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Government Invokes Essential Commodities Act to Ensure Uninterrupted LPG Supply

Published On: 11-03-2026



The Government of India has invoked the Essential Commodities Act, 1955 to ensure uninterrupted supply of Liquefied Petroleum Gas across the country. The decision was taken to prevent shortages and maintain stable availability of LPG for domestic consumers amid rising demand

Measures to Increase LPG Production

Under this directive, oil refineries and petrochemical plants have been instructed to maximise LPG production. They have also been asked to divert certain hydrocarbon streams toward LPG output so that domestic consumption needs can be met without disruption.

Regulation of Natural Gas Supply

Along with invoking the Act, the government issued the Natural Gas (Supply Regulation) Order, 2026 to regulate the production and allocation of natural gas, including imported liquefied natural gas. The order aims to ensure a balanced distribution of gas among different sectors.

Priority Sectors for Gas Allocation

Priority in gas allocation will be given to critical sectors such as:

Domestic PNG (Piped Natural Gas) supply

CNG used in transportation

LPG production

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthy Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: 044 4353 9988 / 98403 94477 / Whatsapp : 09710729833

Fertiliser plants

Pipeline compressor fuel requirements

This prioritisation ensures that essential energy needs and key industries continue functioning smoothly.

Implementation and Monitoring

The implementation of the gas allocation framework will be coordinated by GAIL (India) Limited with support from the Petroleum Planning and Analysis Cell, which operates under the Ministry of Petroleum and Natural Gas.

Key Facts:

The Essential Commodities Act, 1955 empowers the central government to regulate the production, supply, and distribution of essential commodities.

Its objective is to prevent hoarding, black marketing, and price manipulation of essential goods.

Commodities covered may include food items, petroleum products, fertilisers, and medicines.

The Essential Commodities (Amendment) Act, 2020 relaxed stock limits on agricultural commodities except in extraordinary situations like war, famine, natural calamities, or extraordinary price rise.

LPG is one of the most widely used household cooking fuels in India and is distributed mainly through public sector oil marketing companies.