

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 130
ANSWERED ON - 20/07/2026

DELAY IN COMMISSIONING OF LPG DISTRIBUTORSHIPS

130. DR. M. THAMBI DURAI:

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

- (a) whether Government is aware that selected candidates for LPG distributorships in several States are facing inordinate delays in commissioning their distributorships;
- (b) the reasons for such delays;
- (c) whether Government has prescribed any timeline for completing the process after selection; and
- (d) the steps taken to ensure time-bound allotment and commencement of LPG distributorships across the country?

ANSWER

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

(a) to (d): Appointment of LPG distributorships by the Public Sector Oil Marketing Companies (OMCs) is a continuous process and locations for setting up of LPG distributorships are identified and advertised as per Unified Selection Guidelines for LPG distributorships (USG)-2016.

The process of applying for LPG distributorship has been greatly simplified and a transparent online selection process is in place. All applicants are required to submit their application online at the www.lpgvitarakchayan.in portal. The online selection process includes, online receipt of application, processing and online draw of lots etc. Detailed guidelines on eligibility, infrastructure requirement of land for LPG godown, approach road for godown, showroom, infrastructure for home delivery of LPG cylinders etc. along with the details of selection process are given at the portal.

The stipulated timeframe for commissioning of LPG distributorships from the date of LOI issuance is four months. Setting up of an LPG distributorship, from selection of a candidate to actual

commissioning, is a multi-stage process. Steps involved after selection of the candidate in the draw of lots are:

- (i). Field Verification of Credentials (FVC),
- (ii). Issuance of Letter of Intent (LOI),
- (iii). Creation of infrastructure (LPG godown, showroom and approach road) by the selected candidate,
- (iv). Mandatory training and pre-commissioning test,
- (v). Issue of Letter of Appointment (LOA), execution of the distributorship agreement and thereafter commissioning.

OMCs have informed that, delay in commissioning of distributorships is observed mainly due to following reasons:

- (i). Obtaining permissions from the Statutory Authorities for the construction of godown.
- (ii). Construction of the godown along with all-weather motorable road.
- (iii). Obtaining licenses from PESO
- (iv). Obtaining applicable Retail Selling Licenses, Weights & Measure license, etc. from the State Governments.
- (v). Timely mobilization of required financial resources by selected candidate.
- (vi). Litigations post issuance of LOI.

After receipt of LOI selected candidate should fulfil the conditions specified in the LOI within a period of four months from the date of LOI failing which, the concerned OMC can withdraw the LOI. However, in case where the selected distributor has made sufficient progress but due to certain genuine difficulties it has not been possible for him/her to fulfil the conditions laid down in the LOI within 4 months, time extension is given by the OMCs.

OMCs endeavor to ensure timely commissioning of LPG distributorships at the earliest possible time, as this facilitates business expansion and enhances customer service by improving the accessibility and availability of LPG distribution facilities. OMCs regularly monitor State/location-wise backlog and follow up on pending cases to expedite commissioning and extend concessional financial assistance to SC/ST candidates to enable faster creation of infrastructure and timely commissioning of their distributorships.
