

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2207**  
ANSWERED ON 20/03/2023

**Price hike in LPG**

2207 Shri Masthan Rao Beeda:

Will the Minister of Petroleum and Natural Gas be pleased to state:

- (a) the manner in which Government justifies an 80 per cent hike in the price of domestic LPG in the country;
- (b) whether it is a fact that with the recent increase in domestic LPG price, the cost of a cylinder has gone up beyond Rs. 1,000 before Government reduced it by Rs. 200;
- (c) the details of mechanism in fixing the domestic LPG price;
- (d) whether Government has considered revisiting the mechanism; and
- (e) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI RAMESWAR TELI)

(a) to (e): India imports more than 60% of its domestic LPG consumption. The average Saudi Contract Prices (CP) on which the domestic LPG prices are based, increased from US\$ 454/MT to US\$ 693/MT during 2019-20 to 2021-22. During 2022-23 the Saudi CP has further risen to US\$ 790/MT for February 2023. However, Government continues to modulate the effective price of domestic LPG. Public Sector Oil Marketing Companies have suffered huge losses on sale of domestic LPG. To compensate these losses, the Government has recently paid a one-time compensation of Rs. 22000 crore to OMCs. W.e.f. 21.05.2022, Government has started a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills for year 2022-23. The Retail Selling Price (RSP) of domestic LPG at Delhi on 21.05.2022 was Rs. 1003 per 14.2 Kg cylinder. As on 01.03.2023, RSP of domestic LPG at Delhi is Rs. 1103 per 14.2 Kg cylinder and effective price for PMUY consumers is Rs. 903 per cylinder.

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