

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE**

DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

**UNSTARRED QUESTION NO.79
TO BE ANSWERED ON MONDAY 19th JULY, 2021
[28ASHADHA, 1943 (SAKA)]**

‘Reduction in Subsidy’

No. 79. Shri Natrajan P. R. :

Will the Minister of Finance be pleased to state:

- (a) whether the Government had reduced the subsidy that are being availed by the people of India particularly in Petrol, Cooking gas and subsidy to the food articles’
- (b) If so, the details thereof, item-wise/pre-budget; and
- (c) the reasons for taking such decision and impact on the food safety to the mass ?

ANSWER

**THE MINISTER STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

- (a) & (b) The Government has not reduced subsidy for distribution of foodgrain to beneficiaries covered under National Food Security Act. The Department of Food & PD (Ministry of Consumer Affairs, Food & PD) had released all time high subsidy during FY 2020-21 of Rs. 462789.00 crore to FCI and Rs. 78337.77 crore to Decentralised Procurement (DCP) States. The prices of petroleum products in the country are linked to the price of respective products in the international market. Prices of petrol and diesel have been made market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then PSU OMCs take appropriate decision on pricing of petrol and diesel. However, the Government continues to modulate the effective cost to consumer for Subsidized Domestic LPG. The subsidy on LPG is increased/ decreased by the government based on its assessment of the product price in international market.
- (c) The prices of petrol and diesel are market-determined. Any decision in this perspective is made by the PSU OMCs, while the government only modulates. The all time high subsidy released has improved the food safety to the masses.
