

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

UNSTARRED QUESTION NO:3080  
ANSWERED ON:15.03.2013  
BULK USERS OF DIESEL  
Singh Shri Pradeep Kumar

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

- (a) whether the Government has partially deregulated diesel prices and has allowed the oil marketing firms to hike the diesel prices every month;
- (b) if so, the details thereof;
- (c) whether the Government of Gujarat has requested the Union Government to exempt the public transport system providers from definition of bulk consumers; and
- (d) if so, the details thereof along with the reaction of the Government thereon?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAACA LAKSHMI)

(a) & (b) In order to reduce under-recovery of the Public Sector Oil Marketing Companies (OMCs) on sale of Diesel, the Government, on 17th January 2013, authorized the OMCs to (a) increase the retail selling price of Diesel in the range of 40 paisa to 50 paisa per litre per month (excluding VAT as applicable in different State/Union Territories) until further orders; and (b) sell Diesel to all consumers taking bulk supplies directly from the installations of the OMCs at the non-subsidized market determined price. Accordingly, Indian Oil Corporation Limited (IOCL) has increased the price of Diesel for retail consumers by 0.45 paisa each per litre (excluding VAT) on 18th January, 2013 and 16th February, 2013 respectively. OMCs have also implemented the decision to sell Diesel to bulk consumers at non-subsidized market determined price.

(c) & (d) The Government has received representations from various State Governments including Government of Gujarat highlighting the difficulties being faced by the State Transport Undertakings (STUs) on purchase of Diesel at non-subsidized market determined price. It is within the domain of the State Governments to provide appropriate relief to the STUs including through rationalization of State taxes.