

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-1735
ANSWERED ON-15/12/2025

IMPACT OF REDUCTION IN DOMESTIC GAS SUPPLY ON CNG PRICE

1735 SHRI MEDA RAGHUNADHA REDDY:

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

- (a) whether there has been a reduction in domestic gas supplies by up to 20 per cent, thereby affecting the price of Compressed Natural Gas (CNG);
- (b) if so, the details thereof, including the extent of the price increase per kg of CNG;
- (c) whether any measures, such as a reduction in excise duty, are being considered to mitigate this impact; and
- (d) if so, the details thereof, including the timeline for implementing such measures, particularly in key CNG markets like Mumbai and Delhi?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI SURESH GOPI)

(a) to (d) Government have taken various steps to support the CNG (Transport) segment of CGD sector across the country which, *inter-alia*, includes allocating domestic gas on priority basis to CNG (T)/PNG (D); diverting domestic gas from non-priority sectors to meet the requirement for CNG (T)/PNG (D) sector, expansion of CGD network, notification for supply of domestic gas through available mode (including cascade mode) for CNG(T)/ PNG(D) purpose, allocating domestic natural gas for CNG (T) and PNG (D) segments on a two-quarter advance basis, expansion of National Gas Grid Pipeline, setting up of Liquefied Natural Gas (LNG) Terminals, Sustainable Alternative Towards Affordable Transportation (SATAT) initiatives to promote Bio-CNG, etc. Government has also notified that gas produced from discoveries in Deepwater, Ultra Deepwater and High Pressure-High Temperature areas, in any situation which may require proportionate distribution of the gas offered under the bidding process, the contractor shall offer gas to bidders belonging to CNG (T)/PNG (D) sector on priority.

The total quantity of domestic natural gas allocated to the City Gas Distribution (CGD) sector for Compressed Natural Gas (CNG) (Transport) and Piped Natural Gas (PNG) (Domestic) segment have remained broadly in the range of 17 MMSCMD (Million Metric Standard Cubic Meters per Day) to 18 MMSCMD for the past four quarters.

The retail selling price (RSP) of Compressed Natural Gas (CNG) in any city is determined by the City Gas Distribution (CGD) entity authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) after considering cost of gas procured, state taxes, tariff and other components. However, the allocation of domestic natural gas for CNG segment plays a crucial role in determining the RSP to the consumer. After considering domestic gas allocation, any shortfall is made up by CGD entities by sourcing market priced Regasified Liquefied Natural Gas (RLNG) or domestic High Pressure High Temperature (HPHT) gas etc, resulting in rise in CNG prices. The details of RSPs of CNG in Delhi and Mumbai during last three years and current year are at **Annexure**.

CNG is covered under Central Excise Duty which has remained constant at 14% since 2019. In order to minimise the impact of rising Natural Gas prices, the Government have approved the revised domestic natural gas pricing guidelines in 2023 for gas produced from nomination fields of ONGC/OIL, New Exploration Licensing Policy (NELP) blocks, and pre-NELP blocks, where the Production Sharing Contract (PSC) provides for Government approval of prices. Under the revised guidelines, the price of such natural gas is determined as 10% of the monthly average of the Indian Crude Basket and is notified on a monthly basis. For gas produced by ONGC and OIL from their nomination blocks, the APM price is subject to a floor of \$4.0/ Metric Million British Thermal Unit (MMBTU) and a ceiling of \$6.5/MMBTU. The ceiling would be maintained for the next two financial years (2023-24 and 2024-25) and then increased by \$0.25/MMBTU each year. Further, Government also permitted a premium of 20% over the Administered Price Mechanism prices on gas produced from new well and well interventions of Oil and Natural Gas Corporation Limited & Oil India Limited from their nomination fields. This has led to price stability for consumers.

ANNEXURE REFERRED TO IN REPLY TO PART (a) TO (d) OF RAJYA SABHA UNSTARRED QUESTION NO. 1735 TO BE ANSWERED ON 15.12.2025 REGARDING IMPACT OF REDUCTION IN DOMESTIC GAS SUPPLY ON CNG PRICE.

The details of RSPs of CNG in Delhi and Mumbai during last three years and current year

Date of Price Revision	CNG RSP in Delhi (In Rs./Kg)
01.04.2022	60.81
02.04.2022	61.61
04.04.2022	64.11
06.04.2022	66.61
07.04.2022	69.11
14.04.2022	71.61
15.05.2022	73.61
21.05.2022	75.61
08.10.2022	78.61
17.12.2022	79.56
09.04.2023	73.59
23.08.2023	74.59
14.12.2023	76.59
07.03.2024	74.09
22.06.2024	75.09
05.04.2025	76.09
03.05.2025	77.09

Date of Price Revision	CNG RSP in Mumbai (In Rs./Kg)
1-Apr-22	60.00
6-Apr-22	67.00
13-Apr-22	72.00
30-Apr-22	76.00
13-Jul-22	80.00
3-Aug-22	86.00
17-Aug-22	80.00
4-Oct-22	86.00
5-Nov-22	89.50
1-Feb-23	87.00
8-Apr-23	79.00
2-Oct-23	76.00
6-Mar-24	73.50
9-Jul-24	75.00
22-Nov-24	77.00
22-Dec-24	78.00
9-Apr-25	79.50
1-Jun-25	80.00
4-Sep-25	80.50
