

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

UNSTARRED QUESTION NO:4394  
ANSWERED ON:26.08.2004  
SUBSIDY ON KEROSENE AND DIESEL TO FISHERMEN  
Manoj Dr. K.S.;Ramadass Prof. M

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

- (a) whether the Government is aware of the severe hardships faced by the small and marginal coastal fishermen due to frequent rise in diesel and kerosene price;
- (b) if so, the relief measures are proposed to alleviate their sufferings in this regard;
- (c) whether the Government propose to increase the subsidy on kerosene and diesel for the above fishermen; and
- (d) if so, the details thereof ?

**Answer**

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

(a) to (d): The oil PSUs have not increased the selling prices of PDS kerosene after 1.3.02 despite increases in international prices. PDS kerosene is subsidized and in addition to Government subsidy, oil PSUs are sharing the burden of subsidizing this product. PDS kerosene at subsidized rate is allocated to States/UTs, who, in turn, make their own arrangements to reach this product to entitled consumers.

As regards diesel, a price band mechanism has been put in operation effective 1-8-04, as per which oil companies can effect price revisions only within a prescribed price band. Also, with a view to contain the impact of high international prices on the domestic consumer prices of diesel, the excise duty on diesel was reduced by 3% effective midnight of 15th/16th June 2004. Later, effective midnight of 18th/19th August 2004, the customs duty on diesel was reduced by 5% and excise duty by further 3%. In addition to the aforesaid fiscal measures, there is a Government scheme called "Fishermen Development Rebate on HSD", under which a subsidy of Rs.1.50 per litre of HSD used by mechanized fishing vessels below 20 meters length is given.