

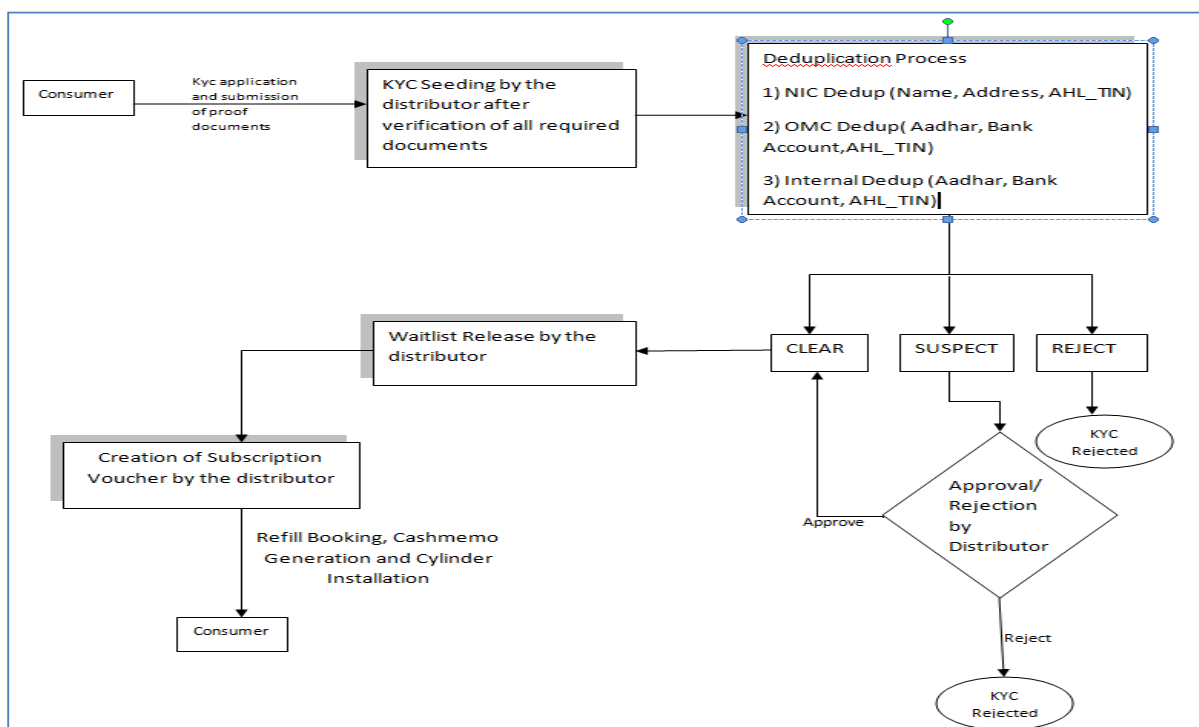
Chapter 3:
Distribution of LPG connections under PMUY

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Targeted beneficiaries of PMUY are underprivileged BPL households deprived of LPG access in the country. The objective of the scheme is to bring these BPL households under LPG coverage through one-time Government financial assistance to support their transition from unclean to clean cooking fuel. MoPNG *inter alia* formulated the following implementation modalities of PMUY:

1. A woman of the BPL household, who does not have access to LPG connection, may apply for LPG connection in the prescribed format along with details like address, Jandhan/Bank account and Aadhaar numbers of all the adult family members to the LPG distributor;
2. OMCs are to match the applications against SECC-2011 database and after ascertaining their BPL status, enter the details into a dedicated OMC Web Portal. Primary identification of a PMUY beneficiary is to be done on the basis of AHL TIN which is the identifying number of each beneficiary;
3. OMCs undertake electronically the de-duplication exercise and KYC checks to ensure that the new connections are issued only to the eligible beneficiaries.

The process of issuance of LPG connections under PMUY is described in the following flow Chart:



(Source –IOCL)

Identification of beneficiaries is a critical element in implementation and effectiveness of any social inclusion scheme so as to extend the benefits to targeted beneficiaries.

Audit assessed the efficacy of the implementation process in terms of compliance to PMUY guidelines, for deriving an assurance that the connections were issued to the intended and eligible PMUY beneficiaries. This was done by analyzing the data provided by the OMCs, the SECC-2011 data and the field audit of the KYC checks at the distributors' premises. The observations emerging from the above exercise are discussed in subsequent paragraphs:

3.1 Non-obtaining of Aadhaar Numbers of all adult family members from PMUY beneficiaries

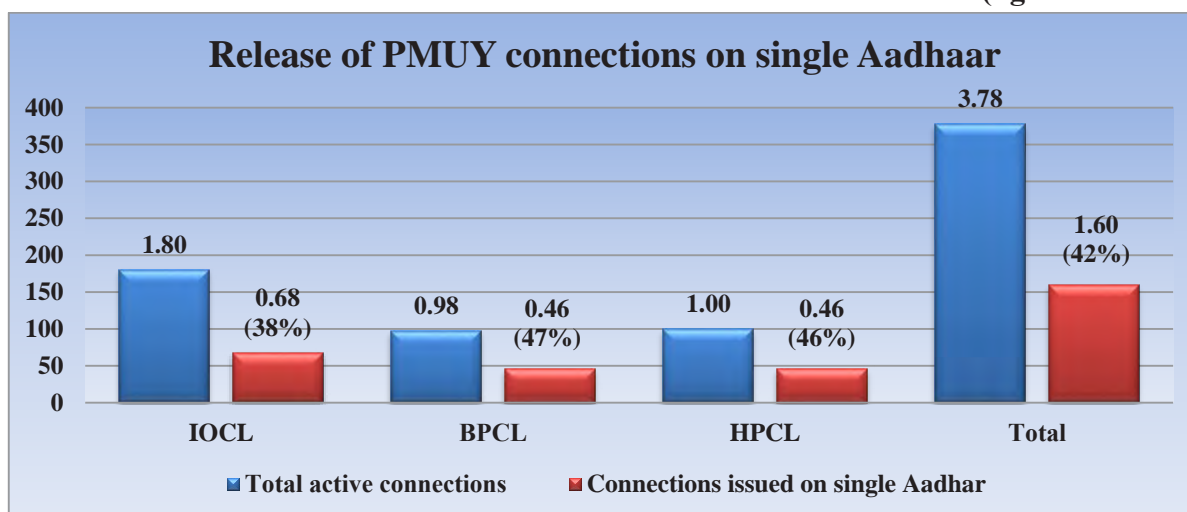
PMUY implementation modalities *inter alia* state that a woman beneficiary is required to furnish Aadhaar number of all family members and OMCs are to undertake electronically the de-duplication exercise for obviating the possibility of issue of multiple connections to the same household. In order to enforce implementation modalities of PMUY, MoPNG notified⁷ (23 June 2016) the approved format of Ujjwala KYC wherein obtaining the following information was made mandatory for undertaking KYC checks:

- Details of household members aged above 18 years (consisting of people living together in a dwelling unit having common kitchen);
- Aadhaar number of all adult family members along with copies of Aadhaar card;
- Ration card details *viz.* State of issue, Ration card number along with copy of ration card.

The PMUY Handbook (July 2016), had clarified that “*it is mandatory to have Aadhaar as well as a Bank account in the name of recipient beneficiary. For other members of the household, it is mandatory to furnish Aadhaar number*”.

On analysis of the PMUY consumer database, audit noticed that out of 3.78 crore active PMUY LPG connections, OMCs released 1.60 crore (42 per cent) connections only on the basis of beneficiary’s Aadhaar as depicted below:

(figures in crore)



Audit further observed the following:

1. OMCs started (May 2013) an intra-OMC de-duplication exercise within their respective databases as well as inter-OMC de-duplication (2014) post introduction of PAHAL (DBTL)⁸ on the basis of Aadhaar number to ensure identification of multiple connections. Further, as per implementation modalities of PMUY and Ujjwala KYC, Aadhaar of all adult family members were to be mandatorily collected. Accordingly, Aadhaar numbers of all adult family members were to be obtained and seeded in order to make de-duplication exercise effective before release of PMUY LPG connections.

⁷ Letter no.P-17018/1/2016-LPG

⁸ GoI launched (November 2014)PAHAL (DBTL) for transferring the subsidy on LPG directly to the consumers with a view to curbing pilferage and diversion in domestic LPG distribution system of OMCs.

2. During test check of records at selected LPG Distributors, audit noticed that out of 1206 KYCs, though 361 PMUY beneficiaries had furnished Aadhaar numbers of their adult family members along with KYC, the LPG distributors had not entered the same in the LPG web portal. On verification of Aadhaar numbers of family members from OMCs web portal, audit noticed that out of these 361 available Aadhaar numbers of adult family members of PMUY beneficiaries, 72 (20 per cent) were found to be linked with some other LPG connection with the same / another OMC which substantiates the existence of additional LPG connections in the beneficiary households.
3. Further, as per the scheme if the Aadhaar number of all family members was not available, OMCs were to facilitate in obtaining Aadhaar of family members. However, LPG software of OMCs had no provision to seed Aadhaar after release of LPG connections.

These cases are only indicative which were found during test check and may lead to diversion of domestic LPG towards non-domestic use as there may be multiple connections on those Aadhaar numbers which were not entered in the system. Thus, due to non-obtaining/non-feeding of Aadhaar numbers of all adult family members of PMUY beneficiaries, de-duplication exercise on Aadhaar number of all adult family members could not be done by the OMCs which exposes the risk of diversion of connections to commercial use.

OMCs replied (April 2019) that Aadhaar of family members was not mandatory as per the initial scheme document (31 March 2016) and in line with prevailing norms of KYC, the enrolment started without mandatory collection of Aadhaar numbers of all adult family members from PMUY applicants. Further, since implementation of PAHAL (DBTL), only applicant's Aadhaar was seeded to enact subsidy transfer. Accordingly, the same system was continued under PMUY. Besides, to prevent multiple connections, AHL TIN de-dup was also introduced by NIC on the basis of family AHL TIN (26 digits) and beneficiary AHL TIN (29 digits) eliminating the possibilities of issuing multiple connections to the same AHL TIN family. Further, OMCs, while referring to the FAQ issued by MoPNG, also stated that in case of non-availability of Aadhaar number of family members, the customer should give a declaration regarding non-existence of LPG connection in the name of family members. Based on the market feedback, OMCs made it mandatory (September 2017) to collect at least one Aadhaar of family members to strengthen the enrolment process.

Replies are not acceptable as approved KYC format of PMUY as well as MoPNG's instructions (June 2016) had expressly mentioned to mandatorily collect Aadhaar numbers of all adult family members and no relaxation was ever given by MoPNG in this regard. Hence, continuing with the existing practice of collecting single Aadhaar, as per PAHAL (DBTL), was not in line with MoPNG directives. Further, AHL TIN de-duplication can detect multiple connections issued under PMUY only *i.e.* against same AHL TIN / family AHL TIN and cannot detect existing connection issued to other family members outside this scheme.

MoPNG noted (May/July 2019) the audit observation and advised OMCs to collect, seed and carry out de-duplication afresh based on additional Aadhaar number of beneficiaries' husband or other adult family member. The OMCs have designed the requisite provision in their LPG software. Further, upon verification by OMCs, 17,615 connections were found with NULL AHL TIN and 79,415 multiple connections. All these connections were blocked and 42910 cases were terminated.

However, the above mechanism will not eliminate the possibility of multiple connections existing in the name of other family member whose Aadhaar number is not captured in the system.

3.2 Issue of LPG connections in deviation from PMUY guidelines

Identification of BPL women beneficiaries through SECC list and de-duplication on Aadhaar, AHL TIN and bank account are established processes for releasing LPG connections under PMUY. Audit noticed that LPG connections were released to the beneficiaries in deviation from the PMUY guidelines in the following instances:

3.2.1 Release of PMUY connections against AHL TIN with complete blank records in SECC-2011 list

Audit matched the AHL TIN of the beneficiaries as per PMUY consumer database with AHL TIN of the SECC-2011 database provided by NIC and observed that 9897 LPG connections (IOCL: 9785 and HPCL: 112) were issued against AHL TINs where names of all family members including the beneficiary's name were completely blank in SECC-2011 list. Identification of these beneficiaries in these cases was not possible due to imperfections in the SECC-2011 data coupled with inadequate system checks leading to risk of issuing PMUY connections to unintended beneficiaries.

OMCs replied (April 2019) that 3014 connections (IOCL: 2902, HPCL: 112) have been blocked and IOCL has terminated 383 connections on the basis of the audit observation.

MoPNG replied (July 2019) that the OMCs had been advised to terminate such connections released against AHL TIN with blank records. Accordingly, IOCL terminated/blocked 4324 connections and HPCL has terminated all the 112 connections. Verification of remaining connections in IOCL was stated to be in progress.

3.2.2 Release of PMUY connections against AHL TIN with partial blank records in SECC-2011 list

On comparison of AHL TIN as per PMUY consumer database with AHL TIN as per SECC-2011 database, audit observed that OMCs released 4.10 lakh connections (IOCL: 2.09 lakh, BPCL: 1.21 lakh and HPCL: 0.80 lakh) against AHL TINs where entire details of family in SECC-2011 list were blank except that of one member. Due to this imperfection in SECC database, identification of beneficiary was not possible which, therefore, carried the risk of connections being issued to unintended persons. LPG software of OMCs did not have validation controls to restrict or warn against issuance of connection in such cases.

OMCs replied (April 2019) that as a substantial number of households were getting deprived of the scheme due to incomplete details in the SECC list, cases with partial details of households were considered and a Standard Operating Procedure (SOP) was devised (May 2017) by the Industry to take care of such cases. Accordingly, such households were considered as eligible applicants under PMUY.

Audit observed that the SOP referred herein by OMCs expressly specified that *in order to establish identity, the applicant should provide Aadhaar details of at least two family members, including head of the family or her husband, with one of the Proof of Identity (PoI) establishing*

her relationship with the person whose complete details are available in SECC list. SOP further suggested that distributor can enter KYC details and process for further de-duplication process only after verification of such family details otherwise it was to be kept on “Hold KYC” category.

However, this SOP does not address the above situation pointed out by Audit because in these cases, only name of one member was available and that too without his/her parent details, which was insufficient to establish beneficiary identity. Hence, besides necessary validation controls in the system, an appropriate alternative system of identity verification should have been devised by OMCs to avoid issuing connection to unintended persons.

MoPNG replied (May/July 2019) that the OMCs have been advised to obtain details of all adult family members as per ration card and seed in KYC with at least one Aadhaar number (of husband /adult family member). OMCs have been advised to carry out de-duplication afresh based on the additional Aadhaar number collected. Accordingly, 0.54 lakh connections were found ineligible and terminated by OMCs.

3.2.3 Issue of PMUY connections to male consumers

It was imperative upon the OMCs to design sufficient validation in the LPG software for issuance of LPG connections only to females. On matching of AHL TIN in the PMUY consumer database with those in the SECC-2011 database, audit observed that 1.88 lakh LPG connections were issued by IOCL against AHL TINs of males.

This was further corroborated during field audit at LPG distributors where it was observed that out of 285 KYCs verified, 20 connections were released to males by using AHL TIN of males. In addition, 43 connections were issued to males by using the AHL TIN of females.

Thus, due to absence of input validation checks in the gender field of LPG software of IOCL and lack of due diligence at field level, PMUY connections were released to males. These validation checks were although in place in HPCL and BPCL, yet 26 cases were terminated by HPCL being issued to males.

IOCL replied (April 2019) that the requisite system checks were introduced subsequently both at IOC and NIC level to restrict release of connection against male AHL TIN.

MoPNG replied (May/July 2019) that the OMCs were advised to verify and take corrective action. Accordingly, 0.41 lakh connections were terminated by IOCL being ineligible out of 1.78 lakh cases verified. Remaining cases were under verification.

3.2.4 Release of PMUY connections by using conjunctions *urf/or/alias* with the names of consumers

Analysis of PMUY consumer database revealed that in 52271 cases (IOCL-34356, BPCL-4701 and HPCL-13214), LPG distributors issued connections by linking names of persons with names of beneficiaries appearing in SECC by using conjunctions **URF / OR / ALIAS** to project that both the names pertain to the same consumer thereby impersonating identity of ineligible persons as exemplified below:

- a) “First Name as per KYC documents” **URF** “First Name as per SECC-2011” in the LPG database:

- b) “First Name as per KYC documents” **OR** “First Name as per SECC-2011” in the LPG database:
- c) “Name as per KYC documents” in the first name column, **Alias** in the middle name column and “Name as per SECC-2011” in the last name column:

Such inconsistencies were reviewed on test check basis at field audit of selected LPG distributors which revealed that LPG connections were issued to ineligible beneficiaries.

MoPNG replied (May/July 2019) that the OMCs were advised to verify and take corrective action. Accordingly, after verification of 0.55 lakh cases, OMCs found 0.29 lakh connections ineligible.

3.2.5 Issue of LPG connections to minors under PMUY

PMUY as well as LPG control order, 2000 stipulates that LPG connection can only be provided to a consumer who is at least 18 years of age. However, audit noticed instances of LPG connections issued to minor beneficiaries as discussed below:

3.2.5.1 LPG connections issued to Minors as per DOB mentioned in the Aadhaar card

On review of Aadhaar cards attached with 18558 KYC records of PMUY beneficiaries at 164 LPG distributors, audit observed that 255 LPG connections (1.37 *per cent*) were released to the individuals who were minors as per DOB mentioned in their Aadhaar cards. These LPG connections were issued by projecting a minor applicant as an adult by entering a wrong DOB under the relevant field of the LPG database, in contravention of the LPG control order 2000.

HPCL also detected 1809 connections issued to minor beneficiaries by two distributors after being pointed out by audit which indicates the possibility of existence of such cases in other distributors also. Hence, there is a requirement of detailed verification of similar cases at all LPG distributors of OMCs.

OMCs replied (April 2019) that cases of minor beneficiaries as pointed out during field audit have either been terminated / under verification and action has been taken against erring distributors.

MoPNG replied (May/July 2019) that the OMCs were advised to verify and take corrective action. Accordingly, OMCs have found 211 ineligible connections. Further, NIC has been roped in to verify DOB in LPG data base vis-à-vis DOB as per Aadhaar data available with UIDAI.

3.2.5.2 Issue of connections to minors due to absence of validation checks in the LPG database (IOCL)

IOCL's LPG software initially did not have any validation check on the Date of Birth. This was put in place in February 2018. An analysis of PMUY consumer data provided by IOCL revealed that the age of 0.80 lakh PMUY beneficiaries was less than 18 years on the date of SV as per DOB of beneficiaries entered in the application software. In these cases, the KYC checks were done before February 18 which resulted in issue of connections to minors.

MoPNG replied (May/July 2019) that the OMCs were advised to verify and take appropriate action. Accordingly, after verification of 77631 connections, IOCL found 18137 ineligible connections. Remaining cases were under verification.

3.2.5.3 Issuance of LPG connections to consumers being minors as per SECC-2011

A comparison of SV date of beneficiaries as entered in the PMUY database with that of DOB of beneficiaries in SECC-2011 database revealed that in 8.59 lakh instances (IOCL: 3.60 lakh, BPCL: 2.30 lakh and HPCL: 2.69 lakh), the age of PMUY beneficiaries on the date of issuance of SV was less than 18 years.

OMCs replied (April 2019) that SECC data had inaccuracies in recording of DOB and to accommodate such aberrations, FAQ issued by MoPNG provided that “*The age as in Aadhaar will be considered as correct one*”. Accordingly, the OMCs had allowed registration even if the age, as given in the SECC data, was not matching with the age captured in the Aadhaar card and enabled system check to capture Date of Birth (as per Aadhaar) so as to ensure that no connections are released to minors.

Such a large magnitude of discrepancies underlines the need for detailed verification of all such cases by the OMCs.

MoPNG replied (May/July 2019) that the OMCs were advised to verify and take appropriate action. Accordingly, after verification OMCs have found 1.72 lakh (IOCL: 0.90 lakh, BPCL: 0.38 lakh and HPCL: 0.44 lakh) connections ineligible. Remaining cases were pending for verification.

3.2.6 Issue of PMUY connections on AHL TIN of persons whose age was more than 100 years as on the date of issue of SV

Comparison of LPG database with SECC-2011 list revealed that DOB of 8465 PMUY beneficiaries (IOCL: 4255 BPCL: 2328 and HPCL: 1882) was more than 100 years as per the SECC-2011 data whereas age of these beneficiaries in the LPG database was as follows:

Table 3.1: No. of beneficiaries falling under different age ranges in the LPG database

Range of age (in years)	No. of beneficiaries
0 to less than 18 (minor)	46
18 to 40	3500
41 to 80	3493
81 to 100	436
More than 100	990

Variation in the age between SECC data and LPG database raises concerns regarding genuineness of these beneficiaries and misuse of the AHL TIN of these individuals for release of connections to ineligible beneficiaries.

IOCL replied (April 2019) that they have terminated 245 such connections.

MoPNG replied (May/July 2019) that there is no upper age limit of eligible applicants. However, the OMCs have been directed to verify and take appropriate action. Accordingly, OMCs have found 1454 connections ineligible and 11 cases of IOCL were pending for verification.

3.2.7 Mismatch in the names of beneficiaries between SECC-2011 database and PMUY consumer database of OMCs

Audit compared the PMUY consumer database with the SECC-2011 list and observed that the names of 12.46 lakh PMUY beneficiaries in the LPG database were different from those entered in the SECC-2011 list (IOCL: 7.24 lakh, BPCL: 3.96 lakh and HPCL: 1.26 lakh).

Further, during field audit of 38 LPG distributors, test check revealed that out of 4348 beneficiaries, the names and family details of 784 PMUY beneficiaries (18 per cent) as per their KYC records viz. ration card, Aadhaar card did not match with SECC detail which shows that LPG connections were issued to unintended beneficiaries by manipulating and using AHL TIN of eligible beneficiaries which was mainly due to absence of monitoring at the field level.

MoPNG replied (May/July 2019) that the OMCs were advised to verify and take appropriate action in respect of reported cases of name mismatch. Accordingly, after verification, OMCs have found 2.29 lakh connections ineligible.

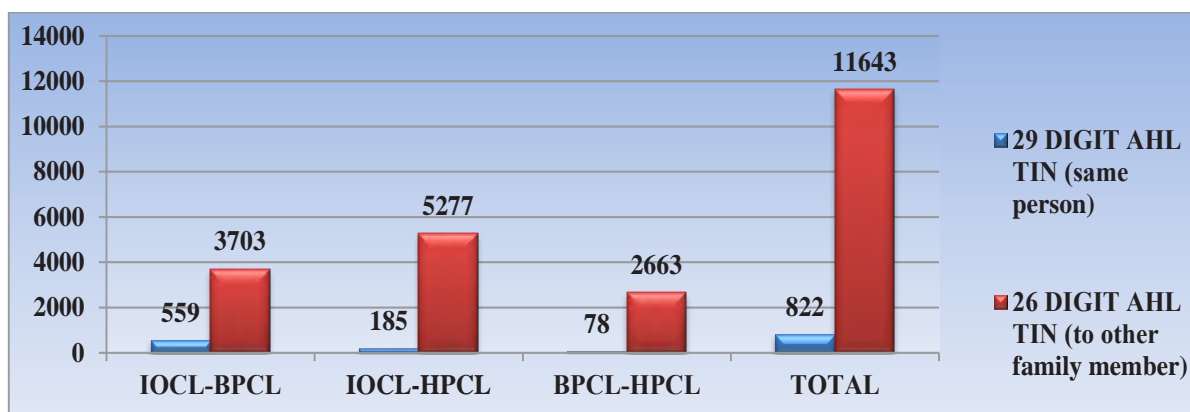
3.3 De-duplication process before release of LPG connections under PMUY

The LPG Control Order, 2000 (as amended) permits single LPG cooking gas connection to a household and restricts possession of more than one LPG connection by a household under the public distribution system. To restrict issuance of multiple LPG connection to individual / family, OMCs adopted the de-duplication process as detailed below:

- ❖ Internal de-duplication check within OMC based on Aadhaar number of applicant and of family member and bank account of applicant with existing customer master data.
- ❖ Inter-company de-duplication check through web service interface using the above method.
- ❖ Parallel de-duplication checks by NIC based on validation of AHL TIN with SECC data (name and AHL TIN).
- ❖ De-duplication with customer master and KYC cleared and suspect cases for SECC household on AHL TIN by NIC.

3.3.1 Issue of multiple connections under PMUY to the same individual or within the same family

Audit carried out de-duplication exercise on AHL TIN used for issue of connections and observed that in 822 cases, the OMCs had released duplicate connections on the same AHL TIN i.e. to the same person (on the basis of 29 digit AHL TIN) while in 11643 cases, duplicate connections were issued to the same family (on the basis of 26 digit of AHL TIN) as depicted below:



MoPNG replied (May/July 2019) that the OMCs were advised to verify and take corrective action. Accordingly, OMCs have blocked/terminated all these cases.

3.3.2 Issue of PMUY connections on AHL TIN not available in the SECC- 2011 database

As per the methodology of de-duplication, KYC is to be rejected in case AHL TIN of the applicant is not found in SECC-2011 list. A comparison of PMUY consumer database with SECC-2011 database revealed that in 42187 cases (IOCL: 42145 and BPCL: 42), the AHL TIN entered in LPG database was not available in the SECC-2011 database.

Test check of the above cases in the field audit at LPG distributors revealed that the concerned distributors had entered incorrect AHL TIN of the beneficiary which was accepted by the LPG software due to lack of input validation check. This also remained undetected in the de-duplication process at the NIC level and carried the risk of releasing PMUY connections to ineligible persons.

IOCL replied (April 2019) that the distributors have made a typographical error in punching of a digit and thus due to inadequate system check initially the same has got enrolled. All such connections have been centrally blocked for field verification / necessary corrective action.

BPCL replied (April 2019) that SECC data was amended from time to time as the data was obtained from various resources. These AHL TIN were confirmed by NIC in 2016/2017 when sent to NIC for de-duplication. For the purpose of reconfirmation of the beneficiary detail, these 42 cases were being sent to field for verification of KYC documents submitted by beneficiaries.

Replies may be viewed against the fact that inadequate system check on the part of OMCs and NIC allowed the wrong AHL TIN to get enrolled and got through de-duplication process.

MoPNG replied (May/July 2019) that NIC has enabled system checks to ensure that valid AHL TIN was enrolled. Further, IOCL found 41617 cases ineligible and 159 cases were pending for verification.

3.4 Non-installation of connections after issue of SVs

Audit analysis of installation dates revealed that in 1.34 lakh cases (IOCL: 0.51 lakh, BPCL: 0.57 lakh and HPCL: 0.26 lakh), SVs were issued but connections were not installed. Further, out of these cases, in 0.61 lakh cases (IOCL: 0.16 lakh, BPCL: 0.26 lakh and HPCL: 0.19 lakh) connections were pending for installation for a period ranging from six to 30 months.

OMCs stated (April 2019) various reasons for non-installation of connections *viz.* non-availability of customer contact, migratory rural population, beneficiary's request for loan after KYC seeding, unsafe kitchens, disruption in transportation of Cylinders due to transporters' strikes. However, all SVs pending for installation beyond 30 days are followed up which has resulted in reduction of pendency to 46425 (IOCL: 26302, BPCL: 2323, HPCL: 17800).

Reasons furnished by the OMCs do not seem justifiable in cases where delay in installation is more than six months. Further, fact remains that despite effective monitoring put in place by OMCs, there were still a number of connections pending for installation.

MoPNG, during Exit Conference, stated that the time frame for installation will be decided in due course. It further replied (July 2019) that after verification of 48494 connections, OMCs

have terminated 15300 cases as either the beneficiaries were not traceable or found ineligible. Remaining cases were pending for verification.

3.5 Delay in installation of PMUY connections

The OMCs' Citizen Charter on Marketing of Petroleum Products stipulated that the registration for new domestic LPG connection is to be done immediately and new connection is to be installed within seven working days. In order to make the scheme effective, it is pertinent that the installation of PMUY connections is done in a timely manner.

Audit analyzed the PMUY consumers' data to examine the time taken for installation of PMUY connections since the date of feeding of KYC details in the system. It was observed that installations were done with a considerable delay as detailed below:

Table 3.2: Time analysis of installation as on December 2018 (in lakh)

Time taken from KYC to installation (No. of days)	No. of connections			Total
	IOCL	BPCL	HPCL	
0-7	33.27	27.29	12.10	72.66
8-30	62.79	29.44	35.82	128.05
31-60	30.78	13.25	19.90	63.93
61-90	14.89	7.91	9.99	32.79
91-180	24.38	11.34	14.12	49.84
181-365	12.48	7.19	6.59	26.26
more than 365 days	1.82	1.09	1.44	4.35
Total	180.41	97.51	99.96	377.88

Audit observed that only 19.23 per cent of the total PMUY connections were installed within the stipulated time frame.

OMCs cited (April 2019) various reasons for delay in installation like difficulties in locating customer due to absence of customer contact number, migrating rural population, beneficiary's request for loan after KYC seeding, non-availability of safe conditions for LPG installation like cooking platform, time taken for imparting training to manpower for installation and disruption in transportation of Cylinders / Regulators / Hot Plates due to transporters' strikes, flood.

OMCs' reply may be viewed against the fact that non-availability of customer contact and difficulties faced by distributors in customer identification raises the concerns whether pre-installation inspection was conducted at consumers' premises before SV generation. Reply is also silent on the steps taken by the Management to address the issue of delay in installation.

MoPNG replied (May 2019) that OMCs have put in place a detailed SOP and effective monitoring mechanism to ensure timely installation of connections.

3.6 Linked Bank Account not pertaining to PMUY beneficiary

PAHAL (DBTL) scheme launched (2013) by GoI envisaged curbing pilferage and diversion of domestic LPG through distribution system of OMCs by effecting cash transfer of subsidy directly into the bank account of the eligible beneficiaries. The Scheme envisaged payment of market price for the domestic cylinders by LPG consumers and the transfer of subsidy amount directly to consumer's bank account. However, during test check of KYC records at sample

164 LPG distributors, 100 instances were noticed where bank account of others were linked with PMUY beneficiaries which led to transfer of her subsidy in the bank accounts of others thereby depriving the genuine beneficiaries of their subsidy.

OMCs replied (April 2019) that in all such cases where wrong bank details were found, the system had a provision for correction which could be carried out by the distributor.

MoPNG added (May/July 2019) that bank account and name of beneficiary were sent to NPCI for verification with respective banks and de-duplication. OMCs have been advised to identify joint accounts linked to PMUY beneficiaries and submit report by 30 June 2019. Further, BPCL and HPCL have verified 64 cases and found 11 connections ineligible. Verification of the remaining cases was pending.

Replies are to be viewed against the fact that as the bank accounts not pertaining to beneficiaries got cleared from NPCI and respective banks, it indicates inadequacies in existing account verification.

3.7 Delay in verification of blocked/inactive PMUY connections

Analysis of PMUY consumer database revealed that 2.77 lakh suspect PMUY connections (IOCL: 1.34 lakh, BPCL: 1.12 lakh and HPCL: 0.31 lakh) have been blocked or made inactive by the OMCs. As the PMUY beneficiaries belong to BPL category and are new users of LPG, blocking the LPG connections and keeping them pending for verification for a long time will come in the way of transition of beneficiaries from unclean fuel to clean fuel. Audit further noticed that out of 2.77 lakh blocked connections, 2.31 lakh (IOCL: 1.06 lakh, BPCL: 1.03 lakh and HPCL: 0.22 lakh) were pending for verification for a period of more than nine months (considered from the date of last refill as blocking date was not available) which is not justified.

OMCs (April 2019) replied that verification of blocked/inactive PMUY connections would be expedited.

MoPNG replied (May/July 2019) that OMCs have verified 3.85 lakh blocked connections and terminated 1.15 lakh (IOCL: 74,000; BPCL: 31,048 and HPCL: 10,178) connections being ineligible and found 1.59 lakh eligible connections which have been activated. Remaining cases were pending for verification.

3.8 Lack of information among beneficiaries about their own AHL TIN

Under the scheme, a woman of BPL household has to apply for new LPG connection by submitting the prescribed KYC application form. LPG field officials are to match the KYC details against SECC-2011 list. However, audit observed that AHL TINs of beneficiaries were identified by the LPG distributors in the SECC list and the beneficiaries were not aware about their own AHL TIN. This is fraught with the risk of misuse of AHL TIN of genuine beneficiaries without their knowledge for releasing connections to unintended beneficiaries.

OMCs replied (April 2019) that SECC list is displayed in Melas / Camps organized in villages which are visited by the potential eligible beneficiaries. SECC list was also provided to village administrative officials, district level officials for sharing with the public. Therefore, reliance only on the distributor for identifying their names in SECC data was not much of a challenge to the applicants.

MoPNG, during Exit Conference, stated (May 2019) that the issue has been taken up with MoRD as there are other social schemes also which are based on SECC.

3.9 Third Party Audit of the Scheme

PMUY guidelines stipulated that the Government may undertake third party audit of the scheme. However, no such audit has been carried out by the Government till date which assumes importance in view of audit observations discussed above.

MoPNG noted (May/July 2019) the audit observation and informed that the process to carry out Third Party Audit of the Scheme has been initiated.