

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO.- 2850
ANSWERED ON- 18/08/2025

CRISIS FACING NON-DOMESTIC LPG DISTRIBUTORS

2850 SHRI SANJAY RAUT:

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

- (a) whether Government is aware that thousands of non-domestic LPG distributors across the country are under severe financial distress due to low margins and operational constraints;
- (b) whether it is a fact that their earnings are reportedly 90 per cent lower than those of domestic distributors despite higher capital investment and logistical costs;
- (c) whether allowing domestic distributors to sell commercial LPG has resulted in unfair competition and market disruption;
- (d) whether the Government will mandate a minimum ₹200 price differential to safeguard business viability of non-domestic distributors; and
- (e) whether any rehabilitation or loan relief scheme is being considered for distributors whose accounts have become NPAs?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI SURESH GOPI)

(a) to (c): Sale of non-domestic LPG is a purely commercial activity. Following de-regulation in 2003, Public Sector Oil Marketing Companies (OMCs) take independent decisions on all matters relating to pricing and marketing of non-domestic LPG. OMCs appoint exclusive Non-Domestic Non-Exempted (NDNE) distributors based on market potential, through open advertisement with clear disclosure of associated business risks.

PSU OMCs have reported that the commercial LPG segment is highly competitive with significant participation from private LPG marketers. Consumers are free to choose their suppliers.

The sale of non-domestic LPG cylinders by regular LPG distributors is in accordance with their terms of appointment and applicable guidelines.

Domestic LPG distributors are spread across the country whereas Non-domestic LPG distributors are advertised only at locations where there is significant potential for non-domestic LPG sector.

Earnings of LPG distributors in both domestic and non-domestic categories depend, inter alia, on volume of sales and commission per cylinder, and may vary widely.

(d) & (e): No such proposal is under consideration of Government.
