

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

UNSTARRED QUESTION NO:75

ANSWERED ON:22.02.2013

LPG CYLINDERS

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

- (a) whether the Government has assessed the impact of reduction in number of subsidized LPG cylinders to consumers;
- (b) if so, the details thereof and the total amount so far saved by the Government along with the profits earned by various companies thereafter company-wise;
- (c) the percentage fall in sale of LPG cylinders during the year 2012-13 along with the estimated subsidy saving projected by the government for the current and next financial year;
- (d) whether the cap of LPG cylinders has helped the Government to cut diversion of subsidized cylinders and if so, the details thereof;
- (e) whether the gas supplying companies are unable to meet the demand of LPG cylinders even at market price; and
- (f) if so, the details thereof along with the reasons therefor and the corrective measures taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT PANABAACA LAKSHMI)

(a) & (b) Public Sector Oil Marketing Companies (OMCs), namely, Indian Oil Corporation Limited (IOC), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) have estimated (based on previous year consumption data) that 90% of cylinders will be sold at subsidized rates and annually only 10% of cylinders will be sold at market prices at current cap level of 9. This translates to saving fiscal subsidy and under recoveries on around 0.92 crore cylinders @ Rs.503.58/cylinder.

(c) & (d) The cap was implemented w.e.f. 14.09.2012. During the period Sep'12- Jan'13, OMCs registered a growth of -1.8% as compared to a growth of 6.9%, during Sep'11-Jan'12 in domestic LPG. On the other hand they have registered a growth of 12.5% during Sep-Jan'13 against 5.4% growth in corresponding period of previous year i.e. Sep-Jan'12 in sales of industrial LPG (NDNE).

(e) & (f) OMCs have reported that they are meeting the genuine demand of the customers registered with them. However, if backlog gets generated due to uncontrollable/ unavoidable reasons, the same is tided over by augmenting supplies to the affected markets by operating the bottling plants on Sundays/ holidays.