

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS  
RAJYA SABHA  
UNSTARRED QUESTION NO-778  
ANSWERED ON- 02/12/2024

**PRICE HIKE OF LPG**

778 SHRI A. A. RAHIM:

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

- (a) whether Government has taken note of the daily increase in the price of LPG cylinders;
- (b) the reasons for the increase in LPG prices despite a decrease in the price of crude oil in the international market; and
- (c) whether Government is considering to establish a regulatory body to monitor and control the prices of LPG and other essential petroleum products?

**ANSWER**

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

(a) to (c): There is no daily increase in prices of domestic LPG. Price of domestic LPG cylinder was last revised on 9<sup>th</sup> March, 2024 when it was reduced from Rs. 903 to Rs. 803 per 14.2 Kg cylinder. Previously prices of domestic LPG were revised in August 2023 from Rs. 1103 to Rs. 903 per 14.2 Kg cylinder.

India imports about 60% of its domestic LPG consumption. Prices of LPG in the country are linked to its price in the international market (Saudi Contract Price). 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 and currently at \$632 per MT (November 2024). 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.

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. Government reduced the retail selling price of domestic LPG by Rs. 200 per 14.2 Kg LPG cylinder with effect from 30<sup>th</sup> August, 2023. 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.

The current RSP of domestic LPG at Delhi is Rs. 803 per 14.2 Kg cylinder. 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).

Petroleum Planning & Analysis Cell (PPAC), an organisation attached to the Ministry of Petroleum and Natural Gas, monitors, records and analyses the trends in prices of crude oil, petroleum products and natural gas and their impact on the oil companies and consumers, and prepares appropriate technical inputs for policy making. It also prepares periodic reports on various aspects of oil and gas sector. The analysis and compilation prepared by PPAC is widely relied upon.

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