

## Chapter 5

### Delivery of Cylinders to Genuine Users

#### 5.1. Complaints of consumers and their redressal

Audit reviewed redressal of consumer grievances by the OMCs to assess the satisfaction of domestic LPG consumers post implementation of PAHAL (DBTL) Scheme. The Scheme provided that a consumer can register a complaint through a toll free number of the respective OMC, or physically send their complaints to the LPG distributor or use the web based OMC portal. The handbook of PAHAL (DBTL) prescribed that 98 *per cent* of the consumer grievances had to be disposed of within seven days. A review in audit of the consumer grievances on PAHAL (DBTL) Scheme received through the three modes indicated that the OMCs could not achieve the targeted redressal rate of 98 *per cent* within seven days. Audit observed that the achieved rate was 86 *per cent* in IOCL, 76 *per cent* in HPCL and 82 *per cent* in BPCL. The overall rate of achievement was, however, 97.8 *per cent* of the complaints received regarding PAHAL (DBTL) Scheme from 1 January 2015 to 15 August 2015 as per data furnished to Audit. There were, however, instances where time taken to resolve the complaints ranged from one month to more than six months (1,611 cases in IOCL; 2,292 in HPCL and 11,740 in BPCL).

IOCL in its reply (April/May 2016) stated that 89 *per cent* of the complaints pertaining to IOC related issues were resolved within 7 days. Of the balance 11 *per cent* complaints, 7 *per cent* get closed between 7 -15 days and only 4 *per cent* complaints took more than 15 days. It was also stated that it was possible that the actual complaint resolution was done earlier but the status was updated later indicating a delay, due to absence of check on input date of closure in their system that was said to have been incorporated later.

BPCL stated (April/May 2016) that most of the grievances were on account of issues pending with banks, National Payment Corporation of India (NPCI) and Unique Identification Authority of India (UIDAI) and only a few pertained to BPCL for which it took needful action.

HPCL stated (May 2016) that the closure period of consumer grievances ranged up to one week because some issues like correction of bank account numbers/IFS Code took lesser time in resolution while others like changing the preferred mode of cash transfer from one bank to another, might have taken more time. However, all grievances pertaining to the PAHAL (DBTL) Scheme were closed and that there was no open complaint.

While the effort of the OMCs for redressal of consumer grievances is appreciated, there is a need for speedier resolution. Besides, considering that a number of agencies were involved in the resolution of consumer complaints, there is a case for coordinated approach of all stakeholders in this regard, viz., OMCs, NPCI, UIDAI and banks.

## **5.2. Violation of quota of subsidy payable on 12 cylinders per year**

The annual cap on domestic LPG cylinders on which subsidy would be payable was fixed at 12 w.e.f. 1 April 2014. Audit noticed that the cap of 12 subsidised cylinders had been violated in the following cases:

(i) In 2014-15, the cap of 12 cylinders per annum on which subsidy would be payable had been violated and 15.57 lakh active domestic consumers (1,881 in IOCL; 365 in HPCL and 15.55 lakh in BPCL) had received subsidy on more than 12 subsidised cylinders from April 2014 to 31 March 2015 leading to excess payment of subsidy.

(ii) Audit noticed that some consumers were identified as multiple connections on the basis of intra-OMC de-duplication exercise done on 'Aadhaar number', 'Bank account number and IFSC', 'Same Name, Same Address' and 'Same Name, Same Date of Birth and Same Registered mobile number' during test check of the sample (as commented at para 4.1.1 above). These consumers received subsidy on more than 12 cylinders considering all the multiple connections the consumers had and hence were paid additional subsidy. Some of these consumers were also paid permanent advance on their multiple connections and thus received additional advance. In the sample checked, intra-OMC de-duplication indicated that 37,499 consumers (20,389 of IOCL, 3,772 of BPCL and 13,338 of HPCL) during the year 2014-15 and 8,707 consumers (4,449 of IOCL, 1,293 of BPCL and 2,965 of HPCL) during the year 2015-16 (up to 31 October 2015) having multiple connections had availed subsidy on more than 12 cylinders. Besides, 51,443 consumers (27,631 of IOCL, 6,788 of BPCL and 17,024 of HPCL) had received permanent advance on multiple connections. The details are at Annexure II.

Multiple connections having same Aadhaar number and bank IFSC and account number had also been noticed during inter-OMC de-duplication of the sample test checked. Of these, the consumers who had availed subsidy on more than 12 cylinders numbered 38,286 in 2014-15 and 6,488 in 2015-16 (up to 31 October 2015). Besides, 65,498 consumers of the identified inter-OMC duplicates in the sample had availed of permanent advance twice amounting to ₹1.30 crore on multiple connections (details at Annexure II).

OMCs in their reply (April/May 2016) stated that the consumers have not consumed more than 12 subsidised cylinders in the prescribed period, which was the capping limit as per the LPG Control Order.

The reply of OMCs is to be viewed against the fact that audit analysis for 2014-15 indicated a significant number of instances where the capping limit has been violated. In the case of multiple connections, the consumer has not violated the cap of 12 cylinders for each connection, but combined consumption on multiple connections of the same consumer exceeded the intended cap of 12 cylinders per year.

### **5.3. Discrepancy noticed in central server leading to incorrect count of cylinders on which subsidy availed**

During the course of field audit of the distributors, it was noticed that in a distributor of IOCL in the Northern Region, the quota count was erroneously displaying a lower count than cylinders actually delivered to the consumers on which subsidy was payable. This was noticed in eight cases which occurred because the quota count repeated itself (for example the count of four was displayed twice in a case) leading to the anomaly. Further, in 82 cases, the number of refills delivered on which subsidy was payable as reflecting in business portal did not match with the subsidy payment details in delivery history.

IOCL in its reply (April/May 2016) stated that the eight cases pertained to consumers who had ordered one or more refills during the Parking Period, for whom subsidy amount was parked. Since, quota was stamped at the time of refill booking, these refills were accounted in subsidised cylinder quota (12 cylinders) for that consumer. But subsequently, at the time of his next refill consumption after Parking Period, these refills were accounted or excluded based on CTC conversion in Parking Period.

However, reply is not tenable, as the PAHAL (DBTL) Scheme does not allow consumption of more than 12 cylinders in a financial year on which subsidy is payable and the system should have adjusted the consumption of such cylinders during the Parking Period.

MoPNG, as a response to Chapter 10, stated (June 2016) that the Grievance Redressal Mechanism was being reviewed continuously. Technology platforms like Mobile Apps and Social Media were also being used to redress grievances related to LPG.

However, the fact remains that the OMCs were not able to meet the targeted achievement for grievance redressal.

**The OMCs have addressed the bulk of PAHAL (DBTL) Scheme related complaints though the target of seven days for redressal could not be achieved.**