)	4,55,069	4,92,303	4,28,067	4,32,394	4,15,244

The above is based on data provided to Petroleum Planning and Analysis Cell (PPAC) by 15 major oil & gas companies. The amount reported by the companies to PPAC is the consolidated amount of all taxes/cess/ duties /GST etc. for crude oil and petroleum products.

Annexure referred to in reply to Rajya Sabha Unstarred Question No. 1732 asked by Dr. Sasmit Patra to be answered on 15.12.2025 regarding “Petrol and diesel pricing and collection of central revenue”.

Share of petroleum sector in total revenue receipts of the Central/ State Governments

(Rs. in Crore)

Particulars	2022-23	2023-24	2024-25
Share of petroleum sector in total revenue receipt of Centre			
Total Revenue receipt of Centre	23,83,206	27,29,036	30,87,961
Total Contribution to Central Exchequer by Petroleum Sector	4,28,067	4,32,394	4,15,244
% Share of Petroleum Sector	18%	16%	13%
Share of petroleum sector in total revenue receipt of States			
Total Revenue receipt of States	36,54,408	42,10,410	46,73,809
Total Contribution to State Exchequer by Petroleum sector	3,20,651	3,18,762	3,25,584
% Share of Petroleum Sector	9%	8%	7%

Source: Petroleum Planning and Analysis Cell (PPAC)