

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
STARRED QUESTION NO. 251
ANSWERED ON 16.03.2026

FUEL PRICE VOLATILITY

*251 SMT. RAJANI ASHOKRAO PATIL:

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

- (a) the reasons for continued volatility in fuel prices all around the country;
- (b) the details of taxes and pricing mechanisms involved in fixing of petrol and diesel price all across the country;
- (c) the impact of such an inflated price on household budgets and inflation; and
- (d) whether pricing transparency will be enhanced or Government is taking any measures to reduce the price of petroleum products?

ANSWER

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)

- (a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. 251 FOR REPLY ON 16.03.2026 REGARDING FUEL PRICE VOLATILITY ASKED BY SMT. RAJANI ASHOKRAO PATIL:

(a) to (d) Despite unprecedented volatility in international crude oil and product prices due to conflicts and other extraneous factors/developments, prices of Petrol and Diesel in retail outlets in India, unlike other economies, have either remained stable or have in fact come down in last four years (post the Russia-Ukraine conflict) as under:

Country	% age Change in Prices between Feb-2022 and Feb-2026	
	Petrol	Diesel
India (Delhi)	-0.67%	1.15%
Pakistan	55.52%	43.44%
Sri Lanka	30.74%	81.41%
Nepal	8.60%	7.56%
USA	11.54%	10.46%
Italy	13.17%	25.29%
Spain	16.23%	21.05%
Germany	21.77%	28.90%
France	19.33%	23.84%

Source: Petroleum Planning and Analysis Cell (PPAC)

India imports majority of its crude oil requirements and prices of petroleum products in India are linked to international markets. Despite volatility in global crude/petroleum prices, PSU OMCs have moderated retail petrol and diesel prices. The details of price build up of Petrol and Diesel in Delhi as on 10.03.2026 are given at Annexure.

Government makes fiscal interventions whenever necessary to calibrate the tax structure applicable for petroleum products. 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. Retail prices of petrol and diesel have also been reduced by PSU OMCs in the last four years. For example in March, 2024, OMCs reduced the retail prices of petrol and diesel by Rs. 2 per litre each. But in April 2025, when excise duty on Petrol and Diesel was increased by Rs. 2 per litre each it 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.

Changes in prices of petrol and diesel have an impact on Wholesale Price Index (WPI), where petrol and diesel have a combined weightage of 4.7%.

The details of daily Retail Selling Prices (RSP) of petrol and diesel in four metro cities viz. Delhi, Mumbai, Kolkata and Chennai are available at the website of PSU OMCs and Petroleum Planning and Analysis Cell (PPAC) i.e. www.ppac.gov.in.

Annexure

Annexure referred to in reply to Rajya Sabha Starred Question No. 251 asked by Smt. Rajani Ashokrao Patil answered on 16.03.2026 regarding “Fuel price volatility”.

Price build up of Petrol and Diesel at Delhi as on 10.03.2026

(Rs./Litre)

Elements	Petrol	Diesel
Price charged to Dealers (excluding VAT)	74.97	71.81
Add: Dealer Commission (Average)	4.40	3.03
Add: VAT (including VAT on Dealer Commission)	15.40	12.83
Excise Duty	21.90	17.80
RSP (Rounded)	94.77	87.67

Source: IOCL