

Chapter 1: Introduction

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1.1 Background

Availability of clean cooking fuel is a major challenge for rural households in India. This deprivation is predominantly suffered by women and children as they are the most exposed to harmful effects of smoke from burning unclean fuels in the households. In order to safeguard the health of women and children by providing them with a clean cooking fuel – LPG, the Government of India (GoI) launched (1 May 2016) Pradhan Mantri Ujjwala Yojana (PMUY). The scheme aims to provide five crore deposit-free LPG connections to women belonging to Below Poverty Line (BPL) households appearing in Socio-Economic & Caste Census (SECC-2011) and suffering with at least one deprivation.

In SECC-2011 census survey, Ministry of Rural Development (MoRD) enumerated 24.49 crore (17.97 crore rural and 6.52 crore urban) households in the country. Out of these, 10.31 crore households {8.72 crore rural (48.53 *per cent*) and 1.59 crore urban (24.39 *per cent*)} suffered with at least one deprivation, which were identified by the GoI for release of five crore LPG connections under PMUY.

The target of five crore deposit-free LPG connections was revised (February 2018) to eight crore LPG connections by the Government to include BPL families identified from SECC-2011 list or BPL families covered under any of the seven categories¹ under the scheme e-PMUY which was to be achieved by March 2020. Accordingly, initial budget of ₹8000 crore was increased (February 2018) to ₹12800 crore.

1.2 Socio-Economic Caste Census (SECC)- 2011

SECC-2011, a door to door enumeration exercise across the country, was conducted (2011) through a comprehensive exercise involving MoRD, erstwhile Ministry of Housing and Urban Poverty Alleviation, office of the Registrar General and Census Commissioner, India and the State Governments. SECC-2011 census assigned a unique AHL TIN² of 29 digits to each member of BPL household. First 26 digits of AHL TIN of every family are common for each family member, and the last three are unique for each family member. AHL TIN ending with '001' represents "head of the family" and that of the corresponding family members ends with 002, 003, 004 and so on.

Targeted beneficiaries for PMUY are women from BPL households appearing in SECC-2011 and having at least one of the following deprivations in the said survey:

Rural households	Urban households
Households with only one room, kucha walls and kucha roof	Households with only one room, kucha walls and kucha roof
No adult members between ages of 16 and 59	No adult member between the ages of 18 and 59
Female headed households with no adult male member between 16-59 years	Female headed households with no adult male member between 18 and 59 years
Households with disabled member and no able bodied member	Households with any type of disabled member and no able bodied adult member between 18 and 59
SC/ST Households	SC/ST Households

¹ Beneficiaries of Antyodaya Anna Yojana (AAY) or Most Backward Class or Pradhan Mantri Awas Yojana (Gramin) or Tea and Ex-Tea Garden Tribes or SC/ST households or people residing in island and river islands or forest dwellers

² Abridged Household List Temporary Identification Number

Households with no literate adult above 25 years	Households with no literate adult male above 21 years
Landless households deriving a major part of their income from manual casual labour	Households with any type of Chronic ill member and no able bodied adult member between 18 and 59
	Main source of household income through unorganized employment, without regular wage

1.3 Identification of BPL Beneficiaries

PMUY prescribed that LPG connection would be provided in the name of women of BPL families appearing in the list of SECC-2011. In order to get the LPG connection, the beneficiary of eligible BPL family has to fill up the prescribed form, apply to the nearest LPG distributor, complete the KYC³ requirements, provide the proof of residential address, Aadhaar number and details of her bank account. In case she does not have an Aadhaar number, LPG distributor is to assist her in obtaining the same. It is also necessary to provide the Aadhaar numbers of all adult members (above 18 years) in the family. In case the adult members of her family do not have Aadhaar number, she is required to provide an undertaking that the complete set of Aadhaar numbers (of all the adult family members) would be provided within six months. She is also required to provide a declaration that none of the other adult members of the family already have LPG connection in his/her name.

On receipt of the application, LPG distributor is required to verify the application details against the SECC-2011 database and carry out field verification of the information in order to ensure the genuineness of the beneficiary and also to ensure that the family of the applicant does not possess an LPG connection. Then, they have to enter the details of the applicant on the dedicated web portal of the OMCs which has been created for this purpose. After confirming through machine search of the nation-wide database of LPG customers that the family does not possess an LPG connection anywhere else in the country, a new LPG connection under PMUY is allotted to the applicant.

1.4 Financial assistance under PMUY

PMUY provides that an amount of ₹1600 per LPG connection towards security deposit for LPG Cylinder, Pressure Regulator and Installation Charges *etc.* would be borne by the Government as one-time financial assistance to adult women of BPL households included in the SECC-2011 and who are not already having any LPG connection in their household. It also prescribed that the Oil Marketing Companies (OMCs) viz. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) would provide an option to PMUY beneficiaries to opt for loan, if they so desire, to cover the cost of a cooking stove and first refill. EMI of loan amount would be recovered by the OMCs from the subsidy amount due to the beneficiaries on refills.

Break-up of one-time financial assistance extended by the Government and details of optional interest-free loan facilities toward cost of stove and first refill extended by the OMCs are given in the table below:

³ Know Your Customer

Table 1.1: Break up of financial assistance and details of loan amount

S. No.	Particulars	Amount (₹)
1.	Security Deposit (14.2 Kg LPG Cylinder)	1250
2.	Security Deposit (Pressure Regulator)	150
3.	Suraksha Hose	100
4.	Domestic Gas Consumer Card Booklet	25
5.	Installation, Administrative charges	75
A	Total (1+2+3+4+5)	1600 (Assistance from GOI) ⁴
6.	Cost of Stove	990
7.	Cost of Refill (indicative) for 14.2 kg cylinder	517
B	Total (6+7)	1507 (Optional loan facility by OMCs)
C	Grand Total (A+B)	3107
D	Budgetary support from Central Govt.	1600
E	Finance (or Loan) to Beneficiary by OMCs	1507

As per the Scheme guidelines, in case the State Government / a voluntary organization / an individual wishes to contribute the cost of a stove and / or first refill, they would be free to do so under the overall umbrella of PMUY and no other scheme name / tagline would be allowed without the express approval of the Ministry of Petroleum and Natural Gas (MoPNG). Accordingly, the following State Governments have been extending partial/full financial assistance towards the cost of gas stove and first refill to the PMUY beneficiaries as given in the table below:

Table 1.2: Details of partial/full financial assistance

State	Particulars
Assam	Cost of stove
Arunachal Pradesh	Cost of stove
Jharkhand	Cost of stove and first refill amount
Chhattisgarh	Cost of stove and first refill amount subject to contribution of ₹200 by beneficiary

Amount of financial assistance provided by these State Governments is given below:

Table 1.3: Details of financial assistance provided by State Governments as on 31.12.2018

OMCs	Chhattisgarh		Jharkhand		Assam		Arunachal Pradesh	
	No. of beneficiaries	Financial assistance (₹crore)	No. of beneficiaries	Financial assistance (₹crore)	No. of beneficiaries	Financial assistance (₹crore)	No. of beneficiaries	Financial assistance (₹crore)
IOCL	1047851	155.88	738080	127.08	1142896	113.15	4370	0.43
HPCL	587166	86.87	369440	63.00	131446	13.01	0	0
BPCL	507447	75.79	504267	74.26	406065	38.48	303	0.03
Total	2142464	318.54	1611787	264.34	1680407	164.64	4673	0.46

⁴ Of this, an amount of ₹200 would be paid to the LPG distributors by OMCs towards items 3 to 5 above.

1.4.1 Interest-free loan provided to PMUY beneficiaries

In line with the scheme, OMCs have also extended the unsecured and interest-free loan to the PMUY beneficiaries on account of cost of first refill and / or cost of gas stove. As on 31 December 2018, 68.25 per cent of beneficiaries have availed loan from the OMCs. OMC-wise details of interest-free loan extended to the PMUY beneficiaries and recovery thereagainst for the period from May 2016 to December 2018 were as follows:

Table 1.4: OMC-wise details of loan extended vis-à-vis recovery (figures in crore)

OMCs	Total No. of PMUY Active connections	No. of PMUY beneficiaries who had taken loan	Loan Amount (₹)		
			Extended	Recovered	Outstanding
IOCL	1.80	1.25	2035.51	798.40	1237.11
BPCL	0.98	0.62	1010.00	365.40	644.60
HPCL	1.00	0.71	1147.28	411.92	735.36
Total	3.78	2.58	4192.79	1575.72	2617.07

1.5 Implementation status of the scheme

With the overall revision of the target from five crore LPG connections to eight crore, year-wise targets were also revised (September 2017) to two crore LPG connections each for the year 2016-17 to 2019-20. As on 31 March 2019, OMCs have issued 3.81 crore LPG connections under PMUY and 3.38 crore under E-PMUY in 36 states/UTs. Year-wise targets and achievement are given as per the table below:

Table 1.5: Targets and achievements of release of PMUY LPG connections (No. in crore)

Year	Targets	Achievements
2016-17	2.00	2.00
2017-18	2.00	1.56
2018-19	2.00	0.25
Total		3.81
E-PMUY connections(2018-19)		3.38
Total		7.19

(Source: PPAC and IOCL)

With the distribution of 7.19 crore LPG PMUY connection, the all India LPG coverage has gone up from 61.90 per cent as on 1 May 2016 (i.e. launch of PMUY) to 94.30 per cent as on 1 April 2019.

1.6 Roles and responsibilities of key stakeholders

1.6.1 Ministry of Petroleum and Natural Gas

MoPNG has formulated the scheme and has been implementing the same through the OMCs. The Ministry is responsible for overall monitoring of the scheme. It has issued clarifications/directions to the OMCs as well as to the Petroleum Planning and Analysis Cell (PPAC) for smooth implementation of the scheme from time to time.

1.6.2 Petroleum Planning and Analysis Cell

PPAC scrutinizes the claims of the OMCs from their books of account and forwards it to MoPNG which in turn reimburses the same to the OMCs.

1.6.3 Oil Marketing Companies

OMCs release the PMUY connections to eligible women of BPL families (after completion of various stages as stated in Para 1.3 above) through their LPG distributors. OMCs submit their claims to PPAC for the connections released/installed under PMUY on a monthly basis⁵.

OMCs are also responsible for conducting Information, Education and Communication (IEC) activities which also includes organizing 'Melas' at various locations for promotion and release of PMUY connections to women of BPL families in presence of public representatives and distinguished personalities of the area. Further, the OMCs have also been promoting the safe usage of LPG among rural LPG users through Safety Clinics/Camps and LPG Panchayats. Moreover, OMCs have taken a Public liability insurance cover so as to provide relief to registered/affected persons in case of LPG related accidents.

1.7 Monitoring

Monitoring of the implementation of the scheme is done at the following levels:

At District Level: Implementation of the scheme at the district level is the responsibility of the District Nodal Officer (DNO) who is an employee of one of the three OMCs. The DNOs design and coordinate the implementation campaigns and also coordinate with the Unique Identification Authority of India (UIDAI) and the Banks for facilitating Bank/Aadhaar linking. The DNOs are also responsible for advertisement and promotion campaigns for the scheme to generate enthusiasm among the eligible BPL families.

At State Level: A State-level coordination committee was set up at each State comprising of officers from all the three OMCs, with one of the officers functioning as the State Level Coordinator (SLC). The Principal Secretary of Food and Civil Supplies of the state is an invited member of the committee.

At National Level: Ujjwala Core Group has been formed with members as Joint Secretary (Marketing), Director (LPG) and Consultants from MoPNG and core team members of OMCs. It operates from DBTL⁶ Cell of MoPNG and can be approached by DNOs and OMCs for submitting PMUY information and other issues requiring immediate attention of MoPNG.

MoPNG monitors the progress of PMUY implementation through Project Monitoring Information System (PMIS) which is a web based solution, developed to provide various reports e.g. district-wise reports, state-wise reports, daily incremental report etc.

⁵ Up to August 2016, the same was on quarterly basis.

⁶ Direct Benefit Transfer of LPG