

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

UNSTARRED QUESTION NO:3378

ANSWERED ON:13.03.2003

SUPPLY OF PETROLEUM PRODUCTS TO SRCs AT CONCESSIONAL RATES

A. VENKATESH NAIK

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

- (a) Whether frequent changes in the prices of diesel had affected the road transport, undertakings and passengers;
- (b) Whether the Karnataka Government has urged the Union Government to supply high-speed diesel at concessional and fixed rates to State road transport undertakings as reported in the `Hindu` dated February 22, 2003 under the heading, `Centre urged to cut diesel prices for RTCs`;
- (c) if so, the details of representations made by State Government in this regard; and
- (d) the response of Union Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): With the dismantling of Administered Pricing Mechanism (APM) in the petroleum sector effective 1st April 2002, the price of diesel has been decontrolled. The oil marketing companies are now fixing the price of diesel after taking into accounts the prevalent international oil prices. Thus, the variations in the international oil prices are likely to be reflected in the domestic prices of diesel. Further, the selling price of diesel vary from state to state mainly because of differences in the freight element and in the rates of taxes levied by various State Governments.