

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

UNSTARRED QUESTION NO:2865
ANSWERED ON:18.08.2011
SUBSIDY ON DIESEL TO MOBILE COMPANIES
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the subsidy on diesel is being provided to mobile companies by the Government;
- (b) if so, the details thereof;
- (c) the details of the subsidy provided to various mobile companies operating in the country during the last five years year-wise;
- (d) the reason for providing subsidy to these companies;
- (e) whether the Government proposes to withdraw this subsidy; and
- (f) if so, the time limit regarding the same?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R. P. N. SINGH)

(a) to (f): No subsidy on Diesel is being provided directly to mobile companies. All customers including mobile companies purchase Diesel from Retail outlets of Oil Marketing Companies (OMCs) at the same retail selling price. The OMCs are currently incurring an under-recovery of ` 4.97 per litre (basing on refinery gate price effective 16.08.2011) on the sale of Diesel.