

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-1891
ANSWERED ON- 09/03/2026

LPG DISTRIBUTORS' COMMISSION

1891 SHRI MOHAMMED NADIMUL HAQUE:

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

- (a) the current commission paid to LPG distributors for domestic and commercial cylinders and the revision undertaken during the last five years, year-wise;
- (b) whether Government has assessed the adequacy of current commissions in light of rising operating costs, transportation expenses and compliance requirements;
- (c) the basis on which commissions are determined and whether an independent cost study has been conducted; and
- (d) whether Government plans to revise commissions to ensure financial sustainability of distributors, particularly in rural and remote areas?

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. While prices of commercial LPG are set by LPG marketing companies independently, Government continues to modulate the effective price to consumer for domestic LPG.

As on 01.02.2026, Public Sector OMCs have about 25600 LPG distributors across 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.

Details of Distributors' commission for domestic LPG applicable for 14.2 Kg & 5 Kg cylinders for last five years are given below:

Effective date	Rs./14.2 Kg Cylinder	Rs./5 Kg Cylinder
As on 01.03.2021 (revised w.e.f. 01.10.2019)	61.84	30.92
19-May-22	64.84	32.42
04-Oct-23	73.08	36.54

Source: Petroleum Planning and Analysis Cell (PPAC)

While deciding revised Distributors' Commission in October 2023, it was decided to institute a fresh de-novo study to recommend a revised methodology for determination of Distributors' Commission for domestic LPG.
