

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

UNSTARRED QUESTION NO:2468
ANSWERED ON:23.08.2013
SUPPLY OF SUBSIDIZED DIESEL
Shivanagouda Shri Shivaramagouda;Viswanathan Shri P.

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

- (a) whether the Union Government has received any proposal from State Governments including Tamil Nadu and Karnataka for supply of diesel at subsidized rates;
- (b) if so, the details thereof; and
- (c) the action taken by the Union Government thereon?

Answer

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

(a) to (c) : In Order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions the Government has been modulating the retail selling price of Diesel, (to retail consumers), resulting in incidence of under-recovery to the OMCs. As per the Refinery Gate Price effective 16.08.2013, the OMCs are incurring under recovery of Rs.10.22 per litre on sale of Diesel to retail consumers.

In order to reduce under recovery, the Government has authorized the OMCs to sell diesel to all consumers taking bulk supplies directly from the installations of the OMCs at the non-subsidized market determined price effective 18th January, 2013. Thereafter, the Government received representations from several State Government for providing subsidized Diesel to some of the bulk consumers including State Transport Undertakings, fishermen pumps, etc. After considering the representations highlighting the hardships being faced by fishermen, the Government has decided with effect from 7th February, 2013 to supply diesel to Fisherman Consumer Pumps at the price applicable to retail outlets of OMCs.