

PETROLEUM MINISTER WELCOMES GENERAL BUDGET 2010-11

New Delhi: February 26, 2010

The Minister of Petroleum & Natural Gas Shri Murli Deora has welcomed the General Budget for 2010-11 presented by the Finance Minister today in the Lok Sabha. Speaking on the proposals in the Budget Shri Deora said “by laying due emphasis on agriculture, food security, unorganized sector, medium & small industries and the social sector, it promises to continue the policies favouring the Aam Admi”. He complimented the Finance Minister for having ably balanced fiscal discipline while maintaining the momentum of high economic growth and supported his efforts to reduce the fiscal deficit to 5.5%.

The Minister also welcomed the announcement that instead of oil bonds, Government will give subsidy on fuels in cash. “This will mean that the financial assistance from the Government will be timely, transparent and beneficial to the public sector oil marketing companies”, he added.

Shri Deora recalled that in June 2008, average price of Indian basket of crude oil had crossed \$ 120/barrel. In order to insulate the consumers from high international oil prices, the Government provided full exemption from basic Customs Duty on crude oil. The Government also reduced the basic Customs Duty on petrol and diesel from 7.5% to 2.5%. Further, the Excise Duty on petrol and diesel was reduced by Re. 1/litre. “Now since the average price of Indian basket of crude oil is around US \$ 70/barrel, the Finance Ministry has restored the basic Customs Duty of 5% on crude oil and 7.5% on petrol and diesel. Also, the Central Excise Duty has been enhanced on petrol and diesel by Re. 1/litre each”, Shri Deora said.