

Indian households continue to pay among the lowest cooking gas prices in the world

The Indian cylinder is cheaper than in any neighbouring country and far below the price in advanced economies such as the United States, Australia and Canada

Ujjwala households will receive ₹300 a cylinder on the first four refills each year — ₹1,200 per beneficiary a year; and even a non-PMUY household will still be paying about ₹700 below the market cost of LPG

The cost of supplying a cylinder has risen to over ₹1,600, an under-recovery of about ₹700 on each domestic cylinder, against a Saudi CP for LPG that has risen by about 46% since February

India was among the few to keep its energy cargoes moving through the Strait of Hormuz; no shortage of any petroleum product

Posted On: 07 JUN 2026 8:02AM by PIB Delhi

The Indian household continues to buy cooking gas much cheaper than the household in any neighbouring country, and far below the price paid in advanced economies such as the United States, Australia and Canada. A beneficiary of the Pradhan Mantri Ujjwala Yojana (PMUY) pays an effective ₹642 for a 14.2 kg cylinder, and the general consumer in Delhi ₹942, against a cost to supply that has now risen to over ₹1,600.

Market	Price per 14.2 kg cylinder (₹)	Ujjwala consumer pays less by
India (Ujjwala, effective after revision)	642	—
Pakistan	1,046	about 39%

Nepal	1,207	about 47%
Bangladesh	approx. 1,225	about 48%
Sri Lanka	1,241	about 48%
United States	approx. 1,755	about 63%
Australia	approx. 1,765	about 64%
Canada	approx. 2,411	about 73%

The final column shows how far the effective Ujjwala price of ₹642 a cylinder sits below the price in each market. Sources: Government sources and national regulators.

The prices of petroleum products in India are linked to the corresponding prices in the international market. The Government, however, continues to modulate the effective price to the consumer for domestic LPG. Any household can buy as many cylinders as it needs at ₹942. A PMUY beneficiary will additionally receive the direct benefit transfer of ₹300 a cylinder on the first four refills each year — broadly the average annual consumption of a typical Ujjwala household, about four refills a year — and so pays an effective ₹642 on those refills; this support is unchanged. Even a non-PMUY household would pay about ₹700 below the market-linked cost of the cylinder. Retail prices differ marginally across locations on account of distribution costs.

What the household does not bear the brunt of is the several hundred rupees a cylinder which the Government is bearing. Through a period of sharp international cost increases, that burden has been absorbed upstream rather than passed to the consumer.

A pass-through that has been held back

The commercial cylinder used by hotels and businesses is revised automatically every month, because its price is a direct pass-through of the international benchmark. The domestic cooking cylinder is not. India used to import 60 per cent of its LPG requirements, and the landed cost of that import tracks the Saudi Contract Price (CP) that Saudi Aramco sets at the start of each month. This is an external price over which the Indian consumer has no control.

Through the West Asia disruption the benchmark moved sharply higher. Expressed as the 50:50 propane-butane blend used for India's LPG, the Saudi CP for LPG stood at about US\$543 a tonne in February, before the disruption. Following the closure of the Strait of Hormuz in late February, the April contract price — the first set after the disruption tightened Mideast Gulf exports — rose to US\$775 a tonne, with propane at US\$750 and butane at US\$800, and has since edged up further to US\$790 a tonne in June. The blended LPG benchmark has thus risen by about 46% since the pre-crisis February level. The cost of the imported molecule rose with it.

Period, 2026	Propane CP (US\$/t)	Butane CP (US\$/t)	Saudi CP for LPG, 50:50 blend (US\$/t)
February (before the disruption)	545	540	542.50

April (after the Hormuz disruption)	750	800	775.00
June (latest)	760	820	790.00
Increase, February to June	+215 (+39%)	+280 (+52%)	+247.50 (about +46%)

The cost a consumer is not asked to pay

Following the June contract price, the cost of supplying a 14.2 kg cylinder, were it priced on an import-linked basis, has risen to over ₹1,600. The under-recovery now absorbed on each domestic cylinder is about ₹700. The scale of this is visible in the fully market-priced commercial cylinder: the 19 kg cylinder used by hotels and restaurants sells in Delhi at ₹3,113.50, about ₹164 a kg, after five increases during the West Asia crisis. The domestic household, by contrast, pays about ₹66 a kg after the revision. Commercial gas carries a higher rate of tax and larger margins, so it sits above the household's cost-reflective level; even so, the import-linked cost of a domestic cylinder works out to over ₹1,600.

Supply kept moving through the Hormuz disruption

As the conflict tightened the Strait of Hormuz, through which roughly a fifth of the world's oil and a large share of India's energy imports pass, most commercial traffic in the waterway was brought to a near halt. About 54 per cent of India's LPG consumption was routed through the Strait, leaving the cooking-gas supply directly exposed to the disruption. India was among the few that kept its energy cargoes moving. Through sustained coordination, Indian-flagged tankers continued to transit the Strait and discharge at Indian ports, carrying crude oil and successive consignments of LPG. There has been no shortage of any petroleum product, and bottling and distribution have continued normally across the network.

A range of measures was taken to secure supply through the disruption. On the supply side, domestic LPG production was raised by more than 60 per cent, from about 32 TMT to about 52 TMT, to offset the constrained imports. Sustained coordination ensured that LPG-laden vessels continued to move out of the Strait of Hormuz — India brought out the largest number of such vessels of any country, and did so without paying any toll. Sourcing was simultaneously widened to suppliers across the world, including those that do not route through the Strait, such as the United States, Canada and Algeria, and available LPG was directed to households and to priority users such as hospitals and educational institutions.

On the demand side, consumers were encouraged to shift to piped natural gas (PNG) where available, easing the call on cylinders. To protect this scarce domestic supply, anti-diversion enforcement was tightened in coordination with state governments and industry associations: OTP-based delivery verification was raised to about 90 per cent, preventing the leakage of subsidised domestic LPG into the commercial market.

The burden that has been carried

The protection extended to the consumer works through two distinct channels, and the under-recovery is separate from the subsidy. The under-recovery is the gap between the international cost of the molecule and the regulated retail price; it is absorbed by the public sector marketing companies and compensated in part by the exchequer. By the end of the last financial year, the cumulative under-recovery on domestic LPG reached ₹60,000 crore, up from ₹41,338 crore the year before, and the Union Cabinet has approved compensation of ₹30,000 crore to the marketing companies on this account. The subsidy is over and above this: Ujjwala consumers receive an additional ₹300 per cylinder credited directly to their bank account, reaching more than 10.58 crore connections. Almost all Indian consumers have, in this way,

received LPG at prices far below international market levels through the last several years. The Government of India has ensured among the lowest cooking gas prices in the world for Indian citizens over several years, despite extreme volatility in international prices.

Window	Mechanism (domestic LPG only)	Amount
FY 2024–25	Cumulative under-recovery on domestic LPG (year before)	₹41,338 crore
FY 2025–26	Cumulative under-recovery on domestic LPG (by end of last financial year)	₹60,000 crore
FY 2025–26	Cabinet-approved compensation to marketing companies for LPG under-recovery	₹30,000 crore
Per cylinder	Under-recovery now absorbed on each domestic 14.2 kg cylinder	about ₹700
Since 2016	PMUY connections and direct benefit transfer (₹300 a cylinder)	10.58 crore connections

In summary

The Saudi CP benchmark for LPG has risen by about 46% between February and June 2026 as the Hormuz disruption tightened Gulf supply, taking the cost of supplying a 14.2 kg cylinder to over ₹1,600. The retail price has been revised to ₹942 for the general consumer and an effective ₹642 for the Ujjwala household. The under-recovery is separate from the subsidy: the gap between the international cost and the regulated retail price — an estimated amount rising towards ₹60,000 crore on domestic LPG in the last full year, up from ₹41,338 crore the year before — is borne by the public sector marketing companies and the exchequer, against which the Union Cabinet has approved ₹30,000 crore in compensation; over and above this, Ujjwala consumers receive an additional ₹300 per cylinder credited directly to their bank account, reaching more than 10.58 crore connections. Almost all Indian consumers have received LPG at prices far below international market levels through the last several years, and Indian households continue to pay less than households in Pakistan, Nepal, Bangladesh and Sri Lanka, and far less than in the United States, Australia and Canada even now. Through the disruption India was among the few to keep its energy cargoes moving through the Strait of Hormuz, with no shortage of any petroleum product. The Government of India has ensured among the lowest cooking gas prices in the world for Indian citizens over several years, despite extreme volatility in international prices.

The effective Ujjwala price of the first 4 cylinders at ₹642 is at a discount of about 60% to the actual international price of an LPG cylinder, and the non-PMUY price of ₹942 is at a discount of about 45% to the international price.

Consumers are urged to take utmost care in using this precious resource and adopt energy efficient cooking practices.

TM

Read this release in: Urdu , हिन्दी , Assamese , Gujarati , Tamil , Kannada , Malayalam