

Marketing Companies (OMCs) operate some Retail Outlets (ROs) in the country on Company Owned Company Operated (COCO) basis through service providers/adhoc dealers. In case of adhoc dealership, the tenure of the adhoc dealer is a maximum of one year. In COCOs run by service providers, the staff on the forecourt is provided by the service provider and day to day operations is supervised by officer of concerned OMC.

(b) OMCs have reported that they have no report of petrol pumps being run by relatives of their officials.

(c) to (e) OMCs have reported that no irregularities have been reported at the COCO retail outlets in connivance with the officers of OMC during the last three years and the current year (April-December, 2012).

Withdrawal of subsidy on petro-products

290. SHRI T.M. SELVAGANAPATHI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is fact that Government is considering to fully wipe out subsidy on LPG, Diesel, Petrol and Kerosene;

(b) if so, the details thereof;

(c) whether it is also a fact that Government has received a proposal in this regard; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) to (d) In the light of the recommendations made by the Expert Group headed by Dr. Kirit S. Parikh, the Government made the price of Petrol market-determined with effect from 26.06.2010. further, in the light of the recommendations of the Kelkar Committee, the Government, on 17.01.2013 decided to authorize 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 order, and (b) sell Diesel to all consumers taking bulk supplies directly from the installations of the OMCs at the non-subsidized market

determined price with immediate effect. Subsequently, after considering several representations, Government w.e.f. 7th February, 2013 have approved supply of Diesel to the Fishermen Consumer Pumps at the price applicable for retail outlets.

However, 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 Retail Selling Price (RSP) of Diesel (partially), PDS Kerosene and Subsidized Domestic LPG resulting in incidence of under-recoveries to the OMCs. Based on the Refinery Gate Price effective 16.02.2013 for Diesel and 01.02.2013 for PDS Kerosene and Subsidized Domestic LPG, the OMCs are currently incurring under-recovery of Rs. 10.27 per litre on Diesel, Rs. 31.60 per litre on PDS Kerosene and Rs. 481.00 per 14.2 kg cylinder on Subsidized Domestic LPG.

Impact of Diesel price De-control

‡291 SHRIMATI MAYA SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the extent of amount received in excess through sale of diesel following the policy of selling diesel to wholesale buyers at market rate *vis-a-vis* selling the diesel at ordinary rate;
- (b) the loss to farmers due to present policy of hike in diesel price and its ill effects on other goods;
- (c) the strategy being adopted by wholesale buyers to avoid increased price;
- (d) whether to avoid this policy, wholesale buyers are purchasing diesel on ordinary rates through other ways; and
- (e) the details of the taxation following price de-control of diesel?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) As per the press release issued by IOCL on 17.1.2013, based on the current price and volume, the under-recovery of the Public Sector Oil Marketing Companies (OMCs) shall reduce by Rs. 15,000 crore per annum due to increase in price of Diesel by 45 paise for retail customers and Rs. 9.25 per litre for bulk customers.

‡ Original notice of the question was received in Hindi.