

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

UNSTARRED QUESTION NO:7151  
ANSWERED ON:12.05.2005  
RETAIL SELLING OF PETROLUM PRODUCTS  
Chinta Mohan Dr. ;Singh Shri Rajiv Ranjan (Lalan)

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

- (a) whether there is a condition of making capital investment of atleast Rs. 2000 crore for getting rights of retail selling of petroleum products in the country ;
- (b) if so, the details thereof and the reasons therefor ;
- (c) whether the Government proposes to withdraw the said condition for making the market competitive ; and
- (d) if so, the steps taken by the Government in this regard ?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ ( SHRI MANI SHANKAR AIYAR )

(a) & (b) : As per Government guidelines issued vide Resolution dated 8th March, 2002, a capital investment of at least Rs. 2,000 crore is required in eligible activities for new entrants to get authorization for marketing transportation fuels. This has been done primarily to avoid fly-by-night operators while attracting serious investment in the downstream marketing sector.

(c) & (d) : At present, there is no such proposal under Government's consideration.