

CATMOCK DAILY CAPSULE

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WHY IS INDIA STARING AT LPG SHORTAGE? | EXPLAINED

- The Hindu



With LPG shortage hitting day-to-day life in India, data suggest while the nation opted for a dramatic surge in LPG use, especially among poor households, driven by imports, there was no plan to boost long-term, strategic LPG reserves in parallel.

With more than 85% of all of India's imports having to cross Strait of Hormuz to reach the nation's shores and limited back-up storage, the disruption hit quickly unlike in the case of auto fuels where strategic reserves of crude oil and products are equal to two months of consumption.

The Indian LPG system is designed for operational flow, not stockpiling. And there are no concrete proposals currently to increase large underground storage either. The International Energy Agency (IEA) has flagged the lack of such storage as an infrastructural weakness in India.

IEA figures show India's LPG imports increased threefold from 2011-12 to 2024-25 to some 20 million tonne. Imports constitute some 60% of India's needs. India's import dependency has increased from 47% in 2015 to the current levels.

In FY26, imports had crossed 18 million tonne till January. India's total LPG consumption a month is some 3 million tonne making it the second-largest consumer of LPG in the world. But, the total storage capacity can feed less than half of that monthly requirement and almost all of it in tanks at import terminals such as Ennore.

In terms of long-term storage, India has two underground caverns for LPG – Mangaluru and Visakhapatnam with a total storage capacity of 1.4 lakh tonne. While Visakhapatnam storage was commissioned in 2007, only one has been commissioned since the ramping up of LPG consumption started – Mangaluru with 80,000 metric tonne or just a day's consumption.

The total underground storage amounts to 1.4 lakh tonne or less than two days of consumption. India's daily LPG consumption stands at some 80,000 tonne with more than 85% going to households.

The country has 33 crore domestic LPG connections out of which some 10 crore were added since 2017 through the Pradhan Mantri Ujjwala Yojana (PMUY).

The PMUY scheme sought to offer clean cooking gas to poor people as well, freeing women from the drudgery of firewood-based chulhas, cow-dung and kerosene stoves. The scheme gave deposit-free LPG connections to adult women from poor households and subsidised the purchase as well. The surge in Indian LPG consumption as well as import dependency is attributed to this scheme.

The MoPNG, in its demand for grants in 2025 in Parliament, said there were no plans for constructing additional caverns, besides the two. The Mangaluru cavern became operational in 2025.

India signed an LPG import agreement with the U.S. in February for 2.2 million tonne per year but the U.S. cargoes take some 45 days to reach India unlike the Persian Gulf cargoes.

Europe can store roughly 25% of total annual gas consumption, says Christoph Halser, Senior Analyst, Gas & LNG Research, Rystad Energy, an energy research and business intelligence firm in Norway.

“Unlike for oil, where a mandate for 90 days emergency stock equivalent exists, European countries do not have a strategic government-controlled gas reserve and are not required to go by the EU.

The EU imposed storage filling targets for public storage facilities first in 2022, following the outbreak of war in Ukraine. These mandate member countries to reach 90% filling levels before the winter, with exceptions for market disruptions and technical constraints.” adds Mr. Halser. India can be broadly divided into three geological zones relevant for such gas storage. The most proven is the Peninsular Shield—the Archean cratonic basement of granite, gneiss and charnockite underlying about 60% of peninsular India.

Both operational LPG gas caverns sit on this rock.

At Visakhapatnam, the storage cavern lies 162 to 196 metre below ground level in Precambrian gneiss, using the hydraulic containment principle. At Mangaluru, the host rock is granitic gneiss, with the floor at 141 metre below mean sea level. The engineering is proven. The rock is cooperative.

The second zone is the Deccan Traps—the vast basaltic plateau covering some 5,00,000 square kilometre of western and central India. For storage purposes, the traps present challenges. Engineers India Limited, designing a new LPG facility on the west coast, has

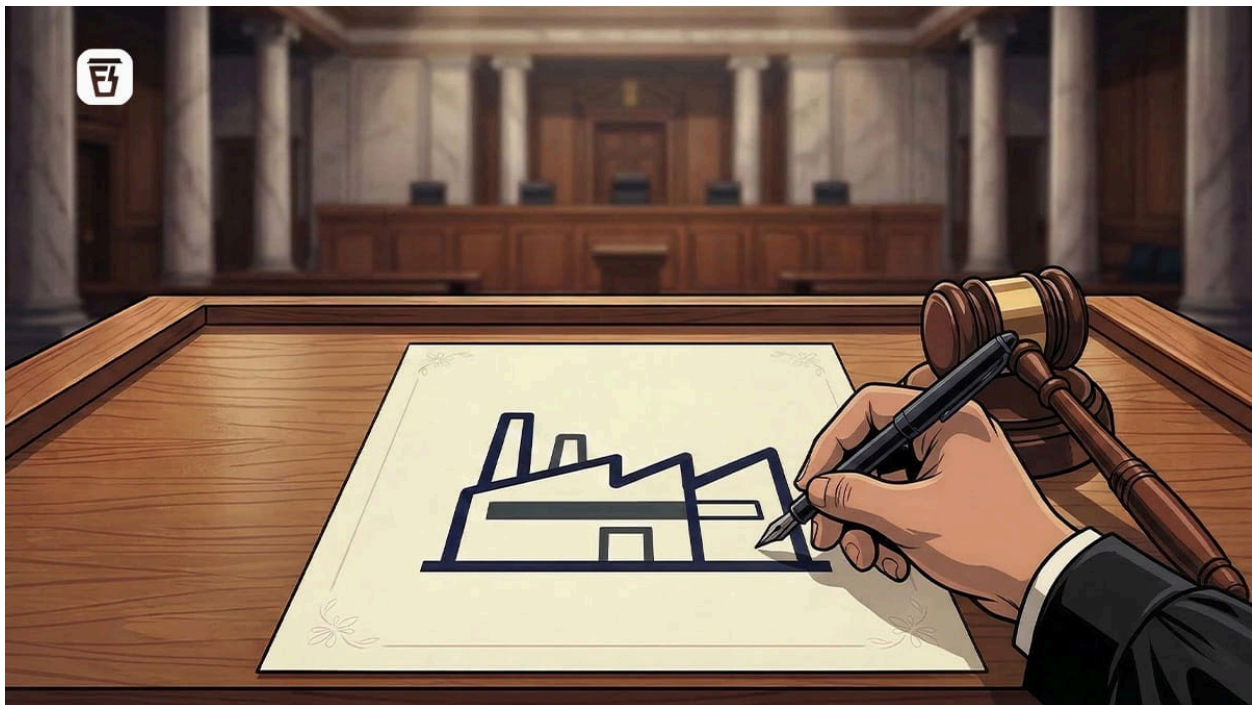
encountered difficulties. The third zone is the salt formations of Rajasthan's Bikaner–Barmer belt. These halite deposits can be used as cavern storage.

A refinery is under construction at Barmer and crude pipelines traverse the region. EIL has signed a partnership pact with Germany's DEEP for salt cavern know-how. A fourth option—depleted gas reservoirs in the Krishna–Godavari, Cambay and Mumbai offshore basins — is under study.

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WHAT IS AN INDUSTRY?

- *Finshots*



The late 1970s India was different from what it is today. Files used to travel slowly across wooden and cast iron desks. Government offices hummed with ceiling fans and paperwork. The state wasn't just a regulator back then. It ran banks, built roads, supplied water, and staffed hospitals. And for many, a government job wasn't just employment; it was stability, identity, and a quiet promise of security.

But beneath all that, there was an invisible shift taking place.

A 'worker' wasn't limited to a factory or shop floor. They were showing up in classrooms and public hospitals. And as this new kind of workforce grew, so did a simple but unsettling question: if you worked for a public service, were you still part of an "industry"?

At least that was the question that came at the doorstep of the Bangalore Water Supply and Sewage Board (BWSSB) back in 1978. A group of employees weren't happy about the Board taking fines from them for alleged misconduct. They believed that such workplace decisions were unfair. So they ended up demanding the same rights as factory workers. They wanted the right to raise disputes and not be fired without cause. Put simply, they wanted to be classified as "workmen" under the Industrial Disputes Act, 1947.

But before they could even be heard, they ran into a more fundamental roadblock. The Board pushed back, arguing that none of this applied because it wasn't an "industry" to begin with.

Because under the 1947 Act, an "industry" is defined as "any business, trade, undertaking, manufacture or calling of employers, and includes any calling, service, employment, handicraft, or industrial occupation or avocation of workmen".

If that seems complicated, just understand that the Board first argued it isn't a business or trade at all, but a statutory authority created under the Bangalore Water Supply & Sewerage Act to provide essential civic services, i.e., water and sewerage, to the city. So, that itself meant it shouldn't be classified as an "industry".

And second, that its activities are non-profit, welfare-oriented public functions, quite different from private-sector manufacturing or commercial enterprises. Which meant that public utilities like this were never intended to be treated as "industries".

As you can imagine, workers weren't thrilled, and this culminated into a court case famously known as [Bangalore Water Supply and Sewerage Board v. R. Rajappa](#). And to settle it, the Court came up with what became known as the [Triple Test](#). It said that to resolve such disputes, you simply had to ask three questions:

First, was the activity systematic and organised — not casual, not a one-off, but continuous?

Second, did it involve cooperation between an employer and employees?

Third, did it produce goods or services meant to satisfy human needs?

If the answer to all three was yes, it was an industry. Profit and motive didn't matter. Whether the employer was a private company or the government didn't matter. The only thing that mattered was the nature of the work itself.

So, a water board could be an industry. And so could a hospital. A university. A research institute. A club. A government department. Even a religious body, such as a temple.

You could say this decision single-handedly erased the boundary between welfare and commerce. Even Parliament, watching from the sidelines, once tried to change it by passing an amendment in [1982](#). This amendment specifically excluded several categories of activities,

including hospitals, educational institutions, and sovereign government functions. But it was never really enforced, and was then quietly left that way.

So yeah, this is the definition that shaped Indian labour law for nearly five decades. Entire sectors adjusted to it, building themselves around it.

Now you're probably wondering, okay, what happens if all of these establishments are included in the definition of an "industry"? What's the problem?

Well, to understand that, let's look at a real-life example. In 1996, a three-judge bench applied the 1978 test to the Maharashtra state government's social forestry department and held that it, too, was an industry. But in 2001, a different two-judge bench looked at a similar question in Gujarat and reached the opposite conclusion. It felt that the state's forest department wasn't an industry, but a welfare scheme.

Same law. Same test. Opposite answers.

And this led to widespread confusion. Labour courts and high courts across India were reading the 1978 judgment and reaching different conclusions depending on which part of it they emphasised and where their instincts told them the line should be drawn.

In 2005, a five-judge Constitution Bench described the situation plainly. The 1978 judgment, it said, had produced a "docket explosion" or just too many cases in labour courts simply because no one was really sure what counted as an "industry". And uncertainty ends up hurting those who can least afford legal battles the most.

Not just that. In cases where the broader definition of "industry" was upheld, and organisations like hospitals or government departments were treated as industries, it simply made way for more strikes and lockouts in essential services like healthcare, education, and water. This risked disrupting core public functions and gave unions a sort of unfair leverage.

The question then moved to a five-judge bench in 2005 in a case called *State of UP vs Jai Bir Singh*, where, again, they were essentially circling the same issue. The bench then asked for the case to be referred to a larger bench and then again a larger bench. And that's how it finally reached a nine-judge bench of the Supreme Court of India on the morning of March 17, 2026 — 48 years after the original judgment!

What followed wasn't just a ruling on one dispute. The Supreme Court stepped back and asked a much larger question — what exactly counts as an "industry" in the first place?

The bench faced questions that would have been familiar to the seven judges of 1978: was the Triple Test still the right law? Could social welfare activities run by the government count as "industry"? Where, exactly, did sovereign functions end and industrial activity begin?

The arguments on the first day showed both how much, and how little, had changed. The Attorney General (the government's chief legal advisor) warned that a definition this broad comes with real costs and that treating almost every organised activity as an "industry" could discourage investment and strain non-commercial sectors. On the other side, workers' counsel argued that narrowing the definition now would take away protections from people in hospitals, universities, and public bodies who have relied on them for nearly half a century.

But that wasn't the only complication. In 2020, Parliament passed a new [Industrial Relations Code](#), which came into force in [November 2025](#), replacing the Industrial Disputes Act. This meant that the law the workers had relied on no longer existed. Yet the bench made it clear that it was there to interpret the old law, not the new one.

But here's another question that lingered in the background: if Parliament had already moved on, what exactly was the Court being asked to settle?

By now, the workers who first brought these claims are long gone. The Board has changed. Even the law they relied on has disappeared. And still, the question they set in motion refuses to go away, i.e., who counts?

Back in 1978, the Court looked at a country full of people working in hospitals, schools, and government offices and, in effect, said: we see you. You are part of industry. This law is yours too.

But today, the judges are looking at a very different India. And whether they see things the same way or choose to draw the line elsewhere remains to be seen. Because the Supreme Court just [finished hearing all the arguments yesterday](#) and has decided to deliver its decision a little later after internal discussion.

Until then... if someone asks you what an "industry" is, you'll have to send them back to how the courts defined it in 1978.

IRAN WAR ESCALATION

- *Bloomberg*



The Iran war has begun to escalate in recent days after Israel targeted an Iranian gas field and Iran responded by targeting one in Qatar, further destabilizing the global energy landscape.

The Iranian missile strike on the Ras Laffan complex caused extensive damage to the world's largest liquefied natural gas plant. Two facilities that produce 17% of the country's LNG exports, or about 13 millions tons a year, were affected and it will take three to five years to repair them, QatarEnergy Chief Executive Officer Saad al-Kaabi told Reuters.

Israeli Prime Minister Benjamin Netanyahu on Thursday said his country would avoid future attacks on Iran's energy infrastructure, after a fissure appeared to open up between him and Donald Trump, with the US president saying he had no prior knowledge of the attack. Israeli officials reportedly said he did. —David E. Rovella

What You Need to Know Today

From the history rhymes department, Wall Street is licking its collective lips at the prospect of relaxed capital requirements under proposals unveiled by the Federal Reserve on Thursday. It's a move that could potentially unleash billions of dollars for lending, share buybacks and dividends.

"These changes would strengthen our overall capital framework, which would remain robust under the new regime," said Fed Vice Chair for Supervision Michelle Bowman, appointed to the role last year by Trump.

Michelle Bowman, vice chair for supervision at the US Federal Reserve nominee for US President Donald Trump, speaks during a Senate Banking, Housing, and Urban Affairs Committee confirmation hearing in Washington, DC, US, on Thursday, April 10, 2025. Senators on both sides of the panel are likely to ask how Bowman plans to comply with an executive order that curbs the power of independent agencies, and are eager to hear how she will approach a plan that would require the country's largest lenders to hold significantly more capital to buffer against losses and a financial crisis. The proposals represent a major win for banks after their lobbyists attacked a Biden-era plan to significantly hike capital requirements. Top banking agencies have since largely embraced Trump's deregulatory drive, as the administration looks to loosen guardrails for an industry desperate to compete with non-banks and private credit.

If finalized, the plans—along with moves to ease the enhanced supplementary leverage ratio and overhaul stress tests—would amount to some of the biggest bank-capital rule changes since those enacted following the 2008 financial crisis.

Trump 2.0

A ruling quashing subpoenas in the administration's widely criticized criminal probe of the Fed chair had given Trump an escape route. But now the president is letting an appeal go forward, risking more blowback from Congress and a longer delay for Jerome Powell's proposed replacement.

The sharks are out for private credit. Goldman Sachs and JPMorgan are said to be among investment banks offering hedge fund clients ways to bet against the \$1.8 trillion market. Private credit is facing a wave of redemptions driven in part by fears lenders may be too heavily exposed to the software industry. The sector is perhaps the most prominent example of one that could be laid low by artificial intelligence.

Much of the market turbulence is centered in the US, where private credit funds have attracted tens of billions of dollars from retail investors. Firms including BlackRock, Morgan Stanley and Cliffwater have recently imposed limits on withdrawals after redemption requests exceeded allowable thresholds. Pimco president Christian Stracke warned yesterday that 20% to 30% exposure to single industries like software is prompting investors to "not wait around to see how bad it gets."