

LOK SABHA
UNSTARRED QUESTION NO.5722
TO BE ANSWERED ON 2ND APRIL, 2018

COST OF DOMESTIC LPG

5722. SHRI S.P. MUDDAHANUME GOWDA:
SHRI C.S. PUTTA RAJU:

पेट्रो लयम और प्राकृतिक गैस मंत्री

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

- (a) the present production cost per domestic cooking gas cylinder in the country;
- (b) the amount of subsidy being paid by the Government on each cylinder and total annual subsidy for all cooking gas cylinders distributed during the last three years and the current year;
- (c) whether the Government proposes to withdraw entire subsidy on gas, diesel and petrol in the country; and
- (d) if so, the details thereof and the reasons therefor?

ANSWER

पेट्रो लयम और प्राकृतिक गैस मंत्री

(श्री धर्मन्द्र प्रधान)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a): Refining of crude oil is a process industry, where crude oil constitutes around 90% of the total cost. Crude oil is processed through several processing units. Each of these units produces intermediate products streams, which require further reprocessing and blending. Refined products include MS, HSD, Kerosene, LPG, Naphtha, ATF etc. It is difficult to apportion the total cost amongst individual refined products from a refinery.

(b): Current subsidy/under recovery on sale of Subsidized domestic LPG is Rs. 195.91/14.2 Kg cylinder. The year-wise subsidy/ under-recovery on Subsidized Domestic LPG for the last three years and the current year is given as under:

(Rs. Crore)

Particular	2014-15	2015-16	2016-17	Apr-Dec'17
Domestic LPG #	40569	16074	14566	14,172
# Includes Subsidy under "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002" & "Freight Subsidy (For Far-Flung Areas) Scheme, 2002" on payment basis				

(c) & (d): The prices of Petrol and Diesel have been made market determined by the Government effective 26th June, 2010 and 19th October, 2014 respectively and since then their prices are being decided by the OMCs in line with the changes in the international market prices. The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG.