

LOK SABHA
STARRED QUESTION NO. 208
TO BE ANSWERED ON 03 AUGUST, 2023

Restoration of Subsidy for Cooking Gas

*208. SHRI N.K. PREMACHANDRAN:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government proposes to restore the subsidy for domestic cooking gas, if so, the details thereof and if not, the reasons therefor;
- (b) whether the Government can provide the total amount pending with the oil companies on account of non-transferring of subsidy to the domestic consumers and if so, the details thereof;
- (c) whether the Government proposes to transfer subsidy amount to the poor consumers who take gas connection as per the scheme introduced by the Government for the poorest and if so, the details thereof;
- (d) whether the Government proposes to reduce the tax imposed on domestic cooking gas due to hike in price of cooking gas and if so, the details thereof; and
- (e) whether the Government proposes to reduce the price of domestic cooking gas and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री हरदीप सिंह पुरी)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 208 asked by Shri N.K. Premachandran to be answered on 03 August 2023 regarding “Restoration of Subsidy for Cooking Gas”.

(a) to (e): India imports more than 60% of its domestic LPG consumption. Prices of LPG in the country are linked to its price in the international market. However, for domestic LPG, Government continues to modulate the effective price to consumer. Further, Government has started a subsidy scheme exclusively for poor households where the subsidy is credited to the bank accounts of eligible beneficiaries. W.e.f. 21st May, 2022, Government is giving 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 years 2022-23 and 2023-24.

Subsidies to the beneficiaries are released by Oil Marketing Companies (OMCs) with their own funds. After releasing the subsidies, OMCs submit bills to the Government for reimbursement through Petroleum Planning and Analysis Cell (PPAC) and the same is reimbursed by the Government to OMCs.

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 international prices was not fully passed on in retail prices, due to which the Oil Marketing Companies (OMCs) suffered under recoveries of approximately Rs. 28,000 crore on sale of domestic LPG. To compensate this, the Government approved a one-time compensation of Rs. 22,000 crore to OMCs in FY 2022-23. During Covid Pandemic, Government also provided about 14.17 Crore free LPG refills to PMUY households under Pradhan Mantri Gareeb Kalyan Package during 2020.

Currently, domestic LPG is covered under GST which is levied at 5%. GST rates are prescribed on the recommendations of GST Council, which is a constitutional body comprising of representatives from States/ Union Territories and Central Government.

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