

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

UNSTARRED QUESTION NO:2348
ANSWERED ON:23.08.2013
WITHDRAWAL OF SUBSIDY TO OMCS
Dhanaplan Shri K. P.

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

- (a) whether the Government proposes to withdraw the subsidy being given to Oil Marketing Companies (OMCs):
- (b) if so, the details thereof; and
- (c) the measures taken by the Government for reducing the operational losses of OMCs?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAAKA LAKSHMI)

(a) & (b): At present, there is no such proposal before the Government.

(c): The Government has taken the following reform measures:

(i) The price of Petrol has been made market determined since 26.06.2010;

(ii) The Public Sector Oil Marketing Companies (OMCs) have been authorized to increase the retail selling price of Diesel in the range of 40 paisa to 50 paisa per litre per month (excluding VAT as applicable in different State/Union Territories) until further orders; and to sell Diesel to all consumers taking bulk supplies directly from the installations of the OMCs at the non-subsidized market determined price since 18.01.2013; and

(iii) Restrict the supply of subsidized LPG cylinders to each consumer to 9 cylinders (of 14.2 Kg) per annum.

Besides, to reduce their administrative expenditure and non-productive expenditure, OMCs have been following the guidelines issued by the Department of Expenditure, Ministry of Finance and Ministry of Petroleum & Natural Gas from time to time on 'Expenditure Management – Economy measures and rationalization of Expenditure'.