

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

STARRED QUESTION NO:65  
ANSWERED ON:24.07.2003  
RETAIL POLICY FOR PETROLEUM PRODUCTS  
SURESH RAMRAO JADHAV (PATIL)

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

- (a) whether even a year after the Government dismantled the Administered Pricing Mechanism (APM), a retail policy for petroleum sector has not been formulated till date;
- (b) if so, reasons for the delay; and
- (c) the steps taken by the Government to do away with the pre-APM policy's reservation mechanism in order to allow a level playing field for public sector oil companies in post APM regime?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO.65 BY SURESH RAMRAO JADHAV TO BE ANSWERED ON 24TH JULY, 2003 REGARDING RETAIL POLICY FOR PETROLEUM PRODUCTS.

(a) to (c): In keeping with the Government decision for phased dismantling of the Administered Pricing Mechanism (APM) and deregulation of the petroleum sector from April, 2002, marketing of all petroleum products except kerosene for public distribution system and domestic LPG has been decontrolled w.e.f. 1.4.2002. The Government has also issued guidelines for grant of authorization for marketing transportation fuels to new entrants, including the private sector. In accordance with this authorization, two more companies in the public sector, viz., Oil & Natural Gas Corporation Limited and Numaligarh Refineries Limited and two companies in the private sector, viz., Reliance Petroleum Limited and Essar Oil Limited have been given permission to set up retail distribution network in the country. These four companies have proposed to set up 9159 Retail Outlets. M/s Shell India Pvt. Ltd. (SIPL) have also applied for setting up 2000 Retail Outlets, which has been agreed to in principle and authorization would be granted after fulfillment of conditions laid down in the Government guidelines.

Soon after dismantling of the APM, the Government had dissolved all Dealer Selection Boards which had been constituted for making selection of dealers/distributors of petroleum products as per the guidelines which were in vogue at that time.

Public Sector Oil Marketing Companies (OMCs) viz., Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited and IBP Co. Limited have now been given freedom of choice of new locations for setting up of dealerships/distributorships in various parts of the country, including rural areas on commercial considerations.

The selection of dealers/distributors in the post-APM regime for retail outlet dealerships (petrol and diesel outlets), LPG distributorships and SKO-LDO dealerships will be made by these companies themselves as per the guidelines to be adopted by them. While finalizing the policy, OMCs will take a view on all related questions including reservation.