

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3397

ANSWERED ON:30.08.2013

PAYMENT OF SUBSIDY TO OMCS

Kumar Shri P.;Roy Shri Arjun;Thamaraiselvan Shri R.;Yadav Shri Dinesh Chandra

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

- (a) the details of subsidy sought by the Oil Marketing Companies (OMCs) and the subsidy paid by the Government during each quarter of the last three years and the current year;
- (b) whether the Government proposes to pay subsidy to the OMCs as per the export value based pricing policy of petroleum products;
- (c) if so, the details thereof and the reasons therefor;
- (d) the benefits likely to accrue as a result thereof; and
- (e) the time by which a final decision is likely to be taken by the Government in this regard?

**Answer**

SHRI NAMO NARAIN MEENA Minister of State in Ministry of Finance

- (a) The details of subsidy provided by the Government to the Oil Marketing Companies (OMCs) since 2010-11 are given in the Annexure.
- (b), (c), (d), (e) The Government has constituted an Expert Group under the Chairmanship of Dr. Kirit Parekh to advise on pricing methodology of Diesel, Domestic -LPG and PDS Kerosene. The Terms of Reference of the Expert Group include 'to revisit the current pricing methodology of petroleum products, and suggest a pricing mechanism benchmarked to Export Parity Pricing'.