



**KAMARAJ IAS ACADEMY**  
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# Additional Commercial LPG Allocation Approved

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The Government of India has approved an additional 20% allocation of commercial LPG to States and Union Territories, increasing the total allocation up to 50% of the requirement. This decision aims to ease supply pressures on commercial sectors affected by recent disruptions.

## Objective of the Decision

The move is intended to support sectors heavily dependent on LPG such as restaurants, dhabas, hotels, industrial canteens, dairy units, and community kitchens. These sectors were among the worst affected due to earlier restrictions imposed to prioritise domestic LPG supply.

## Conditions & Implementation

Commercial and industrial LPG consumers must register with Oil Marketing Companies (OMCs) to avail allocation.

They are also required to apply for Piped Natural Gas (PNG) connections as part of long-term reforms.

The allocation includes an earlier 10% incentive linked to PNG expansion reforms.

The directive has been issued by the Ministry of Petroleum and Natural Gas to all States/UTs.

## Reason Behind the Move

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The decision comes amid global supply disruptions due to geopolitical tensions (West Asia crisis) affecting LPG imports.

India depends on imports for about 60% of its LPG demand, making it vulnerable to global shocks.

Earlier, commercial LPG supply was curtailed to protect household cooking gas supply.

### **Government Measures to Stabilize Supply**

Domestic LPG production has been increased significantly to meet demand.

City Gas Distribution (CGD) and PNG adoption are being promoted to reduce LPG dependence.

States have been asked to take action against hoarding and black marketing of LPG cylinders.

Supply of petrol, diesel, and LPG is stated to be stable with no shortage reported.

### **Additional Exam-Relevant Key Facts**

PNG (Piped Natural Gas): Cleaner and more reliable alternative to LPG for commercial use.

OMCs in India:

Indian Oil Corporation (IOCL)

Bharat Petroleum (BPCL)

Hindustan Petroleum (HPCL)

Strait of Hormuz: Critical route through which a large portion of India's LPG imports pass.

Policy Approach: Shift from LPG to PNG is part of India's energy security and clean fuel strategy.

Priority Allocation: Includes 5 kg LPG cylinders for migrant workers and subsidised food outlets.