

## **Cabinet throws open fuel retailing for non-oil companies, too**

Our Bureau New Delhi | Updated on October 23, 2019 | Published on October 23, 2019

### **Companies with a minimum net worth of Rs. 250 crore can now sell petrol and diesel**

In a move that is expected to make auto fuel retail business more attractive, the government has tweaked the guidelines for granting authorisation to sell petrol and diesel in the country.

The Cabinet Committee on Economic Affairs on Wednesday revised the norms and has now allowed companies with a net worth of Rs. 250 crore and more to get into this business.

The earlier policy for marketing transportation fuels mandated a minimum prior investment of Rs. 2000 crore in the domestic oil and gas sector.

“The existing policy for granting authorisation to market transportation fuels had not undergone any changes for the last 17 years, since 2002. It has now been revised to bring it in line with the changing market dynamics and with a view to encourage investment from private players, including foreign players, in this sector,” an official statement said.

“Non – oil companies can also invest in the retail sector. The requirement of prior investment in oil and gas sector, mainly in exploration and production, refining, pipelines/terminals, among others, has been done away with...The companies have been given flexibility in setting up a Joint Venture or Subsidiary for market authorisation,” the statement added.

In addition, to conventional fuels, the authorised entities will be required to install facilities for marketing at least one new generation alternate fuel, like CNG, LNG, biofuels, electric charging, among others at these retail outlets within 3 years of commencing operations. It will also be mandatory to set up at least 5 per cent of the total retail outlets in notified remote areas within 5 years of grant of authorisation.

The entities seeking to retail petrol and diesel can apply for either or both retail and bulk authorisation.