

**LOK SABHA**  
**UNSTARRED QUESTION NO. 5015**  
**TO BE ANSWERED ON 26<sup>TH</sup> MARCH, 2018**

**SUBSIDY TO OMCS**

†5015. **SHRIMATI RAMA DEVI:**  
**SHRI MANSUKHBHAI DHANJIBHAI VASAVA:**

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government is providing subsidy to Oil Marketing Companies and if so, the details thereof along with the quantum of subsidy provided by the Government during the last three years and the current year, OMC-wise;
- (b) the OMC-wise plan and non-plan expenditure incurred during the said period;
- (c) the rationale behind providing subsidy by the Government to profit making companies and the reaction of the Government thereto; and
- (d) the corrective steps taken by the Government in this regard?

**ANSWER**

पेट्रोलियम और प्राकृतिक गैस मंत्री

(श्री धर्मेन्द्र प्रधान)

**MINISTER OF PETROLEUM AND NATURAL GAS**  
**(SHRI DHARMENDRA PRADHAN)**

(a): The Government provides the subsidy to the consumers of PDS Kerosene and Domestic LPG through Public Sector Oil Marketing Companies.

The year-wise subsidy/ under-recovery on Subsidized Domestic LPG and of PDS Kerosene for the last three years and the current year is given as under:

(Rs. Crore)				
Particulars	2014-15	2015-16	2016-17	Apr-Dec'17
PDS Kerosene #	24804	11496	8455	3275
Domestic LPG #	40569	16074	14566	14,172
# Includes Subsidy under "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002" & "Freight Subsidy (For Far-Flung Areas) Scheme, 2002" on payment basis				

(b): Plan and Non-Plan expenditure of Public Sector OMCs during 2014-15 and 2015-16 are given at the Annexure. For the year 2016-17 onwards Plan and Non- Plan distinction has been done away with and total expenditure is given in the Annexure.

(c) & (d): As mentioned above, in order to insulate the common man from the impact of rise in international oil prices, Government provides subsidy to the consumers of PDS Kerosene and Domestic LPG through Public Sector Oil Marketing Companies.

With a view to ensure that subsidies are targeted towards the really needy, the Government has taken following steps:-

(1) Kerosene :- Ministry of Petroleum & Natural Gas has launched Direct Benefit Transfer in PDS Kerosene (DBTK) Scheme with effect from 01.04.2016. The need to implement DBTK was felt to initiate reforms in Allocation and Distribution of Public Distribution System (PDS) Superior Kerosene Oil (SKO) distribution system, to stop pilferage of subsidy and to reduce the outflow of Central subsidy on kerosene to States / Union Territories (UTs) to a realistic level. Under the DBTK, PDS Kerosene is sold to the identified beneficiaries at non-subsidized rates and the applicable subsidy is directly transferred into the bank account of the beneficiaries. Jharkhand has become the first State in the country to implement DBTK in all the districts of the State.

(2) LPG

(i) PAHAL:- The Government has introduced targeted subsidy delivery to LPG consumers through PAHAL. Applicable subsidy is directly transferred into the bank account of the beneficiaries. As on 9.3.2018, 20.01 crore customers are getting subsidy in their bank account. PAHAL has helped in identifying 'ghost' accounts, multiple accounts and inactive accounts.

(ii) Rationalisation of LPG subsidy : Higher Income Group

Government has taken steps to rationalise the subsidy outgo by excluding such LPG consumers or his/her having spouse taxable income of above Rs 10 lacs from availing LPG subsidy w.e.f. 1.1.2016. Necessary operational guidelines have been issued to OMCs to give effect to the direction of the Ministry. As on 1.3.2018 more than 8.04 lacs customers have been identified with the help of Income Tax Department having taxable income above 10 lacs and all have been excluded from availing subsidy.

(iii) GiveItUp Campaign

As a part of subsidy management, Hon'ble Prime Minister gave call to well-off LPG consumers to voluntarily surrender their subsidy by launching 'GiveItUp' campaign. GiveItUp campaign has evoked huge response from socially committed individuals and has resulted in more than one crore consumers giving up their subsidy voluntarily. GiveItUp campaign has heralded new chapter in social 'volunteerism' by the citizens of this country and has set a new benchmark of public good delivery mechanism.

## Annexure

**Annexure referred to in reply to part (b) of the Lok Sabha Unstarred Question No. 5015 asked by Shrimati Rama Devi and Shri Mansukhbhai Dhanjibhai Vasava to be answered on 26<sup>th</sup> March, 2018 regarding “Subsidy to OMCs”.**

Plan and Non-Plan Expenditure of Public Sector OMCs during 2014-15, 2015-16, 2016-17 and during 2017-18 (Provisional):

(Rs. Crore)

Company	2014-15		2015-16		2016-17	2017-18
	Plan	Non-Plan	Plan	Non-Plan	Total	Total (Provisional)
HPCL	2669.61	2182.77	1427.86	4489.88	5757.26	5242.66
BPCL	6874.75	3084.44	8287.18	3072.62	16948.55	7800.64
IOCL	14313.68	2606.50	11484.74	2883.84	20736.93	20161.79