

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3075**  
**TO BE ANSWERED ON 7 AUGUST, 2025**

**Rising Prices of Domestic LPG Cylinders, Petrol and Diesel**

3075 Shri Manickam Tagore B:

**पेट्रोलियम और प्राकृतिक गैस मंत्री**

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

- (a) whether the Government is aware of the financial burden on common households due to the continuous rise in prices of domestic LPG cylinders, petrol and diesel and if so, the details thereof;
- (b) whether the Government is likely to consider placing in the public domain a detailed cost structure and pricing formula used to determine the retail prices of cooking gas, petrol and diesel, if so, the details thereof;
- (c) whether the increase in prices of petrol and diesel is directly linked to global crude oil rates, if so, the details thereof and if not, the other contributing factors;
- (d) whether the Government has a breakup of taxes levied by the Union and State Governments, dealer commission, transportation and profit margins included in the retail price of petrol, diesel and LPG and if so, the details thereof; and
- (e) whether the Government has reduced subsidies on domestic LPG cylinders during each of the last five years and the amount of subsidies disbursed and if so, the details thereof?

**ANSWER**

**पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री**  
**(श्री सुरेश गोपी)**

**MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS**  
**(SHRI SURESH GOPI)**

(a) to (e): **LPG**:

India imports about 60% of the domestic LPG consumed. Price of LPG in the country is linked to its price in the international market. While the average Saudi CP (international benchmark for LPG pricing) rose by 51% (from US\$ 385/MT in July 2023 to US\$ 582/MT in June 2025), the effective price for Pradhan Mantri Ujjwala Yojana (PMUY) consumers for domestic LPG was reduced by 38% (from Rs. 903 in August 2023 to Rs. 553 in July 2025).

Globally, PMUY is the biggest program of its kind that provides Domestic LPG to more than 10 crore poor households at an effective price of just about Rs. 39/Kg. The retail selling price of a 14.2 Kg domestic LPG cylinder is currently Rs. 853 in Delhi. After a targeted subsidy of Rs. 300/cylinder to PMUY consumers, Government of India is providing 14.2 Kg LPG cylinders at an effective price of Rs.553 per cylinder (in Delhi). This is available to about 10.33 crore Ujjwala beneficiaries, across the country.

The details of price build up of RSP of Domestic LPG (including taxes levied by Central and State Government) as on 01.08.2025 at Delhi are given below:

Elements	Rs./14.2 kg Cylinder
Price Charged to Distributors	739.30
Distributors Commission	73.08
Central GST @ 2.50%	20.31
State GST @ 2.50%	20.31
<b>Retail Selling Price</b>	<b>853.00</b>

Source: Petroleum Planning & Analysis Cell (PPAC)

After a targeted subsidy of Rs. 300/cylinder to PMUY consumers, Government of India is providing 14.2 Kg LPG cylinders at an effective price of Rs.553 per cylinder (in Delhi).

The details of subsidy on domestic LPG since 2020-21 are given below:

Financial Year	Subsidy^ (Rs. in Crore)
2020-21	11896 <sup>#</sup>
2021-22	1811
2022-23	6965 <sup>@</sup>
2023-24	11444
2024-25	13640

Note: This includes fiscal subsidy and under-recovery to Oil Companies in domestic LPG

^ This includes expenditure on connections given under Pradhan Mantri Ujjwala Yojana (PMUY)

# This includes Pradhan Mantri Garib Kalyan Package subsidy.

@ In addition, Government paid a one-time compensation of Rs.22000 crore to OMCs for under-recoveries on the sale of domestic LPG.

Source: Petroleum Planning and Analysis Cell (PPAC)

### **Petrol & Diesel:**

Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

The prices of petroleum products in the country are linked to the price of respective products in the international market. India imports more than 85% of its crude oil requirements. Crude oil prices (Indian basket) increased from \$55/bbl (March 2015) to \$113/bbl (March 2022) and further to \$116/bbl (June 2022) and have continued to fluctuate due to various geopolitical and market factors, whereas domestically, Petrol and Diesel prices have come down to Rs. 94.77 and Rs. 87.67 per litre respectively (Delhi prices) from Rs. 110.04 and Rs. 98.42 per litre in November 2021 as a result of various steps taken by Government and PSU OMCs.

For instance, Central Excise duty was reduced by the Central Government by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs reduced the retail prices of petrol and diesel by Rs. 2 per litre each. In April 2025, excise duty on Petrol and Diesel was increased by Rs. 2 per litre each but this was not passed on to consumers.

PSU OMCs also carried out an intra-state freight rationalisation. This has benefitted consumers located at remote areas, far from Petroleum Oil & Lubricants (POL) Depots in the form of reduced Petrol and Diesel prices in remote parts within the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.

Government also took several other steps to insulate common citizens from high international prices, which included diversifying the crude import basket, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.

The Government has taken several steps to control the impact of rising crude prices including augmenting domestic exploration and production of crude oil, ethanol blending program, improving the share of renewable sources in Indian energy basket etc.

The details of price build up of RSP of Petrol and Diesel (including taxes levied by Central and State Government) as on 01.08.2025 at Delhi are given below:

Elements	Petrol		Diesel	
	Rs./ Ltr.	% in RSP	Rs./ Ltr.	% in RSP
<b>Price before taxes and dealer commission</b>	<b>52.09</b>	<b>54.97%</b>	<b>52.92</b>	<b>60.36%</b>
Customs duty	0.98		1.10	
Excise Duty	21.90		17.80	
<b>Total Central Taxes</b>	<b>22.88</b>	<b>24.15%</b>	<b>18.90</b>	<b>21.55%</b>
Price Charged to customer - Depot Price	74.98		71.81	
VAT (Including VAT on dealer commission)	15.40		12.83	
<b>Total State Taxes</b>	<b>15.40</b>	<b>16.25%</b>	<b>12.83</b>	<b>14.63%</b>
<b>Total Taxes</b>	<b>38.28</b>	<b>40.39%</b>	<b>31.72</b>	<b>36.19%</b>
Dealer Commission	4.40	4.64%	3.03	3.45%
<b>RSP per litre (Rounded up)</b>	<b>94.77</b>	<b>100.00%</b>	<b>87.67</b>	<b>100.00%</b>

Source: Petroleum Planning and Analysis Cell (PPAC)

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