

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

UNSTARRED QUESTION NO:2673

ANSWERED ON:28.07.2014

DIESEL SUBSIDY SCHEME

Dhruvanarayana Shri Rangaswamy;Patil Shri Chandrakant Raghunath;Singh Deo Shri Kalikesh Narayan

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

- (a) whether the Government proposes to implement diesel subsidy scheme for the farmers providing protective/supplementary irrigation through diesel pump sets to protect standing crops in rainfall deficit areas of the country in view of the growing expectations of a subnormal monsoon during the current year;
- (b) if so, the details thereof and the time by which the diesel subsidy scheme is likely to be introduced;
- (c) whether the Government also proposes to provide diesel subsidy to State Transport companies and if so, the details thereof;
- (d) whether the Government has received any requests from various States to exempt them from the definition of bulk users; and
- (e) if so, the details thereof and the action taken by the Government thereon, State-wise?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) & (b): As per the information furnished by the Department of Agriculture & Cooperation, the Government has not introduced Diesel Subsidy Scheme for Kharif-2014 in the rainfall deficit States.

However, in order to insulate the common man from the impact of increase in international oil prices and domestic inflationary conditions, the Government continues to modulate the retail selling price of Diesel sold through retail outlets to all consumers. Based on the Refinery Gate Price effective 16th July, 2014, the Public Sector Oil Marketing Companies (OMCs) are incurring under-recovery of ₹ 2.49/litre on retail sales of Diesel. Further, after careful consideration of the representations received from Farmers co-operative societies, the Government on 5th March, 2014, has decided that the supply of Diesel to consumer pumps run by Farmers co-operative societies will be at the price applicable for retail outlets of the OMCs.

(c) to (e): There is no proposal before the Government to provide subsidy on purchase of Diesel to State Transport Undertakings (STUs), at present. The Government has received representations from various State Governments highlighting the difficulties being faced by the STUs on purchase of Diesel at non-subsidized market determined price. However, it is within the domain of the State Governments to provide appropriate relief to the STUs.