

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 4112
ANSWERED ON - 30/03/2026

LPG AND FUEL SUPPLY IN MAHARASHTRA

4112 DR. MEDHA VISHRAM KULKARNI:

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

- (a) whether Government is aware of reports regarding shortages of LPG, LNG and other fuels affecting households, industries and petrol pumps in certain regions of the State of Maharashtra, particularly in Vidarbha and Marathwada;
- (b) if so, the details of districts affected and the extent of disruption caused to industrial and domestic consumers;
- (c) whether Government has received representations regarding prioritisation of LPG exports over domestic supply and any related legal proceedings; and
- (d) the steps taken to ensure adequate fuel availability and prevent disruptions to economic and industrial activity in the State?

ANSWER

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

(a) to (d): PSU Oil Marketing Companies (OMCs) have informed that there is no shortage of petrol and diesel at petrol pumps (Retail Outlets) across the country including Vidarbha and Marathwada regions of Maharashtra. Government is continuously monitoring fuel stocks and ensuring adequate availability at all its outlets.

India imports about 60 percent of its LPG consumption, out of which about 90 percent transits through the Strait of Hormuz. In view of the ongoing geopolitical developments in West Asia, the availability of imported LPG in the country has been impacted. The Government has undertaken a series of proactive measures to ensure stability in LPG supplies. These include prioritization of domestic LPG consumption, diversification of import sources, dynamic stock management, and inter-regional allocation to address localized shortages.

To boost domestic production of LPG for current usage, Government, on 9th March 2026, has 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—is 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. 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.

Oil Marketing Companies (OMCs) have constituted a three-member Committee at the Executive Director level to oversee and ensure rationalised and equitable distribution of commercial LPG across States. States/UTs have also been advised to expedite implementation of PNG-related reforms to avail the additional 10% reform-linked allocation.

While domestic LPG supplies have been prioritised, commercial LPG supplies were initially impacted. Subsequently, Government restored partial supplies of 20% to commercial consumers, which was further enhanced to an overall allocation of 50%, including 10% linked to PNG expansion reforms. This allocation has been prioritised for key sectors such as restaurants, dhabas, hotels, industrial canteens, food processing and dairy units, subsidised canteens run by State Governments or local bodies, community kitchens, and 5 kg FTL cylinders for migrant labourers. From 14.03.2026 to 21.03.2026, approximately 15,440 MT of commercial LPG has been uplifted across States and UTs. Additionally, educational institutions and hospitals continue to receive priority, accounting for around 50% of the total commercial LPG allocation.

In continuation of these measures, Government has further enhanced allocation of commercial LPG by an additional 20%, taking the total allocation to 70% of the pre-crisis level (including the 10% reform-linked component). This additional allocation is being prioritised for labour-intensive and core industrial sectors, including steel, automobile, textile, dye, chemicals and plastics, with preference to process industries and those requiring LPG for specialised heating purposes where substitution with natural gas is not feasible.

Entities seeking allocation under this additional 20% are required to comply with existing conditions relating to registration with OMCs and application for PNG connections to CGD entities, as stipulated earlier. However, in cases where LPG is required for specialised process use that cannot be substituted by natural gas, such requirements are being waived.

At present, there is no shortage of Piped Natural Gas supplies for Households in the country. Government has notified the Natural Gas (Supply Regulation) Order, 2026 dated 09.03.2026 under the Essential Commodities Act, 1955 to regulate the production, allocation and distribution of natural gas, including LNG, to ensure its equitable availability across sectors. Under this framework, natural gas supplies are being prioritised for critical sectors such as domestic PNG, CNG for transport and LPG production, which are being maintained up to 100% of their average past six month average gas consumption, subject to availability, thereby safeguarding household and essential requirements. Supply to other sectors, including industrial consumers, is being rationalised in a calibrated manner to manage any temporary constraints without widespread disruption. The Order also provides for diversion and pooling of gas from non-priority sectors to priority sectors and enables necessary adjustments in supply schedules through coordinated action by GAIL and PPAC. These steps are aimed at ensuring adequate natural gas availability and preventing disruption to domestic consumers, industries and economic activity, including in regions where concerns have been raised.

Government of India vide Gazette dated 24.03.2026 has notified the Natural Gas and Petroleum Products Distribution (Through Laying, Building, Operation and Expansion of Pipelines and Other Facilities) Order, 2026 under the Essential Commodities Act, 1955. The

Order provides a streamlined and time-bound framework for laying and expanding pipelines across the country, addressing delays in approvals and access to land, and enabling faster development of natural gas infrastructure, including in residential areas. It is expected to accelerate PNG network growth, enhance last-mile connectivity, and support the transition to cleaner fuels, thereby strengthening energy security and advancing India's gas-based economy.

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, OMCs have also informed that there is no shortage for Domestic LPG to customers across Maharashtra including in Vidarbha and Marathwada regions.
