

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:449

ANSWERED ON:23.11.2012

Fuel Subsidy Request

Anandan Shri K.Murugeshan;Angadi Shri Suresh Chanabasappa

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

- (a) whether the Ministry of Petroleum and Natural Gas (P&NG) has sought for fuel subsidy to the tune of Rs. 1,00,000 crores for the current fiscal;
- (b) if so, the details thereof and the reasons for such huge fuel subsidy request made by the Ministry along with reaction of the Finance Ministry thereto; and
- (c) the steps taken/proposed to be taken by the Union Government to pass on the full benefits of this subsidy to common people?

**Answer**

SHRI NAMO NARAIN MEENA Minister of State in Ministry of Finance

(a) & (b) Yes Sir. An amount of ₹105,525 crore has been sought by Ministry of Petroleum and Natural Gas at the time of revised estimates (RE) 2012-13 for compensation of OMCs in respect of under recovery on sale of the sensitive oil products. The subsidy requirement for the current year is projected keeping in view the comparatively high prices of crude oil in international market and depreciation of ₹ against US\$. The subsidy burden is borne by the Government of India, Upstream Companies and Oil Marketing Companies.

(c) The Government provides subsidy on fuel to enable the common man to have access to the basic necessities of life at affordable price and to partially insulate him from volatility of prices.