

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:3235  
ANSWERED ON:14.08.2003  
SALE OF LPG/CNG/KEROSENE/DIESEL  
S. SAIDUZZAMAN

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

- (a) whether the Government are losing on sale of kerosene and LPG/CNG and also on decrease in sales of diesel;
- (b) if so, the details thereof;
- (c) whether the losses are largely due to heavy imports of kerosene and LPG and charging high on the sale of petrol/diesel and other products to customers; and
- (d) if so, whether the Government propose to review its import policies to ensure self-reliance in petroleum sector ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS ( SHRIMATI SUMITRA MAHAJAN )

(a) & (b) : Sales of LPG & CNG have gone up during the last three years. Kerosene is an allocated product, therefore, sales are restricted to allocation. With increasing availability of LPG, Kerosene use is being gradually replaced by LPG especially for cooking purposes. Sale of Diesel recorded negative growth for the first time in the year 2000-2001 and 2001-2002. Major factors affecting Diesel Sales were :-

- (i) Sectors like Defence, Power, State Transport Undertakings, Marine, Cement, Mining, Textiles & `Others` (Private) uplifted less quantity during 2002-2003.
- (ii) Increasing use of cheaper alternate fuels like Private LDO and SKO replacing diesel due to price advantage.
- (iii) Increasing use of CNG.
- (iv) Drought conditions in the year 2001-2002 leading to drop in agriculture production.

(c) & (d) : The PSU Oil Companies have reported that increase in imports of the PMS Kerosene is one of the reasons affecting the sale of diesel in the country. As per the extant Exim Policy, Kerosene is a free import item and no review of this policy is proposed.