

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2629  
ANSWERED ON:11.03.2011  
REVIEW OF SUBSIDY POLICY  
Singh Shri Dhananjay

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of subsidy policy in applications presently;
- (b) the sector-wise amount spent on subsidy during each of the last three years;
- (c) whether the Government has recently reviewed or proposes to review the subsidy policy;
- (d). if so, the details thereof and reaction thereto;
- (e). whether the Government proposes to formulate planned and time bound policy for bringing changes in unreasonable subsidy; and
- (f). if so, the details thereof and details of new items and group of farmers likely to be included in the new policy?

**Answer**

Minister of State in Ministry of Finance ( )SHRI NAMO NARAIN MEENA

a) The Government provides various subsidies, most notably on fuel, fertilizers and food grains. While the subsidy on food items is reached to the beneficiaries through PDS mechanism, fertilizers and fuel subsidy are paid through the Fertilizer Industry and Oil Marketing Companies respectively.

b) Sector-wise amount spent on subsidy during each of the last three years is as follows:

(Rs.crore)

F.Y.    2007-08   2008-09   2009-10   2010-11  
(Actual) (Actual) (Actual) # (R.E.)

Amount \ paid in respect of

Food Subsidy   31,328   43,751   58,443   60,600

Fertilizers Subsidy   32,490   76,603   61,264   54,976

Petroleum Subsidy   2,820   2,852   14,951   38,386

Other Subsidies   3,428   6,127   5,843   9,941

# Actuals of F. Y. 2009-10 are provisional.

c) to f) In the Budget 2011-12, the Government has announced its intentions to ensure greater efficiency, cost effectiveness and better delivery for kerosene and fertilisers by moving towards direct transfer of cash subsidy to people living below poverty line in a phased manner. A task force has been set-up to work out the modalities for the proposed system of direct transfer of subsidy for kerosene, LPG and fertilisers. The interim report of the task force is expected by June 2011. The system is expected to be in place by March 2012.