

F. No. P-20028/1/2018-PP
Government of India
Ministry of Petroleum & Natural Gas
(PP Section)

Shastri Bhavan, New Delhi
Dated 10th July, 2019

To

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|---|---|
| 1. The Chairman
Indian Oil Corporation Limited
New Delhi | 2. The Chairman & Managing Director
Hindustan Petroleum Corporation Ltd.,
Mumbai. |
| 3. The Chairman & Managing Director,
Bharat Petroleum Corporation Ltd.,
Mumbai. | 4. Director General,
Petroleum Planning and Analysis Cell,
New Delhi |

Subject: Revision in Domestic LPG Distributors' Commission

Sir/Madam,

The Domestic LPG Distributors' Commission for 14.2 kg cylinder and 5.0 kg cylinder was last fixed at Rs. 50.58 per 14.2 kg cylinder (Establishment charges: Rs. 30.08 and delivery charges: Rs. 20.50) and Rs. 25.29 per 5.0 kg cylinder (Establishment charges: Rs.15.04 and delivery charges: Rs. 10.25) vide this Ministry's letter No.P-20028/1/2001-PP (Pt. II A) dated 6th November, 2018. Customers who collect their refills directly from Distributor's premises are not being charged the delivery charges and are entitled to get the cash and carry rebate irrespective of category and distributorship.

2. After careful consideration of the recommendations of *de-novo* study for revision in LPG Distributors' Commission conducted by IIM, Ahmedabad in consultation with PPAC, it has been decided to revise the Distributors' Commission to Rs. 61.84 per 14.2 kg cylinder (Establishment charges: Rs. 34.24 and Delivery charges: Rs. 27.60) and Rs. 30.92 per 5 kg cylinder (Establishment charges: Rs. 17.12 and Delivery charges: Rs. 13.80) with following timelines: -

- (a) 1st August, 2019 - 50% increase (i.e. ₹ 5.62 for 14.2 kg cylinder)
- (b) 1st September, 2019 - 25% increase (i.e. ₹ 2.82/- for 14.2 kg cylinder)
- (c) 1st October, 2019 - 25% increase (i.e. ₹ 2.82/- for 14.2 kg cylinder)


3. As regards 5 kg cylinders, the revised distributors commission will increase in line with the time line and percentage mentioned at para 2.

4. Remuneration to the distributors, which forms part of the commission should be linked to performance of the distributor and OMCs may work out the norms.

5. It is clarified that the distributor's commission arising out of *de-novo* study will subsume the proposed annual revision for this year and future annual revision will be based on the proposed formula in the Report.

6. Kindly acknowledge receipt of the letter.

Yours faithfully,



(Vinay Kumar)

Under Secretary to the Govt. of India

Tele: -23386119

Copy to:

1. President, All India LPG Distributors' Federation, Kwic Gas Service, 51, Jwala Heri Market, Paschim Vihar, New Delhi-63.
2. Technical Director (NIC) with a request to upload it on the website of this Ministry.
3. President, Federation of LPG Distributors of INDIA (FLDI), Flat No. 306, Bhanot Corner, Pamposh Enclave, GK-1, New Delhi- 110048.