GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 929
ANSWERED ON - 27/07/2026

PETROL AND DIESEL PRICES

929 SHRI ABDUL WAHAB:

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

(a) the breakup of retail petrol and diesel prices indicating crude oil cost, refining, freight, dealer commission, Central taxes and State taxes;

(b) whether Government has assessed the impact of fuel prices on inflation; and

(c) the measures taken to stabilize retail fuel prices?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI SURESH GOPI)

(a) Refining of crude oil is a process industry in which crude oil contributes around 90% of the total cost. The crude is processed through several interconnected units that produce intermediate streams requiring further reprocessing and blending. Due to this integrated processing, the overall production cost is shared and spread across multiple petroleum products, making product-wise cost allocation infeasible.

The details of price build-up of petrol and diesel in Delhi as on 21.07.2026 are given below:

(Rs./Litre)

Elements	Petrol	Diesel
Price charged to Dealers (inclusive of excise duty and excluding VAT) *	81.08	78.25
Add: Dealer Commission (Average)	4.45	3.04
Add: VAT (including VAT on Dealer Commission)	16.59	13.91
*Excise Duty (already included in price charged to dealers)	11.90	7.80
RSP (Rounded)	**102.12**	**95.20**

Source: Petroleum Planning and Analysis Cell (PPAC)

(b) The impact of increase/decrease in prices of Petrol and Diesel on household inflation can be assessed through their weightage in the Wholesale Price Index (WPI). The weightage of Petrol and Diesel in the WPI index is 1.73% and 4.03% respectively.

(c) Prices of petrol and diesel in the country are market-determined and the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

India imports more than 88% of its crude oil requirements. Since March 2026, due to the West Asia crisis, international crude oil prices have risen significantly. To protect consumers from its impact, in March 2026, Government reduced the excise duties on petrol and diesel by Rs. 10 per litre each, resulting in a substantial negative impact on its tax revenues.

Crude oil prices (Indian basket) increased to USD 136.68/barrel during March 2026 and have continued to fluctuate due to various geopolitical and market factors. The geopolitical situation continues to be highly volatile. As a result, PSU OMCs have incurred huge under recoveries on the sale of petrol, diesel, LPG, etc. Against this, Petrol and Diesel prices were increased only marginally by the PSU OMCs. The current RSP of Petrol and Diesel are Rs. 102.12 and Rs. 95.20 per litre respectively (Delhi prices).

*****