



Product Commission Details :

Quick Summary: Indane LPG distributorship offers stable returns through cylinder refill commissions (₹170/domestic cylinder), new customer acquisitions, and accessories sales, with commercial margins reaching 15-20%.

Indane Gas Agency Dealership Refundable security Deposit Amount:

Rural Area: ₹80,000 refundable security deposit

Urban Area: ₹1,50,000 refundable security deposit

LPG Distributorship Business Overview

LPG Distributor Profit Margins

While the commission on domestic LPG cylinders is fixed by the oil marketing companies or the government, distributors earn additional income from several sources. The primary margin is **₹170 per domestic cylinder refill**. Commercial cylinder margins are significantly higher, often ranging from **15% to 20%**. Furthermore, adding a new customer within your assigned pin code area generates an extra commission per cylinder supplied to that customer.

Key Drivers of Profitability

The business delivers the best returns in high-volume areas, which can include both urban localities and high-demand rural regions where market penetration is still growing.

Revenue Streams

Distributor income is derived from three main channels:

1. Commission on Refills

The recurring revenue from domestic and commercial cylinder deliveries forms the backbone of the business.

2. New Customer Revenue

Income from new connection kits, which includes the security deposit, first cylinder, regulator, and stove.

3. Accessories Sales

Profits from the sale of stoves, gas pipes, regulators, and other related appliances.

Operational Costs

Running an LPG distribution agency involves managing significant operational expenses. These costs primarily include:

- Storage facility maintenance
- Transportation and delivery logistics
- Staff salaries
- Various administrative fees

Note: Essential technology infrastructure, such as computers and software licenses, is typically provided by Indane (Indian Oil Corporation Ltd.).

Industry Trends

As of 2025, the industry is considered **stable and profitable**. A key indicator of viability is a mature customer base, with every operational pin codes sustaining over **3,500+ active domestic connections**, ensuring consistent refill volume and revenue.
