

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO- 304
ANSWERED ON- 02/02/2026

REVENUE GENERATED FROM PETROL AND DIESEL

304# SHRI NEERAJ DANGI :

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

- (a) the quantum of revenue currently being generated by Government as excise duty on petrol and diesel, State-wise details thereof;
- (b) whether it is a fact that certain States are responsible for non-reduction of the prices of petrol and diesel, if so, the details thereof; and
- (c) whether Government is considering to standardise (to bring uniformity in) the prices of petrol and diesel across the country?

ANSWER

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

(a) to (c) 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 final selling prices of petrol and diesel include excise duty fixed by the Central Government and Value Added Tax (VAT)/Taxes fixed by the respective State/UT Governments. Central Government uniformly decreased the prices across the country by reducing excise duty in November 2021 and May 2022 by Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively. While most State governments reduced VAT rate to provide further relief to citizens, some State Governments did not. In April 2025, excise duty on Petrol and Diesel was increased by Rs. 2 per litre each but this increase 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 prices of petrol and diesel in the States across the country vary due to differing freight rates, VAT/local levies etc.

The details of amount of excise duty collected by the Government from petroleum sector since 2020-21 are given at Annexure.

Annexure referred to in reply to Rajya Sabha Unstarred Question No. 304 asked by Shri Neeraj Dangi to be answered on 02.02.2026 regarding “Revenue generated from petrol and diesel”.

Excise Duty collected by Government from Petroleum Sector

Year	Excise Duty (Rs. in Crore)
2020-21	3,72,970
2021-22	3,63,305
2022-23	2,87,575
2023-24	2,73,684
2024-25	2,71,529
H1 2025-26 (P)	1,30,092

Source :Petroleum Planning and Analysis Cell (PPAC)

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 for crude oil and petroleum products. (P) - Provisional