

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
QUESTION NO 02.03.2010
ANSWERED ON
SUBSIDIES ON PETROL AND NATURAL GAS

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Smt. T. Ratna Bai

Will the Minister of COAL, HEALTH AND FAMILY WELFARE, INFORMATION AND BROADCASTING, PETROLEUM AND NATURAL GAS be pleased to state :-

- (a) whether Government has any details of the subsidy being provided for petrol and natural gas;
- (b) if so, the details thereof; and
- (c) the demands still pending with his Ministry from each State in this regard?

ANSWER

MINISTER OF PETROLEUM AND NATURAL GAS

(SHRI MURLI DEORA)

(a)&(b): At present, there is no fiscal subsidy on Petrol. As the retail selling prices of Petrol, Diesel, PDS Kerosene and Domestic LPG are not being maintained in line with the international oil prices and the Public Sector Oil Marketing Companies (OMCs) incur under-recoveries on the sale of these products. These under-recoveries are compensated under a Burden Sharing Mechanism. During the year 2009-10 (April-December 2009), the OMCs have incurred under-recoveries of Rs.3,299 crore on the sale of Petrol. Government administers fiscal subsidy on natural gas under 'Natural Gas Subsidy Scheme, 2006' applicable for consumers in the North-East (NE Sector) through Oil India Limited (OIL). The subsidy is being provided on the difference between the consumer price and producer price as per the allocated quantity uplifted by the eligible consumers. A total subsidy of Rs.133.36 crore has been provided under this Scheme during the year 2009-10 (April 2009 to January 2010).

(c): Does not arise, in view of (a)&(b) above.