

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-1728
ANSWERED ON- 15/12/2025

INCREASING THE DEALER MARGIN OF LPG DISTRIBUTORS

1728 # SHRI NEERAJ DANGI:

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

- (a) whether Government is considering to review and increase the dealer margin for LPG distributors;
- (b) whether it is a fact that dealer margin have been found to be inadequate compared to the increased operating costs, salaries, transportation and safety equipment expenses over the last few years;
- (c) whether Government has constituted any committee/task force in this regard and if so, its recommendations and the current status of implementation; and
- (d) whether any timeline has been set for increasing dealer margin?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) to (d) India imports about 60% of the domestic LPG consumed. Price of LPG in the country is linked to its price in the international market. Government continues to modulate the effective price to consumer for domestic LPG.

As on 01.11.2025, Public Sector OMCs have about 25587 LPG distributors serving the nook and corner of the country. LPG distributors receive distributor commissions for the expenses incurred in the operations of their distributorships and to provide them with reasonable margins to keep their business viable.

The current applicable Domestic LPG Distributors' commission for 14.2 Kg & 5 Kg cylinders effective 04.10.2023 is given below:

Particulars	Rs./14.2 Kg cylinder	Rs./5 Kg cylinder
Establishment charges	39.65	19.82
Delivery charges	33.43	16.72
Total	73.08	36.54

Last refixation of Distributors' Commission was done in October, 2023, wherein, while deciding revised Distributors' Commission, it was decided to institute a fresh de-novo study to recommend a revised methodology for determination of Distributors' Commission for domestic LPG. No timeline has been set for revision of Distributors' Commission.