

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

STARRED QUESTION NO:241

ANSWERED ON:08.12.2005

DUAL PRICING POLICY FOR LPG

Hasan Chaudhary Munawwar;Nahata Smt. P. Jaya Prada

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

(a) whether the Government has received any proposal from the Public Sector Oil Companies for permission to sell Liquefied Petroleum Gas (LPG) at unsubsidised prices to the rich and the middle class households :

(b) if so, the details thereof ; and

(c) the Governments reaction thereto ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 241 BY SHRIMATI JAYAPRADA AND SHRI MUNAWAR HASSAN TO BE ANSWERED ON 8TH DECEMBER 2005 REGARDING DUAL PRICING POLICY FOR LPG.

(a) to (c) : At present, subsidised domestic LPG is marketed by the distributors of the four public sector oil marketing companies (OMCs), viz., Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL) and IBP Company Limited. Domestic LPG is partly subsidized by the Government and partly by the oil companies. During the year 2004-05, the total subsidy burden was Rs. 9830 crores. This Ministry has recently written to the State Governments seeking views on restricting the subsidy on domestic LPG to only BPL families.

The Government has also allowed Oil and Natural Gas Corporation (ONGC) and GAIL India Limited (GAIL) to market LPG produced by their fractionators subject to certain terms and conditions. With a view to operationalizing the mechanism, the matter was recently reviewed in the Ministry and ONGC and GAIL were asked to give their proposals. The proposals received from them are under examination in the Ministry.