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NEW DELHI : The government's cost of subsidizing LPG cylinders has fallen drastically from 11,896 crore in FY21 to 242 crore in FY22, according to data provided in the Lok Sabha by the Union petroleum ministry.

"The prices of petroleum products in the country are linked to the price of respective products in the international market. However, the government continues to modulate the effective price to consumers for domestic LPG," Rameswar Teli, Union minister of state for petroleum and natural gas said in a written reply on Thursday.

The Centre's expenditure in terms of LPG subsidy was 23,464 crore in FY18, 37,209 crore in FY19 and 24,172 crore in FY20, he said.

The drastic fall in FY 22 reflects the reduction in the number of beneficiaries and the rising retail price of gas cylinders.

Since June 2020, when the government said subsidized gas cylinders would only be available to Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries, the number of beneficiaries has come down to 93 million.

The price of domestic cooking cylinders has also increased steadily. Earlier this month, oil marketing companies, raised the price of domestic cylinders by 50 across four metros. Cylinders in Delhi now cost 1,053 each.

Data provided by the minister showed that LPG prices had declined from 706.50 per cylinder in April 2019 to 581.5 per cylinder on 1 May 2020. However, since then, the cost of cylinders has only moved up, barring one instance of a 10-cut in April 2021.

For FY23, Teli said, the government has started a targeted subsidy of 200 per cylinder for PMUY beneficiaries for up to 12 refills a year. The subsidy on the cylinders is credited to the bank account of the beneficiary after they buy it at market price.

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