

LOK SABHA
UNSTARRED QUESTION NO. 1383
TO BE ANSWERED ON 1ST JULY, 2019

Prices of Petrol/Diesel/LPG/Kerosene

†1383. SHRI JANARDAN MISHRA:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government is planning to reduce prices of petrol, diesel, LPG and kerosene in the country;
- (b) if so, the details thereof and the efforts made or proposed to be made by the Government in this regard in the recent past;
- (c) the reasons/constraints of the Government responsible for the hiked petrol price; and
- (d) the details of various subsidy schemes available for Petrol/Diesel/LPG/ Kerosene, scheme-wise?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री

(श्री धर्मेन्द्र प्रधान)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

- (a) to (c) Prices of petrol and diesel have been made market-determined by the Government with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel in line with international product prices and other market conditions. The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and retail selling price of PDS Kerosene. The prices of petroleum products are linked to the price of respective products in the international market. Oil Marketing Companies take a decision on retail selling price after considering various aspects including international product prices, exchange rate, tax structure, inland freight and other cost elements.

With an aim to reduce the prices of petrol and diesel and give relief to the consumers, the Central Government reduced the Central Excise duty on petrol and diesel by ₹ 2 per litre with effect from 4th October, 2017. The Central Government further reduced the Central Excise duty on petrol and diesel by ₹ 1.50 per litre with effect from 5th October, 2018 and Public Sector OMCs also reduced ₹ 1.00 per litre to reduce the

overall price of petrol and diesel. The Central Government also requested the State Governments to make a reduction of ₹ 2.50 per litre in VAT imposed by them on petrol and diesel. Accordingly, 18 State Governments and 1 Union Territory have reduced VAT on petrol and diesel.

- (d) The following are the under-recovery/subsidy schemes currently under implementation for domestic LPG (up to the cap of 12 cylinders per annum to each household)/ PDS kerosene :-

LPG

Government, as a measure of Good Governance has introduced well targeted system of subsidy delivery to LPG consumers through PAHAL Scheme. This initiative of the Government was aimed at rationalizing subsidies based on approach to cut subsidy leakages, but not subsidy per se. Applicable subsidy is directly transferred into the bank account of the beneficiaries.

As on 20.6.2019., more than 24.76 crore LPG consumers have joined the PAHAL Scheme. So far, more than ₹ 1.13 lakh crore have been transferred into the bank accounts of consumers under PAHAL.

PDS Kerosene

Ministry of Petroleum & Natural Gas has launched Direct Benefit Transfer in PDS Kerosene (DBTK) Scheme. The DBTK Scheme is being implemented with an objective to bring reforms in Allocation and Distribution of PDS SKO distribution system. Under the DBTK Scheme, as a part of distribution reforms, PDS Kerosene is sold to the identified beneficiaries at non-subsidized rate and the applicable subsidy is directly transferred into the bank account of the beneficiaries. The State Government of Jharkhand has implemented the DBTK in all the 24 districts.

In case of other States/UTs, subsidized PDS Kerosene is allocated on quarterly basis. Amount of under- recovery on PDS Kerosene is the difference between cost price and issue price of the depot. The issue price is regulated and the differential under-recovery is compensated by the Government.

X-X-X-X-X

