

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

UNSTARRED QUESTION NO:3283
ANSWERED ON:14.12.2006
OPENING OF PETROL PUMPS/LPG AGENCIES
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) : whether the public sector oil marketing companies had invited applications for opening petrol pumps and gas agencies in the rural areas ;
- (b) : if so, whether the oil marketing companies has returned all applications instead of granting permission to open the said agencies in the rural areas ;
- (c) : if so, the reasons therefor;
- (d) : whether the Government proposes to take steps to open new petrol pumps and gas agencies in rural areas, particularly Uttar Pradesh in the near future; and
- (e): if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (e): Subsequent to the dismantling of Administered Pricing Mechanism (APM) w.e.f. 1.4.2002, public sector oil marketing companies (OMCs) have been given commercial freedom to choose location, selection of dealers/distributors etc. for retail outlet dealerships/LPG distributorships including those in rural areas, based on commercial viability of the location through a transparent procedure involving advertisement and interview, etc. However, if the location becomes commercially unviable, subsequent to issue of advertisement, OMCs have the commercial freedom to cancel the selection process and return the application to the applicant. The Government does not interfere in the commercial activities of the OMCs.