

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 3487
ANSWERED ON - 23/03/2026

DOMESTIC NATURAL GAS PRICING AND AFFORDABILITY

3487 # SHRI DEEPAK PRAKASH:

DR. KAVITA PATIDAR:

SHRI BRIJ LAL:

SHRI RYAGA KRISHNAIAH:

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

- (a) the manner in which the price ceiling of \$6.75/MMBTU for gas from nomination fields of Oil and Natural Gas Corporation (ONGC) and Oil India Limited (OIL) shielded consumers from volatility in the Gas Index of India;
- (b) the positive outcomes achieved in sustaining domestic exploration investment by maintaining the ceiling of \$9.72/MMBTU for gas produced from difficult fields until March, 2031;
- (c) the progress made towards increasing the share of natural gas in the primary energy mix to 15 per cent target by 2030 under the roadmap for a gas-based economy; and
- (d) if so, the details thereof?

ANSWER

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

(SHRI SURESH GOPI)

(a) to (d): To mitigate the impact of volatility in global natural gas prices, the Government has approved the revised domestic natural gas pricing guidelines vide Gazette Notification dated 07.04.2023 for gas produced from nomination fields of ONGC/OIL. 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 was to be maintained for two financial years (2023-24 and 2024-25) and then increased by \$0.25/MMBTU each year. Further, Government vide notification dated 07.04.2023 also allowed 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.

Further, Government has provided marketing and pricing freedom for gas produced from difficult fields such as deepwater, ultra-deepwater and high pressure-high temperature areas. Under this

framework, the ceiling price is to be notified by Petroleum Planning & Analysis Cell (PPAC) from time to time. Accordingly, for the period 1st October 2025 to 31st March 2026, the ceiling price has been notified as \$9.72/MMBTU on Gross Calorific Value (GCV) basis, which provides price certainty while enabling market-linked pricing and supports investment in such fields.

As per Energy Statistics 2025 released by Ministry of Statistics and Programme Implementation, Government of India, share of Natural Gas in India's Energy mix was 7.0% (Provisional) during Financial Year 2023-24. Further, for increasing the share of natural gas in the energy basket, Government has taken various steps which *inter-alia*, include expansion of National Gas Grid Pipeline, expansion of City Gas Distribution (CGD) network, setting up of Liquefied Natural Gas (LNG) Terminals, allocation of domestic gas to Compressed Natural Gas (Transport)/ Piped Natural Gas (Domestic) CNG (T)/PNG(D) on priority, allowing marketing and pricing freedom with a ceiling price to gas produced from high pressure/high temperature areas, deep water & ultra-deep water and from coal seams, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative to promote Compressed Bio Gas (CBG) etc.
