

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

UNSTARRED QUESTION NO:3448
ANSWERED ON:10.08.2015
Subsidy Sharing Mechanism
Ahamed Shri E.;Scindia Shri Jyotiraditya Madhavrao

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

(a) the details of present mechanism for sharing of subsidy among various oil companies along with any resentment by various upstream oil companies with the present mechanism and have demanded for an amicable formula for sharing of subsidy; and

(b) the subsidy/cash assistance/under recoveries provided by the Government to OMCs/upstream companies during the above period, OMC/product-wise including Kerosene and LPG?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a): At present, the Public Sector Oil Marketing Companies (OMCs) incur under-recovery on sale of PDS Kerosene and Subsidized Domestic LPG only. For the year 2015-16, the burden sharing mechanism is as under:

i. The Government has approved budgetary support for PDS Kerosene under-recovery at a rate of Rs. 12/Litre and the remaining under-recovery will be borne by the upstream companies.

ii. The Government has approved a fixed subsidy of Rs. 18/kg under the Direct Benefit Transfer for Domestic LPG.

(b): The details of cash assistance provided by the Government to OMCs in the first quarter of 2015-16 are as under:

(Rs. Crore)

IOCL BPCL HPCL Total

(i) PDS Kerosene

Cash assistance by the Government 1733 404 451 2588

(ii) Domestic LPG (DBTL)

Total DBTL subsidy for Apr-Jun'2015 2506 1155 1193 4854

x-x-x-x-x