

LOK SABHA
UNSTARRED QUESTION NO. 6411
TO BE ANSWERED ON 02 APRIL, 2026

Impact of Global Energy Price Rise on LPG Consumers

† 6411. MRS RUCHI VIRA:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government has taken cognizance of reports indicating that the price of domestic Liquefied Petroleum Gas (LPG) cylinders has been increased by approximately Rs. 60 across the country amid rising global energy prices and supply uncertainties arising from the ongoing conflict in West Asia;
- (b) if so, the details of the assessment made by the Government regarding the potential impact of geopolitical tensions on India's dependence on LPG imports, domestic cooking gas prices, transportation fuel costs and the overall stability of petroleum product supply in the country; and
- (c) the measures proposed by the Government to protect domestic consumers from volatility in global energy markets, including diversification of LPG import sources, strengthening of strategic reserves?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री सुरेश गोपी)

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

(a) to (c): Prices of LPG in the country are linked to its prices in the international market. Government continues to modulate the effective price to consumer for domestic LPG.

Before the outbreak of conflict in the Middle East in February 2026, India imported about 60 percent of its LPG consumption, out of which about 90 percent was transiting through the Strait of Hormuz. The Government have undertaken a series of proactive measures to ensure stability in LPG supplies post the outbreak of the conflict. These include rapid increase in production of LPG by 40%, prioritization of domestic LPG consumption, diversification of import sources, dynamic stock management, and inter-regional allocation to address localized shortages.

While the average Saudi CP (international benchmark for LPG pricing) rose by 41% (from US\$ 385/MT in July 2023 to US\$ 542/MT in February 2026) along with exchange rate, the prices of domestic LPG were reduced by about 17% (from Rs. 1103 in August 2023 to Rs. 913 in March 2026). For PMUY consumers, effective price for domestic LPG has been reduced by about 32% (from Rs. 903 in August 2023 to Rs. 613 in March 2026).

Government has paid a compensation of Rs. 22,000 crore to OMCs in FY 2022-23 and has approved another compensation of Rs. 30,000 crore in FY 2025-26 for under-recoveries on sale of domestic LPG.

Effective price of domestic LPG cylinder in neighbouring countries as on 01.03.2026 is as below:

Country	Domestic LPG (Rs./14.2 kg.cyl.)
India	613.00#*
Pakistan	1046.34
Sri Lanka	1241.67
Nepal	1207.81

#Effective 7th March'2026

*Effective cost to PMUY beneficiaries in Delhi, effective cost is Rs. 913 for non-PMUY consumers

Source: Petroleum Planning and Analysis Cell (PPAC)

To boost domestic production of LPG for current usage, the Government, on 9th March 2026, issued directions to all oil refining companies, including petrochemical complexes, that the entire output of C3 and C4 hydrocarbon streams—such as propane, butane, propylene and butenes—be utilised exclusively for LPG production and supplied only to the Public Sector Oil Marketing Companies (IOCL, HPCL and BPCL). Further, refineries were also instructed not to divert these streams for manufacture of petrochemical products or any downstream derivatives. Simultaneously OMCs have been directed to ensure that the LPG so produced is supplied exclusively to domestic LPG consumers. As a result of these initiatives, domestic LPG production has been increased by 40 per cent. At present, due to proactive management by the Government, no dry-outs have been reported at distributorships and adequate supplies to households are being ensured.

Further, to ensure adequate LPG storage and supply chain resilience, OMCs have been directed to plan for LPG stocks equivalent to at least 30 days of national consumption (in terms of stock levels and not storage capacity).
