

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

UNSTARRED QUESTION NO:1862
ANSWERED ON:23.08.2012
CONSUMPTION OF DIESEL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether out of the total diesel consumption in the country, 8 per cent of diesel is being consumed by diesel generator sets and another 10 per cent by luxury vehicles both of which are being used by a small section of the Indian population;
- (b) if so, the details thereof along with the reasons for providing subsidy on diesel to these elite sections of the society;
- (c) whether there is any proposal to change this flawed energy utilisation policy by the Government and provide subsidy on diesel only to the poor people;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

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

(a) & (b): To assess sector-wise consumption of diesel, Petroleum Planning and Analysis Cell (PPAC) in association with the public sector Oil Marketing Companies (OMCs) has commissioned an All India Study on Sectoral Demand of diesel & petrol. As per the initial results available for the first round of field survey of the study (based on 2011-12 diesel consumption), diesel consumption share in gensets/mobile towers and passenger vehicles (includes cars & SUVs etc.) is estimated as follows:

Passenger Vehicles (Cars, SUVs, etc.)	-	15.88%
Power Generation [Gen sets]	-	4.60%
Mobile Towers	-	1.93%

In view of the uniform pricing of Diesel (HSD) except for local levies, subsidy on Diesel is available to all sectors of consumption.

(c) to (e): The Ministry of Petroleum & Natural Gas (MoP&NG) in its Budget Proposal to the Ministry of Finance had proposed to levy additional excise duty on diesel cars. Subsequently, MoP&NG has also written to the Ministry of Finance for levying additional excise duty on Diesel cars, gensets and mobile towers.