

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2432
ANSWERED ON:18.03.2005
SUBSIDY ON LPG
Ahir Shri Hansraj Gangaram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has decided to withdraw subsidy on LPG;
- (b) if so, the details thereof;
- (c) the amount of subsidy given by the Government on every LPG cylinder at present;
- (d) the expected amount of money likely to be saved in case subsidy is withdrawn on LPG;
- (e) whether the Government has stipulated any time limit for withdrawal of the subsidy; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (f): As per the Government decision, the Budgetary subsidy on domestic LPG is available up to March 31, 2007. The Government budgetary subsidy on domestic LPG for 2004-05 has been Rs.22.58 per cylinder. Besides, the budgetary subsidy, the oil public sector undertakings (PSUs) are sharing the burden of subsidising this product. Based on the average international prices of LPG for the month of February, 2005 and taking into account the current level of duties and taxes on this product, the retail selling price of LPG in Delhi would increase by Rs. 96.20 per cylinder in case the existing total subsidy, including the subsidy element borne by oil PSUs, is withdrawn.