

Dabhol — Bangalore: Construction has started from December 2010. The project is progressing as per schedule and all major orders have been placed, except 405 km line pipe, which is being re-tendered.

Kochi — Bangalore-Mangalore: The project is progressing as per schedule. All major orders have been placed and construction is in progress from November 2010.

Subsidy on diesel

†3073. SHRI RAM JETHMALANI : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government had proposed to fix different selling price for diesel under the dual pricing policy in the country;

(b) if so, whether it is also a fact that out of total consumption of diesel in the country more than 50 per cent is consumed in Government sector;

(c) if not, the actual percentage of diesel being consumed in Government sector; and

(d) the reasons for Government keeping diesel under the subsidy regime?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) There is no such proposal before the Government regarding dual pricing of Diesel, at present.

(b) and (c) There is no system of maintaining sector-wise sale of Diesel sold through retail outlets.

(d) The Kirit Parikh Committee had recommended that the price of Diesel may be made market-determined. Government on 25.06.2010 took a decision 'in principle' that its price would be made market-determined, both at Refinery Gate and Retail Level. However, in order to insulate the common man from the impact of rise in oil prices in the international market and in view of the domestic inflationary conditions, the Government continues to modulate the retail selling price of Diesel and its present price is below the required market price. As a result, as per the current refinery gate price, the Public Sector Oil Marketing Companies (OMCs) are incurring under-recovery of Rs. 4.97 per litre on the sale of Diesel.

†Original notice of the question was received in Hindi.