

**LOK SABHA**

**UNSTARRED QUESTION NO. 3763  
TO BE ANSWERED ON 23 MARCH, 2023**

**Increasing Price of Kerosene and Gas**

†3763. SHRI OMPRAKASH BHUPALSINH ALIAS PAWAN RAJENIMBALKAR:  
SHRI SANJAY JADHAV:  
SHRI VINAYAK BHAURAO RAUT:

**पेट्रोलियम और प्राकृतिक गैस मंत्री**

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

- (a) the details of the increase in the prices of kerosene, petrol and LPG gas in the country since 2004;
- (b) the reasons for steep rise in the prices of above mentioned commodities in the country;
- (c) the immediate steps taken by the Government to check the sky rocketing prices of these commodities;
- (d) the difference between the prices of the above mentioned commodities at present as compared to the year 2004 and the reasons therefor;
- (e) whether the Government would increase/ decrease the quota of kerosene for the States especially Maharashtra; and
- (f) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

**पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री  
(श्री रामेश्वर तेली)**

**MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI RAMESWAR TELI)**

(a) to (f): Prices of petrol have been market-determined with effect from 26.06.2010. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol. Prices of petrol have not been increased by public sector Oil Marketing Companies (OMCs) since 6<sup>th</sup> April 2022.

Central Government reduced Central Excise duty by a total of Rs.13/ litre on petrol in two tranches in November 2021 and May 2022. The excise duty reduction was fully passed on to consumers. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes. Subsequently, many States/UTs have also reduced VAT rates on petrol.

Government makes allocation of Public Distribution System (PDS) Kerosene for cooking and lighting purpose only. Effective 1 March, 2020, the retail selling price of PDS Kerosene is being maintained at NIL under-recovery level on pan India basis.

Government vide order dated 21st August 2012, has empowered States/ UTs to draw an allocation of one month's quota of PDS Kerosene at Non-Subsidized rates during each financial year for special needs such as natural calamities, religious functions, fisheries, various yatras etc. Annual allocation of Non-Subsidised PDS Kerosene is done by Petroleum Planning & Analysis Cell (PPAC) in the beginning of each financial year. States/UTs may seek further additional allocation after exhausting available quota. The allocation of Kerosene for the state of Maharashtra is 16752 Kilolitres for the year 2022-23.

India imports more than 60% of its domestic LPG consumption. Government continues to modulate the effective price of domestic LPG. While the Saudi Contract Prices (CP), on which domestic LPG prices are based, rose by 235 % from 236 \$/MT in April 2020 to 790 \$/MT in February 2023, retail selling price of domestic LPG has increased only by 89.7 % from Rs. 581.5 in May 2020 to Rs.1103 in March 2023 and effective cost for PMUY rose only by 55.2 % during the same period. Public Sector Oil Marketing Companies have suffered huge losses on sale of domestic LPG. To compensate these losses, the Government has recently paid a one-time compensation of Rs. 22000 crore to OMCs.

Under the Direct Benefit Transfer for LPG (DBTL) scheme, subsidy as admissible, is deposited in the account of eligible beneficiaries. W.e.f. 21.05.2022, Government has started a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills for year 2022-23.

The details of prices of petrol, domestic LPG and Kerosene as on 01.04.2004 and 01.03.2023 are given below:

| <b>Prices as on</b> | <b>Petrol<br/>(Rs. per litre)</b> | <b>Domestic LPG<br/>(Rs./14.2 Kg cylinder)</b> | <b>PDS Kerosene<br/>(at Mumbai)<br/>(Rs. per litre)</b> |
|---------------------|-----------------------------------|--|---|
| 01.04.2004          | 33.71                             | 241.60   | 9.26  |
| 01.03.2023          | 96.72                             | 1103.00  | 72.09   |

Source: Petroleum Planning and Analysis Cell

The difference in prices of petroleum products including Petrol, LPG and Kerosene at different points of time is contingent upon various factors viz. international product prices, exchange rate, tax structure, inland freight, dealer commission and other cost elements.