

LOK SABHA
UNSTARRED QUESTION NO. 2626
TO BE ANSWERED ON 22 DECEMBER, 2022

Subsidy for Domestic Gas

†2626. SHRI HANUMAN BENIWAL:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the details of subsidy being given to consumer on domestic gas cylinder at present in the country, State-wise;
- (b) the details of subsidy given on domestic LPG cylinders from 1st April, 2019 to 31st October, 2022, State-wise;
- (c) whether the subsidy is currently withdrawn and if so, the details of the scheme of the Government to start subsidy again and if not, the details of the scheme of the Government to increase the currently payable subsidy or reduce the price of domestic gas cylinders; and
- (d) whether the State Governments have any provision or rule to provide domestic gas cylinders free of cost or provide subsidy at their level and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री रामेश्वर तेली)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI RAMESWAR TELI)

(a) to (d): The prices of petroleum products in the country are linked to the price of respective products in the international market. Prices of LPG in the country are based on Saudi Contract Price (CP), the benchmark for international prices of LPG. However, the Government continues to modulate the effective price to consumer for Domestic LPG. The subsidy, as admissible, is credited to the bank account of eligible beneficiaries. In addition, w.e.f. 21st May, 2022, the Government has announced a targeted subsidy of Rs.200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year for year 2022-23. This targeted subsidy is uniform across all States and Union Territories.

The details of subsidy on LPG given by Government since April 2019 are given below:
(Rs. /Crores)

Particulars	2019-20	2020-21	2021-22(P)
Direct Benefit Transfer for LPG (DBTL) subsidy (A)	22726	3658	242
Pradhan Mantri Ujjwala Yojana (PMUY) subsidy (B)	1446	76	1569
Pradhan Mantri Garib Kalyan Package (PMGKP) subsidy (C)		8162	
Total Subsidy on LPG (A+B+C)	24172	11896	1181

Source: Petroleum Planning and Analysis Cell (PPAC) P-Provisional

During the period from April 2020 to April 2022, the international prices of LPG increased by around 300%. However, to insulate consumers from fluctuations in international LPG prices, the cost increase was not fully passed on to consumers of domestic LPG. Accordingly, domestic LPG prices have risen by only 72% during this period. This has led to significant losses for these OMCs. To compensate these losses, the Government has recently approved a one-time compensation of Rs. 22000 crores to OMCs. State governments can bear partial/full cost for LPG refills to consumers from their own budget.

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