

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:5590
ANSWERED ON:10.05.2012
SUBSIDY TO OIL COMPANIES
Shantha J.

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

- (a) whether the Government has decided to give more subsidy to oil companies; and
(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R. P. N. SINGH)

(a) to (b): The Public Sector Oil Marketing Companies (OMCs) have incurred under-recovery of ` 1,38,541 crore during 2011-12, which is 77% more than the under-recovery of ` 78,190 crore for 2010-11. Compensation of under-recoveries depends upon various factors including the price of the commodities in the international market as well as in the domestic market, changes in volume of consumption and ability of the oil companies to share it. Therefore, it is difficult to evolve a fixed policy to fund under-recovery as it varies from quarter to quarter even in a particular year.

The details of under-recovery incurred by the OMCs vis-à-vis the burden sharing by the Government since 2009-10 are given below:-
(Rscore) Year Total Under-recovery Burden Sharing by Government ` Rscore ` Rscore Percentage 2009-10 46,051 26,000 57%
2010-11 78,190 41,000 52% 2011-12 1,38,541 45,000
Burden sharing for the year 2011-12 is yet to be finalized.