

Quote by Anurag Singh, Advisor, Primus Partners

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Gas fire on some industries

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Concerns over disruption in natural gas and LPG supplies have started affecting the functioning of some industries, although many industry officials say that the impact is very limited so far.

Two major steel producers said the gas shortage has begun to impact some downstream processes, although the problem is not yet too great. An industry official said that natural gas or propane is usually used in furnaces, which means that production cannot be completely saved due to supply problems.

"The furnace uses natural gas or propane, so there is an impact," the official said. So far, it's not too much. However, small steel mills have warned that the situation could worsen if the shortage continues. Vivek Adukia, chairman of the Steel Re-Rolling Mills Association of India, said that LPG may not be the main raw material, but it is essential for some operational processes. "Induction furnace operators who make billets require LPG for lancing.

The situation is expected to go from bad to worse. Small steel mills have expressed apprehension that the situation could worsen if the

shortage continues.

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·Packaged food companies are also under pressure.

Without it, the production cycle cannot be completed. According to him, most of the mills still have enough stock to work for the next few days. "If the situation continues, some mills may have to be shut down," he said.

Packaged food companies are also starting to see pressure. Industry officials told Business Standard earlier this week that some manufacturers have had to reduce production at existing plants in some states as gas supply is still low. In contrast, the auto sector has not been much affected by gas supply concerns so far.

Industry insiders said car makers are operating in a normal manner and are keeping a close eye on the evolving situation. Tata Motors, one of India's largest passenger vehicle manufacturers, has not seen any disruption in operations so far, sources said. Industry analysts also say that the immediate impact on vehicle manufacturing will be minimal.

Anurag Singh, advisor at Primus Partners, said that despite concerns about the availability of natural gas, production has continued without any interruption. "So far, there has been no interruption in the production of vehicles. The main raw materials required for construction such as metals and polymers have not been affected. Polymers are mainly obtained from oil and the refinery is in operation, so the basic supply chain for making the car remains".

Offices of companies are keeping an eye on the situation.

The LPG shortage may also affect catering services that support large corporate premises, especially IT companies and multinationals.

Bengaluru-based food technology platform Hungerbox said operations are still normal. The company serves 243 customers, manages 891 cafeterias and works with 886 food partners in 38 cities.