

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
STARRED QUESTION NO.- 80
ANSWERED ON- 08/12/2025

TARGETED LPG SUBSIDY AND UJJWALA YOJANA EXTENSION

*80 DR. K. LAXMAN:

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

- (a) whether Government has approved continuation of targeted LPG subsidy to Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries;
- (b) the number of households covered and the financial outlay for the current year; and
- (c) the steps taken to ensure uninterrupted supply, protect consumers from price volatility, and maintain fiscal discipline for oil marketing companies?

ANSWER

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) IN RESPECT OF THE RAJYA SABHA STARRED QUESTION NO. 80 FOR REPLY ON 08.12.2025 REGARDING 'TARGETED LPG SUBSIDY AND UJJWALA YOJANA EXTENSION' ASKED BY DR. K. LAXMAN.

(a) to (c): Pradhan Mantri Ujjwala Yojana (PMUY) was launched in May, 2016 with an objective to provide deposit free LPG connection to adult women from poor households across the country. As on 01.11.2025, there were about 10.33 crore PMUY connections across the country.

To make LPG more affordable to PMUY consumers and ensure sustained usage of LPG by them, in May 2022 Government started a targeted subsidy of Rs.200/- per 14.2 kg cylinder (and proportionately pro-rated for 5 Kg connections) to the PMUY consumers. In October 2023, Government increased the targeted subsidy to Rs.300 per 14.2 kg cylinder (and proportionately pro-rated for 5 Kg connections). LPG prices were reduced by Rs. 200 in August, 2023 and Rs. 100 in March, 2024 for all domestic LPG consumers. The price was revised in April, 2025 and currently price of domestic LPG cylinders is Rs. 853 per 14.2 kg LPG cylinder (in Delhi). After a targeted subsidy of Rs. 300, effective cost for PMUY consumer is Rs. 553 per 14.2 kg LPG cylinder (in Delhi).

For Financial Year 2025-26, Government has approved continuation of targeted subsidy of Rs.300/- per 14.2 kg cylinder for upto 9 refills of 14.2 Kg cylinder (and proportionately pro-rated for 5 Kg connections) to the PMUY consumers at an expenditure of Rs. 12,000 crore.

To clear pending applications and achieve saturation of LPG access in the country, Government has recently approved the release of 25 lakh additional LPG connections under PMUY during FY 2025-26 at an expenditure of ₹676 crore, which includes ₹512.5 crore for release of 25 lakh deposit-free connections at the rate of ₹2,050 per connection, ₹160 crore for providing them targeted subsidy of ₹300 per 14.2 kg domestic LPG cylinder (for up to nine refills per year, proportionately pro-rated for 5 kg cylinders) and ₹3.5 crore towards Project Management Expenses (PME) including transaction and SMS charges, Information, Education & Communication (IEC) activities and administrative expenditure.

In order to improve access of LPG in rural and remote areas, OMCs have commissioned 8,017 distributorships, during 01.04.2016 to 31.10.2025 across the country, out of which 7,420 (i.e. 93%) are catering to rural areas. As of 01.11.2025, there are a total of 25,587 LPG distributorships across the country. These are served through 214 LPG bottling plant of Oil Marketing Companies (OMCs) located across the country. As a result of these efforts, LPG coverage in the country has improved from 62% in April 2016 to near saturation now.

India imports about 60% of its LPG requirement and accordingly prices of LPG in the country are linked to its prices in the international market. While the average Saudi CP (international benchmark for LPG pricing) rose by 21% (from US\$ 385/MT in July 2023 to US\$ 466/MT in November 2025), the prices of domestic LPG were reduced by about 22% (from Rs. 1103 in August 2023 to Rs. 853 in November 2025). For PMUY consumers, effective price for domestic LPG has been reduced by about 39% (from Rs. 903 in August 2023 to Rs. 553 in November 2025).

During the period 2020-21 to 2022-23, 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 in retail prices, due to which the Oil Marketing Companies (OMCs) suffered significant losses. To compensate the OMCs for these losses, Government paid a one-time compensation of Rs. 22,000 crore to OMCs in FY 2022-23.

The international prices of LPG again went up during 2024-25 and continue to remain high. However, to insulate consumers from fluctuations in international LPG prices, the increase in cost was not passed on to consumers of domestic LPG which led to significant losses for the three OMCs. Despite these losses, the Public Sector Oil Marketing Companies have ensured continuous supplies of domestic LPG in the country at affordable prices. To compensate the OMCs for these losses, Government has recently approved a compensation of Rs. 30,000 crore to the OMCs.
