

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4364

ANSWERED ON:20.08.2010

IMPACT ON OIL SUBSIDIES

Angadi Shri Suresh Chanabasappa;Reddy Shri K. Jayasurya Prakash

Will the Minister of FINANCE be pleased to state:

(a) the details of subsidies provided/proposed to be provided to the oil Public Sector Undertakings (PSUs) during the Eleventh Five Year Plan, year-wise;

(b) the reasons therefor;

(c) whether the Government has assessed the impact of such subsidies on the common man as well as the working condition of the PSUs; and

(d) if so, the details thereof and reaction of the Government thereto?.

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) During the current five year plan, the details of subsidies provided to Oil Marketing Companies (OMCs) by Government of India, are as follows:

Si.No. Year Amount (crore)

1 2007-08 37,031

2 2008-09 73,980

3 2009-10 28,770

For the Under Recoveries to be suffered by OMCs for the current financial year, no decision has been taken as yet as regards quantum of subsidies to be provided.

(b) to(d) Subsidies have been provided by the Government to protect the common man from any inordinate increase in domestic retail selling prices of the four sensitive petroleum products, namely, Petrol, Diesel, Domestic LPG and PDS Kerosene on account of high oil prices in international market. The Public Sector Oil Companies are compensated keeping in view the need to maintain their financial health.