

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2039
ANSWERED ON:05.08.2005
SUBSIDY POLICY
Shahid Shri Mohammed

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is contemplating to review the provision of subsidy as appearing in `Dainik Jagran`, dated the June 10, 2005;
- (b) if so, the details thereof;
- (c) whether the Lahiri Committee has since presented its report;
- (d) if so, the salient features thereof;
- (e) the names of the areas/commodities in respect of which subsidies are proposed to be withdrawn;
- (f) whether the people living below poverty line are getting the benefits of these subsidies; and
- (g) if so, the reasons for doing away with subsidy by the Government?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (g): The National Common Minimum Programme of the Government of India makes a commitment to target all subsidies at the poor and the truly needy like small and marginal farmers, farm labour and urban poor. In pursuance of this, the Ministry of Finance commissioned a study by the National Institute of Public Finance and Policy (NIPFP), New Delhi. Based on the study by NIPFP, a report outlining some policy issues was presented to Parliament on December 23, 2004 for generating an informed debate on the subject. This report also discussed the benefits incidence of the subsidies on people living below the poverty line. To benefit from broad-based consultation, discussions were held with stakeholders in May 2005 and comments of public were invited in June 2005. No decision has been taken regarding restructuring subsidies. No committee has been set up by the Government in this regard as mentioned in the `Dainik Jagran`, dated the June 10, 2005.