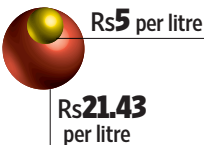
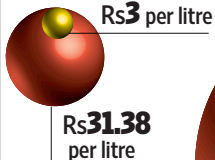


THE NUMBERS GAME

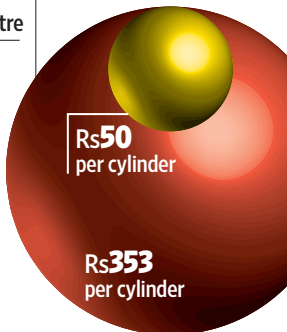
Petrol



Diesel



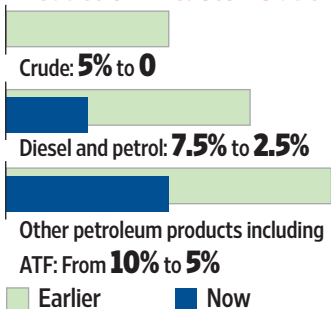
LPG



Kerosene: Unchanged

 Price increases  Required price increases

Reduction in customs duties



Loss of revenue due to duty cuts

Rs**22,660** crore

Excise duty cuts

Re**1** per litre for both petrol and diesel

Under-recoveries of oil marketing companies at current international crude prices are projected to exceed Rs**2.45** trillion during 2008-09. With the price increase, OMCs will be able to absorb Rs**21,000** crore; reduction in duties will save Rs**22,060** crore more.

Impact

- Push up inflation rate by 0.5-0.6%
- Worsen the Centre's fiscal imbalance
- Boost valuation of PSU oil companies
- Widen the political rift with Left parties

Source: Mint research