

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:710
ANSWERED ON:01.03.2013
INEQUITABLE SUBSIDIES
Chavan Shri Harischandra Deoram

Will the Minister of FINANCE be pleased to state:

- (a) whether Vijay Kelkar Committee has suggested elimination of inequitable subsidies;
- (b) if so, the details of items on which elimination of subsidies has been suggested; and
- (c) the likely impact of the same on the existing welfare programmes and reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (Shri Namo Narain Meena)

(a & b) Relating to subsidies Vijay Kelkar Committee has mainly emphasized on adjusting the price of petroleum products on regular basis in incremental steps towards eventual deregulation of diesel and an affordable level of subsidy on LPG and kerosene, increase the Marked Retail Price (MRP) of Urea etc. and linking Central Issue Price (CIP) increases to Minimum Support Price (MSP) increases.

(c) Government has broadly accepted the recommendations but with some reservations. Government is of the view that in country like ours, certain level of subsidies targeted towards poor is necessary and Government is committed towards its welfare programmes.