

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

UNSTARRED QUESTION NO:4529
ANSWERED ON:21.02.2014
DIESEL PRICES
Badal Harsimrat Kaur

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

- (a) whether the Government proposes to increase diesel prices owing to opening of the Administered Price Mechanism (APM) before May, 2014;
- (b) if so, the details thereof along with the reasons therefor; and
- (c) the steps taken by the Government to insulate the common man from undue burden arising out of this?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAAKA 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 continues to modulate the price of Diesel (in retail), resulting in incidence of under recoveries to the Public Sector Oil Marketing Companies (OMCs) on sale of Diesel (in retail).

In pursuance of the decision taken by the Cabinet Committee on Political Affairs, the Government on, 17.1.2013, authorized the Public Sector Oil Marketing Companies (OMCs) to (a) increase the retail selling price of Diesel in the range of 40 paise to 50 paise 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.

Even after making regular monthly revision in price of Diesel since January 2013, the consumers are enjoying an effective subsidy of Rs.8.31/litre on sale of Diesel through retail outlets (as per refinery gate price effective 16.2.2014).