

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

UNSTARRED QUESTION NO:4424
ANSWERED ON:26.08.2004
SUBSIDY GIVEN BY ONGC TO BPCL AND INDIAN OIL CORPORATION
Saroj Shri Tufani

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

- (a) Whether the Oil and Natural Gas Corporation Limited has given a subsidy of Rs. 2690 crores to Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited and Indian Oil Corporation Limited;
- (b) If so, the justification behind giving said subsidy;
- (c) Whether Oil and Natural Gas Corporation has requested the Government for payment of said amount; and
- (d) If so, the reaction of the Government thereto?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d) PDS Kerosene and Domestic LPG are subsidized products. In addition to the Government subsidy, the oil PSUs are also sharing the burden of subsidizing these products. During the year 2003-04, the total under-recoveries of Oil Marketing Companies on account of PDS Kerosene and Domestic LPG were around Rs.9368 crore. Out of this amount, ONGC shared a burden of around Rs.2695 crore by giving appropriate discounts on the prices of crude oil, LPG and Kerosene supplied by them to the Oil Marketing Companies.