

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1574**  
ANSWERED ON 05/08/2024

**STEEP RISE IN PRICES OF LPG CYLINDERS**

1574 SHRI A. A. RAHIM:

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

- (a) whether Government has noticed the steep increase in the price of domestic LPG cylinders;
- (b) the measures Government has taken to control this; and
- (c) whether Government is ready to exempt domestic cylinders from the ambit of GST and introduce a regulating mechanism/body for price control?

**ANSWER**

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

(SHRI SURESH GOPI)

(a) & (b): India imports about 60% of its domestic LPG consumption. Prices of LPG in the country are linked to its price in the international market. Government continues to modulate the effective price to consumer for domestic LPG. During the period 2020-21 to 2022-23, the average Saudi CP (international benchmark for LPG pricing) went up from \$415 per MT to \$712 per MT. However, the increase in the international prices was not fully passed on to the customers.

Under PAHAL Scheme, the domestic LPG cylinders are sold at non-subsidised price and the applicable subsidy to the consumers is transferred directly into their bank accounts. Apart from the direct subsidy to consumers, the OMCs have also been compensated Rs 22,000 crore in FY 2022-23 by Government of India to cover the under-recoveries suffered by them in not passing on the high international LPG prices to the domestic LPG consumers.

Government reduced the retail selling price of domestic LPG for all consumers by Rs. 200 per 14.2 Kg LPG cylinder with effect from 30<sup>th</sup> August, 2023. Government further reduced the RSP of domestic LPG by Rs. 100 per 14.2 Kg cylinder w.e.f. 9<sup>th</sup> March, 2024. The current RSP of domestic LPG at Delhi is Rs. 803 per 14.2 Kg cylinder.

W.e.f. 21<sup>st</sup> May, 2022, Government has been providing a targeted subsidy of Rs. 200 per 14.2 Kg LPG cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year. Moreover, w.e.f. 5<sup>th</sup> October, 2023, Government increased the targeted subsidy to Rs. 300 per 14.2 Kg LPG cylinder for all Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries. With a targeted subsidy of Rs. 300 per cylinder (and proportionately prorated for 5 Kg cylinder), effective cost for PMUY consumers is Rs. 503 per 14.2 Kg cylinder (at Delhi) currently.

(c): No. Currently there is no such proposal under consideration of the Government.