GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 1720
ANSWERED ON- 03/08/2026

INSTITUTIONALIZING EXPANDED REFINERY CAPACITY

1720 SHRI SANJAY KUMAR JHA:

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

(a) whether it is a fact that during the Hormuz disruption, India reconfigured refineries, including some not previously producing LPG, increasing domestic output from 35,000 to 54,000 metric tonnes per day, thereby demonstrating additional production potential within the existing refinery infrastructure; and

(b) if so, the roadmap that the Ministry has envisaged to integrate this enhanced capacity into Country's long-term LPG production strategy and further strengthen domestic supply while reducing import dependence?

ANSWER

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

(a) To tide over the Hormuz disruption, Government has undertaken a series of proactive measures to ensure stability in LPG supplies. Immediately after the onset of the conflict, Government issued an order under the provisions of Petroleum Products (Maintenance of Production, Storage and Supply) Order, 1999 to all domestic/SEZ oil refining companies, including petrochemical complexes operating in India to maximize and ensure that their entire production of C3 and C4 hydrocarbon streams—namely propane, butane, propylene, butenes, etc. being produced, recovered, fractionated or otherwise available with them will be utilized for production of LPG only and they will not divert, utilize any of the C3/C4 streams for manufacture of petrochemical products and any other downstream products except but not restricted to certain minimum quantity of C3 and C4 streams for critical sector based on specific quantity and refinery source as determined by Centre for High Technology (CHT) under MoPNG. As a result, indigenous LPG production increased significantly from 34 TMT/day to a maximum of 54 TMT/day. Further, on 25.06.2026, in view of the improved LPG supply situation, the Government allowed for diversion of C3/C4 streams for petrochemical and other critical sectors while ensuring that domestic LPG availability remained unaffected and indigenous LPG production was maintained at not less than 40 TMT/day.

(b) Government remains committed to ensure uninterrupted supply of LPG in the country, including through imports. Diversification of LPG imports is being pursued to ensure supply security and mitigate risks arising from regional disruptions or geopolitical events. The number of LPG sourcing countries has increased from 10 to 15 countries and LPG is now sourced from a diversified pool of suppliers across countries in different regions of the world. As part of this strategy, PSU OMCs have concluded contracts for the import of ~2.2 Million Metric Ton (MMT) of US-origin LPG, covering nearly 10% of the country's total LPG import requirement. This marks a significant step in strengthening India's energy resilience by establishing a reliable alternate LPG supply source outside the traditional Gulf region.

To strengthen energy security and reduce supply risks, Government continuously monitors and assesses the threats, which can lead to potential supply disruptions of LPG. Public Sector Oil Marketing Companies (OMCs) also continuously monitor international shipping, freight, supply conditions, and undertake appropriate procurement and logistics management measures to ensure uninterrupted LPG availability across the country. Despite volatility in global energy markets, there has been no major disruption in domestic LPG supplies.

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