

GOVERNMENT OF INDIA

MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA

UNSTARRED QUESTION NO. 3009

ANSWERED ON 27/03/2023

TAX COMPONENTS IN PRICE OF LPG

3009 # Shri Ram Nath Thakur:

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

- (a) quantum of money to be paid by consumers as various taxes after hike of Rs. 350.50/- and Rs. 50/ per cylinder from 1st March, 2023 in commercial and domestic LPG prices, respectively by Oil Marketing Companies;
- (b) details thereof along with reasons therefor;
- (c) whether there has been any increase in price of LPG in international market during February, 2023;
- (d) details of rebate provided to people of lower sections and Ujjwala beneficiaries in domestic LPG; and
- (e) whether any study has been conducted to find out number of persons forced to cook by using old methods due to fuel becoming dearer because of slew of taxes?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI RAMESWAR TELI)

(a) & (b): The Goods and Services Tax rates for commercial LPG and domestic LPG are 18% and 5% respectively:

	Retail Selling Price at Delhi w.e.f. 01.03.2023 (Rs.)	Amount of GST levied (Rs.)
Domestic LPG (14.2 Kg cylinder)	1103	52.53
Commercial LPG (19 Kg cylinder)	2119	323.35

Source: Petroleum Planning and Analysis Cell

(c) to (e): India imports more than 60% of its domestic LPG consumption. Government continues to modulate the effective price of domestic LPG. While the Saudi Contract Prices (CP), on which domestic LPG prices are based, rose by 32 % from 599 \$/MT in January 2023 to 790 \$/MT in February 2023, retail selling price of domestic LPG has increased only by 4.7 % from Rs.1053 in February 2023 to Rs.1103 in March 2023.

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

Pradhan Mantri Ujjawala Yojana (PMUY) was launched in 2016 to provide deposit free LPG connections to women members of poor households under which 8 crore connections were given deposit free. Under Ujjwala 2.0, all PMUY beneficiaries are provided free first refill and stove as well, in addition to deposit free LPG connections. As on 01.02.23, 1.6 crore connections have been given under Ujjwala 2.0. 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 years 2022-23 and 2023-24.

It has been observed that the number of refills taken by PMUY beneficiaries have increased from 15.99 crore in 2018-19 to 31.26 crore in 2021-22 and the average consumption per beneficiary has gone up from 3.00 refills (14.2 Kg) to 3.68 refills (14.2 Kg) during the same period.

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