

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

UNSTARRED QUESTION NO:4495

ANSWERED ON:22.04.2010

PRICE OF PETROLEUM PRODUCTS

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

- (a) the present rates of diesel, petrol cooking gas and kerosene in each State and Union Territory;
- (b) the difference of rates of various oil products in each of the State and the reasons therefor;
- (c) the amount of subsidy is being provided on different petroleum products during the last three years and the current year;
- (d) whether there is any proposal for uniformity of rates in all the States; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA)

(a) & (b): The details of the current retail selling prices of Petrol, Diesel, Domestic LPG and PDS Kerosene in the State capitals and Union Territories are given in the Annexure. The retail selling prices of petroleum products vary from State to State on account of variations in the inland freight, Sales Tax/ VAT and local taxes being levied by the respective State Governments/local authorities.

(c): The Government is providing fiscal subsidy of Re.0.82 per litre on PDS Kerosene and Rs.22.58 per cylinder on Domestic LPG from the fiscal budget under the 'PDS Kerosene and Domestic LPG Subsidy Scheme, 2002' to the Public Sector Oil Marketing Companies (OMCs). A provision of Rs.2900 crore has been made in the fiscal budget of 2010-11 for subsidy on PDS Kerosene and Domestic LPG. The details of the fiscal subsidy paid under this Scheme during the last three years are given below:

(Rs.in crore)

PDS Kerosene Domestic LPG Total

2007-08 978 1663 2641

2008-09 974 1714 2688

2009-10 956 1814 2770

As the retail selling prices of the four sensitive petroleum products are not maintained in line with international prices, the OMCs incur under-recoveries. The product-wise under- recoveries incurred by the OMCs on sensitive petroleum products during the last three years is given below:

(Rs. in crore)

Product 2007-08 2008-09 2009-10

Petrol 7,332 5,181 5,151

Diesel 35,166 52,286 9,279

PDS Kerosene 19,102 28,225 17,364

Domestic LPG 15,523 17,600 14,257

Total 77,123 1,03,292 46,051

Gross under-recoveries without considering oil bonds/ budgetary support and upstream assistance.

The above under-recoveries have been compensated under a burden sharing mechanism involving all stakeholders viz., Government, oil PSUs and the consumer.

(d) & (e): At present, there is no such proposal under consideration in the Ministry of Petroleum and Natural Gas.