

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

STARRED QUESTION NO:21

ANSWERED ON:02.12.2004

HIKE IN PRICES OF PETROL, DIESEL, COOKING GAS AND KEROSENE

Das Gupta Shri Gurudas;Mahto Shri Tek Lal

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

- (a) whether the prices of Petrol, Diesel and Cooking Gas have been raised w.e.f. November 4, 2004 midnight;
- (b) if so, the details of the price increase effected for Petrol, Diesel, Cooking Gas and Kerosene during the last three years;
- (c) whether it has also been decided to increase the price of LPG at the rate of Rs. 5 per cylinder every month till the entire subsidy is wiped out;
- (d) if so, the extent of subsidy on different petroleum products;
- (e) whether the Government will take suitable relief measures to help the people by rolling back the increased prices; and
- (f) if so, the action being taken by the Government in this regard with special reference to recommendations made by the Group of Ministers in respect of hike in prices of petroleum products ?

**Answer**

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (t) OF THE LOK SABHA STARRED QUESTION NO.21 BY SARV ASHRI GURUDAS DASGUPTA AND TEK LAL MAHTO TO BE ANSWERED ON 2ND DECEMBER 2004 REGARDING HIKE IN PRICES OF PETROL, DIESEL, COOKING GAS & KEROSENE

(a): Yes, Sir.

(b): The details of revisions in the retail selling prices (RSPs) of petrol, diesel, domestic LPG and PDS kerosene from 1st April 2002 onwards are at Annex.

(c): It was earlier decided that the RSP of domestic LPG cylinder would be increased by Rs.5/- per month till the end of 2004-05. However, later, it was decided that this monthly increase would not be effected.

(d) & (e): Considering India's high dependence on oil imports, the increase in international prices does impact on the domestic consumer prices of petroleum products. However, steps have been taken to contain the impact of such increases in the domestic consumer prices of four major products, viz., PDS kerosene, domestic LPG, diesel and petrol. The Government reduce~ excise duties on petrol, diesel and domestic LPG by 4%, 3% and 8%, respectively effective 16.6.2004. Later, effective 19.8.2004, the excise duties on petrol, diesel and PDS kerosene were reduced by 3%, 3% and 4% respectively. Also, effective 19.8.2004, customs duties on petrol, diesel, PDS kerosene and domestic LPG were reduced by 5% each.

PDS kerosene and domestic LPG are subsidized products. In addition to the Government subsidy, oil PSUs have been sharing the burden by not passing the full increase in international prices on to the domestic consumer prices of these products. Despite the steep increase in international prices, the selling price of PDS kerosene has not been increased since 1.4.2002 and the RSP of domestic LPG was increased by only Rs.20/cylinder each, effective 16.6.2004 and 5.11.2004 respectively. Owing the first half of 2004-05, the estimated provisional under-recovery/subsidy on these products was as follows:

Product	Government Oil PSUs`	Total
	Subsidy under- Subsidy/under-	
	recoveries recoveries	

PDS Kerosene (Rs./litre)	0.82	7.05	7.87
I Domestic LPG (Rs./Cylinder)	22.58	113.03	135.61

In addition, oil PSUs have had under-recoveries during 2004-05 for non-revision in the domestic consumer prices of petrol and diesel in line with the international prices.

(f): No Group of Ministers has been constituted by this Government to consider issues relating to the rise in prices of petroleum products.

## ANNEX

### Revision in the retail selling Prices of Petrol Diesel Domestic LPG and PDS Kerosene at Delhi from 1.4.2002, onwards

Petrol Diesel Domestic LPG PDS Kerosene  
(Rs/litre) (Rs/litre) (Rs/Cylinder) (Rs/Litre)

01.04.02	26.54	16.59	240.45	8.98	
04.06.02	28.94	17.99	-	-	
16.06.02	29.18	18.23	-	-	
16.08.02	29.00	18.05	-	-	
01.09.02	29.20	18.34	-	-	
16.09.02	29.66	18.68	-	-	
01.10.02	29.91	18.91	-	-	
17.10.02	30.24	19.23	-	-	
01.11.02	30.26	19.25	241.20	-	
16.11.02	29.57	18.57	-	-	
01.12.02	28.91	18.06	-	-	
03.01.03	29.93	19.07	-	-	
16.01.03	30.33	19.47	-	-	
01.02.03	30.71	19.84	-	-	
01.03.03	32.10	21.21	-	-	
16.03.03	33.49	22.12	-	-	
16.04.03	32.49	21.12	-	-	
27.04.03	31.49	20.12	-	-	
01.05.03	31.50	20.13	-	-	
16.05.03	30.40	19.18	-	-	
01.06.03	30.30	19.08	-	-	
26.06.03	-	-	9.01#		
01.09.03	32.40	20.33	-	-	
01.10.03	-	-	241.60##	-	
16.10.03	31.70	19.73	-	-	
16.12.03	32.70	20.73	-	-	
01.01.04	33.70	21.73	-	-	
01.03.04	33.71	21.74	-	-	
16.06.04	35.71	22.74	261.60	-	
01.08.04	36.81	24.16	-	-	
05.11.04	39.00	26.28	281.60	-	
16.11.04	37.84	-	-	-	

Notes:

# - Due to variation in state levies

## - Due to increase in distributors` commission.