

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

UNSTARRED QUESTION NO:30
ANSWERED ON:24.11.2014
DEREGULATION OF DIESEL PRICE
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the difference between the actual market price and the retail outlet price of diesel has narrowed down during the last three years;
- (b) if so, the details thereof;
- (c) whether there is any proposal to deregulate diesel price in near future;
- (d) if so, the details thereof; and
- (e) the steps proposed to be taken by the Government/Oil Marketing Companies to face the challenges of the private players on post-diesel regulation?

Answer

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

(a) & (b): The difference between the desired price of Diesel (based on the price in the international market) and actual price realized by the Public Sector Oil Marketing Companies (OMCs) while selling Diesel, represents the under-recovery incurred by the OMCs. The average under-recovery on retail sale of Diesel during last three years is as under:

	(₹/litre)		
Year	2011-12	2012-13	2013-14
Under-recovery	10.39	11.26	8.39

(c) & (d): Effective 19th October 2014, the Government has made the price of Diesel market determined both at Retail and Refinery Gate level for all consumers.

(e): The OMCs are taking many steps to face the challenge of private players including,

(a) Large scale upgradation /modernization of facilities at Retail Outlets (ROs) including amenities for customers.

(b) Automation and third party inspection of ROs; and

(c) Improving Forecourt Services.