

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

UNSTARRED QUESTION NO:2889

ANSWERED ON:20.03.2017

Subsidy Sharing Mechanism

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

- (a) whether the Government has received requests from Public Sector Oil Exploration Companies to review the subsidy sharing mechanism and exempt them from sharing of subsidy during the last three years and the current year;
- (b) if so, the details thereof, company-wise and the action taken by the Government on such requests so far;
- (c) the details of the under-recoveries shared by the said companies during the said period, company-wise;
- (d) the criterion being followed by the Government to decide the proportion of sharing the under-recoveries by the said companies; and
- (e) whether certain shortcomings in the said criterion have come to the notice of the Government during the said period and if so, the details thereof along with the remedial measures taken/being taken by the Government to address such shortcomings?

Answer

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

(SHRI DHARMENDRA PRADHAN)

(a) & (b): The Public Sector Upstream Oil Companies, namely Oil and Natural Gas Corporation Limited (ONGC) & Oil India Limited (OIL) had requested the Government in October/November, 2015 to review the subsidy sharing mechanism and exempt them from sharing of subsidy. The Government decided to exempt them from sharing of under-recoveries incurred by Public Sector Oil Marketing Companies (OMCs) from Q3 in the financial year 2015-16.

For 2016-17, ONGC and OIL have not been asked to share the subsidy burden on sale of PDS Kerosene and Subsidized Domestic LPG.

(c): The details of the under-recoveries shared by the Public Sector Upstream Oil Companies, ONGC and OIL, from 2013-14 and onwards is as under:-

(Rs. in crores)

Year

Upstream oil companies

ONGC

OIL

2013-14

56384

8737

2014-15

36300

5523

2015-16

1096

155

April-Dec 2016

0

0

Total

93780

14415

(d) & (e): Public Sector Upstream Oil Companies, namely ONGC and OIL are not sharing any under-recovery burden from 3rd quarter of 2015-16.

x-x-x-x-x