

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

UNSTARRED QUESTION NO:845

ANSWERED ON:29.07.2010

PURCHASE OF HIGH SPEED DIESEL BY RAILWAYS

Majhi Shri Pradeep Kumar

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

- (a) whether oil marketing companies give any discount to the Railways for purchase of high speed diesel;
- (b) if so, the details in this regard;
- (c) the details of diesel procured by the Railways during 2007-08, 2008-09 and 2009-10;and
- (d) the reason for extending discount by the OMCs to Railways specially when they are running in losses due to sale of petroleum products?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) & (b): Public Sector Oil Marketing Companies (OMCs) give discount of Rs.300/- per Kilo Litre for purchase of High Speed Diesel (HSD) to Indian Railways. Discount has been given against a rate contract placed by Railway Board from 01.01.2009 and is continued as per renewal of the rate contract.

(c): The details of diesel procured by Indian Railways from OMCs during the last three years are given below:

Year	Quantity (Thousand KL)
------	------------------------

2007-08	2451
---------	------

2008-09	2583
---------	------

2009-10	2699
---------	------

Total	7733
-------	------

(d): Discounts are offered for protection of volume in overall business interest. Further, OMCs save on distribution costs in the case of direct sale.