

GOVERNMENT OF INDIA

MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA

UNSTARRED QUESTION NO. 1264

ANSWERED ON 31/07/2023

Comparative prices of LPG cylinders

1264 Shri Pramod Tiwari:

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

- (a) whether LPG cylinders cost ` 410 in 2014, with a subsidy of ` 827;
- (b) whether LPG cylinders cost ` 1103 in 2023, with no subsidy; and
- (c) the details of central excise duties on LPG cylinders, year wise, in the last five years?

ANSWER

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

(SHRI RAMESWAR TELI)

(a) to (c): India imports more than 60% of its domestic LPG consumption. Price of LPG in the country is linked to its price in the international market. However, Government continues to modulate the effective price to consumer for Domestic LPG. Subsequent to the implementation of DBTL (PAHAL) Scheme, 2014, the retail selling price (RSP) of a domestic LPG cylinder is same for all consumers in a market.

Under the Direct Benefit Transfer for LPG (DBTL) scheme, subsidy, as admissible, is deposited in the bank account of eligible beneficiaries. The total Government subsidy on domestic LPG was Rs. 6965 crore (provisional) in 2022-23. Further in 2022-23, Government also paid a one-time compensation of Rs. 22,000 crore to OMCs for under-recoveries on domestic LPG. Government also provided more than 14.17 Crore free LPG refills to Pradhan Mantri Ujjwala Yojana (PMUY) households as a part of Pradhan Mantri Gareeb Kalyan Package during 2020.

The price of subsidised domestic LPG cylinder in January 2014 was Rs. 414. At that time the difference between the market determined price and the subsidised retail selling price was reimbursed to Oil Marketing Companies (OMCs) through 'PDS Kerosene and Domestic LPG Subsidy Scheme, 2002', 'Freight Subsidy (For Far Flung Areas) Scheme, 2002' and compensation of under recoveries under the burden sharing mechanism through budgetary support and price discount on crude oil/products by upstream companies.

The Retail Selling Price (RSP) of domestic LPG at Delhi is Rs. 1103 per 14.2 Kg cylinder whereas effective cost for PMUY beneficiaries is Rs. 903, as a subsidy of Rs. 200 per 14.2 Kg cylinder is admissible to PMUY beneficiaries.

Effective 1st July 2017, Domestic LPG is subject to 5% Goods and Services Tax (GST) whereas the rate of GST on commercial LPG is 18%. The current rates of Customs duty and GST applicable on LPG are as below:

Particulars		GST	Customs Duty	Agriculture Infrastructure & Development Cess (AIDC)
LPG	Domestic *	5.00%	Nil	Nil
	Non - Domestic	18.00%	5.00%	15%

*Basic Customs duty is Nil for import of domestic LPG sold by OMCs to household consumers. Basic Customs duty rate is 5% and AIDC 15% for other importers of LPG.

In addition to the above, 10% Social Welfare Surcharge is also applicable on the total duties of Customs (excluding Countervailing Duty in lieu of Integrated Goods and Services Tax)

Source: Petroleum Planning and Analysis Cell (PPAC)

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