

**PRADHAN MANTRI UJJWALA  
YOJANA**

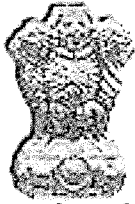
MINISTRY OF PETROLEUM AND NATURAL GAS

PUBLIC ACCOUNTS COMMITTEE  
(2023-24)

ONE HUNDRED AND THIRTIETH REPORT

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SEVENTEENTH LOK SABHA



सत्यमेव जयते

LOK SABHA SECRETARIAT  
NEW DELHI

PAC NO. 2360

**ONE HUNDRED AND  
THIRTIETH REPORT**  
**PUBLIC ACCOUNTS COMMITTEE**  
**(2023-24)**  
**(SEVENTEENTH LOK SABHA)**

**PRADHAN MANTRI UJJWALA YOJANA**



*Presented to Hon'ble Speaker, Lok Sabha on: 24.02.2024*

*Presented to Lok Sabha on:*

*Laid in Rajya Sabha on:*

**LOK SABHA SECRETARIAT  
NEW DELHI**

February, 2024 /Phalguna, 1945 (Saka)

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**COMPOSITION OF THE SUB COMMITTEE-I (CIVIL) OF PUBLIC  
ACCOUNTS COMMITTEE**  
**(2021-22)**

- |    |                                    |   |             |
|----|------------------------------------|---|-------------|
| 1. | Shri Adhir Ranjan Chowdhury        | - | Chairperson |
| 2. | Shri Shaktisinh Gohil              | - | Convenor    |
| 3. | Shri Thalikkottai Rajuthevar Baalu | - | Member      |
| 4. | Shri Sudheer Gupta                 | - | Member      |
| 5. | Shri Pratap Chandra Sarangi        | - | Member      |
| 6. | Shri Rahul Ramesh Shewale          | - | Member      |

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE**  
**(2022-23)**

Shri Adhir Ranjan Chowdhury - Chairperson

**MEMBERS**

**LOK SABHA**

2. Shri Subhash Chandra Baheria
3. Shri Bhartruhari Mahtab
4. Shri Jagdambika Pal
5. Shri Vishnu Dayal Ram
6. Shri Pratap Chandra Sarangi
7. Shri Rahul Ramesh Shewale
8. Shri Gowdar Mallikarjunappa Siddeshwara
9. Shri Brijendra Singh
10. Shri Rajiv Ranjan Singh alias Lalan Singh
11. Dr. Satya Pal Singh
12. Shri Jayant Sinha
13. Shri Balashowry Vallabhaneni
14. Shri Ram Kripal Yadav
15. Shri Shyam Singh Yadav

**RAJYA SABHA**

16. Shri Shaktisinh Gohil
17. Shri Bhubaneswar Kalita
18. Dr. Amar Patnaik
19. Dr. C. M. Ramesh
20. Shri V. Vijayasai Reddy
21. Dr. M Thambidurai
22. Dr. Sudhanshu Trivedi

## COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2023-24)

Shri Adhir Ranjan Chowdhury - Chairperson

### MEMBERS

#### LOK SABHA

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Subhash Chandra Baheria
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Vishnu Dayal Ram
7. Shri Pratap Chandra Sarangi
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Shri Brijendra Singh
11. Shri Rajiv Ranjan Singh *alias* Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabbhaneni
15. Shri Ram Kripal Yadav

#### RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Dr. K. Laxman
18. Shri Derek O' Brien\*
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Dr. Sudhanshu Trivedi

#### SECRETARIAT

1. Dr. Sanjeev Sharma - Joint Secretary
2. Smt. Bharti S. Tuteja - Director
3. Shri Alok Mani Tripathi - Deputy Secretary

\* Elected w.e.f. 19.08.2023 consequent upon retirement of Shri Sukhendu Sekhar Ray, MP on 18.08.2023.

## **INTRODUCTION**

I, the Chairperson, Public Accounts Committee (2023-24) having been authorised by the Committee, do present this One Hundred and Thirtieth Report (Seventeenth Lok Sabha) on "Pradhan Mantri Ujjwala Yojana" based on C&AG Report No. 14 of 2019, relating to the Ministry of Petroleum and Natural Gas.

2. The C&AG Report No. 14 of 2019 was laid on the Table of the House on 11.12.2019.

3. The Public Accounts Committee (2023-2024), selected the aforesaid subject for detailed examination and took oral evidence of the representatives of the Ministry of Petroleum and Natural Gas on the subject matter and allotted the same to one of their Sub Committees i.e., Sub Committee-I. Based on the oral evidence and written replies, the Sub-Committee examined the subject in detail.

4. Public Accounts Committee (2023-2024) considered and adopted the Draft Report on the aforementioned subject at their Sitting held on 06.02.2024. The Minutes of the Sittings are appended to the Report.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type and form Part- II of the Report.

7. The Committee would like to express their thanks to the representatives of the Ministry of Petroleum and Natural Gas for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

8. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the Office of the Comptroller and Auditor General of India

**NEW DELHI:**  
**06February, 2024**  
**17 Magha, 1945 (Saka)**

**ADHIR RANJAN CHOWDHURY**  
**Chairperson,**  
**Public Accounts Committee**

## REPORT

### Part-I

#### INTRODUCTORY

In May 2016, Ministry of Petroleum and Natural Gas (MoPNG), introduced the 'Pradhan Mantri Ujjwala Yojana' (PMUY) scheme with an objective to make clean cooking fuel such as LPG available to the rural and deprived households which were otherwise using traditional cooking fuels such as firewood, coal, cow-dung cakes etc. Usage of traditional cooking fuels had detrimental impacts on the health of rural women as well as on the environment - cutting down of trees and jungles. As the connections would be released in the name of the women in the household, this scheme would also help to empower the women both socially and economically besides improving their health and liberating them from the ill-effects of household air pollutions (HAP), smoky kitchens and the drudgery of collecting firewood.

2. Under PMUY, target was set to provide LPG connections to 5 crore women members of BPL households with financial assistance of ₹ 8,000 crore by Government of India. Implementation time schedule for the scheme was by March 2019. The eligible beneficiaries were identified from the Socio-Economic Caste Census (SECC) data 2011 (based on Government Census 2011). In SECC-2011 census survey, Ministry of Rural Development (MoRD) enumerated 24.5 crore households in the country. Out of these, 10.31 crore households suffered at least one deprivation, which were later earmarked by the GoI for release of 5 crore LPG connections under PMUY. The SECC data was shared by MoRD to MoPNG who in turn shared it with the Oil Marketing Companies (OMCs) through National Informatics Centre (NIC) to approach these customers and initiate the process of releasing LPG connections.

3. The C&AG Report No. 14 of 2019 contains significant findings of the performance Audit of "Pradhan Mantri Ujjwala Yojana". Following are the audit objectives for this Performance Audit:

- Whether PMUY connections have been released and installed by the OMCs to the eligible and intended households of SECC list after due diligence?
- Whether sufficient measures for enhancement of LPG distribution network have been undertaken to cater to the PMUY beneficiaries?
- Whether the OMCs have taken steps to ensure the usage of LPG by PMUY beneficiaries as per the prescribed safety standards and for creating awareness of the scheme?
- Whether the scheme has led to sustained usage of LPG by PMUY beneficiaries?

4. Performance Audit covered the implementation of PMUY (excluding e-PMUY) during the period from May 2016 to December 2018.



5. Major shortcomings as pointed out by the Audit in implementation of PMUY are as under:

(i) Out of 3.78 crore LPG connections, 1.60 crore (42 percent) connections were issued only on the basis of beneficiary Aadhaar which remained a deterrent in de-duplication.

(ii) Laxity in identification of beneficiaries was noticed as 9897 LPG connections were issued against Abridged Household List Temporary Identification Numbers (AHL TINs) where names of all family members and the beneficiary were blank in SECC-2011 list. Similarly, 4.10 lakh connections were issued against AHL TINs where entire detail of family except that of one member was blank in SECC-2011 list.

(iii) Due to lack of input validation check in Indian Oil Corporation Limited (IOCL) software, 1.88 lakh connections were released against AHL TIN of males.

(iv) Lack of input validation check in IOCL software allowed issue of 0.80 lakh connections to beneficiaries aged below 18 years.

(v) 8.59 lakh connections were released to beneficiaries who were minor as per SECC-2011 data.

(vi) Data analysis revealed mismatch in name of 12.46 lakh beneficiaries between PMUY database and SECC-2011 data. Further, test check in field audit revealed that AHL TINs of 784 (18 percent of 4348 KYCs verified) intended beneficiaries were used by LPG distributors to extend benefits to unintended persons.

(vii) Deficiencies in de-duplication to restrict issuance of duplicate connections were noticed in 12465 cases. Further, lack of input validation check allowed release of 42187 connections against invalid AHL TINs which did not exist in SECC-2011 data.

(viii) Delay of more than 365 days was noticed in installation of 4.35 lakh connections against stipulated time period of seven days.

(ix) Pre-installation inspection report was not available in 2531 cases (13.64 percent). Similarly, installation certificates were not available in 2367 cases (12.75 percent).

(x) Inadequate efforts in commissioning targeted 10000 new LPG distributorships by OMCs led to a compelling situation for existing LPG distributors to supply cylinders either at long distance or from godown/designated points instead of door delivery

(xi) Delay of more than 10 days (ranging up to 664 days) was noticed in delivery of 36.62 lakh LPG refills against the stipulated delivery period of seven days. Further, the poor performance of LPG distributors in adherence to Targeted Delivery Time (TDT) norms of Marketing Disciplinary Guidelines (MDG) was not monitored by the OMCs.

(xii) The annual average refill consumption of 1.93 crore PMUY consumers (who have completed more than one year as on 31 March 2018) was only 3.66 refills as worked out by audit. Similar analysis for 3.18 crore PMUY beneficiaries as on 31 December 2018 revealed that refill consumption declined to 3.21 refills per annum.

(xiii) Risk of diversion of domestic cylinders for commercial use was noticed as 1.98 lakh PMUY beneficiaries had an average annual consumption of more than 12 cylinders which seems improbable in view of their BPL status. Similarly, 13.96 lakh beneficiaries consumed 3 to 41 refills in a month. Further, IOCL and Hindustan Petroleum Corporation Limited (HPCL) in 3.44 lakh instances issued 2 to 20 refills in a day to a PMUY beneficiary having single bottle cylinder connection.

(xiv) Low consumption of refills (up to three) by 0.92 crore loanee consumers (who had completed one year or more as on 31 December 2018) had hindered recovery of outstanding loan of ₹1234.71 crore.

(xv) Though year-wise target for release of PMUY connections was revised (September 2017) to two crore connections each for the years 2016-17 to 2019-20, neither the Revised Estimates for 2017-18 nor the Budget Estimates for 2018-19 was allocated in line with the revision of targets or for meeting the shortfall for the previous years.

(xvi) There was excess parking of funds under Corporate Social Responsibility (CSR) pool which was contributed on the directives of Ministry of Petroleum & Natural Gas (MoPNG) without any realistic assessment thereof. As such, an amount of ₹261.85 crore is lying idle which could have been utilized elsewhere in other deserving projects.

6. In the process of examination of the subject, the Sub-Committee-I (Civil) of PAC, which was allocated the subject for in-depth examination, obtained Background Note and detailed written replies from the Ministry of Petroleum and Natural Gas/Oil Marketing Companies. The Sub-Committee also took oral evidence of the aforesaid Ministry/OMCs. Based on written and oral depositions of the Ministry/OMCs, the sub-committee examined the aforesaid shortcomings as pointed out by Audit and enumerated the same in detail in the succeeding paragraphs.

### **Chapter-3: Distribution of LPG Connections under PMUY**

7. 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.

#### **(A) Non-obtaining of Aadhaar Numbers of all adult family members from PMUY beneficiaries**

8. 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 notified (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 percent) connections only on the basis of beneficiary's Aadhaar.

9. 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 percent) 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.

10. 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.

11. The scheme guidelines of PMUY dated 31<sup>st</sup> March 2016 does not mention that the collection of Aadhaar of all adult members was compulsory. Moreover, FAQ of PMUY mentioned that OMCs will endeavour to collect the Aadhaar of all adult family members. As the scheme progressed, OMCs felt the need for further strengthening the de-duplication process and since September 2017, capturing another Aadhaar of family member was enabled and made compulsory in the system design. Hence, seeding of Aadhaar number of adult family members was possible at KYC seeding stage from September 2017 onwards. Once KYC is cleared after de-duplication exercise at OMC & NIC, the same is processed for SV. After KYC is cleared, no Aadhaar details of family members further can be updated, to ensure financial integrity.

Later during CAG Audit, it was observed that there are 1.6 crore connections without Aadhaar of adult family members. Following the observation, MoPNG advised OMCs to ensure addition of Aadhaar of adult family members to the identified connections.

Moreover, in all the connections of PMUY, de-duplication on the basis of Aadhaar, bank A/c, AHL TIN, RC number, name and address is being carried out by NIC and OMCs which has to a greater extent ensured the uniqueness of the PMUY connection and has also ensured the prevention of generation of multiple connection in the system which was the purpose of taking Aadhaar of family members.

12. Distributors had arranged for Aadhaar enrolment camps for prospective applicants under PMUY and their family members.

13. On being asked as to whether OMCs have done any exercise to collect seed and carry-out de-duplication of Aadhaar number of beneficiary's husband or other adult family members after release of LPG connections, the MoPNG in their written replies submitted as under:

"OMCs had advised distributors to contact the beneficiaries whose connection was detected to have been released with only the applicant's Aadhaar. The distributors carried out customer contact to obtain Aadhaar. It was observed that some of the beneficiaries were the only adult members in the family. In such cases, an undertaking to this effect was taken."

14. While observing that as on 30 November, 2020, 1.73 crore LPG connections were still pending for seeking additional Aadhaar, the Committee sought to know the reasons thereof and present position of seeding of additional Aadhaar. The MoPNG in their written replies submitted as under:-

*"As on 01.09.2021, adult family Aadhaar/ lone member declaration has been taken from 15.23 lakh beneficiaries out of 1.6 crore connections identified in the CAG Audit. Soon after the activity started in the field in full swing, the pan-India lockdown due to the pandemic started. This severely impacted the pace of collection of family Aadhaar."*

15. *On being asked about the steps taken to validate the entry of Aadhaar of all other adult family members of the beneficiaries, the MoPNG in their written reply stated as under:-*

*"Software check to ensure entry of Aadhaar numbers of adult family members of beneficiary has been incorporated."*

16. *In response to the aforesaid reply of the Ministry, Audit made the following comments:-*

*"Information in this regard has been sought from OMCs, which is awaited."*

17. *Further when asked about the steps taken to avoid wrong connections or duplicate connections being given under PMUY, the Ministry stated that several system validation checks have been incorporated to avoid release of LPG connections to ineligible beneficiaries.*

18. *In response thereto, the vetting comments of Audit are as under:*

*"OMCs have been carrying out de-duplication process of Aadhaar. De-duplication becomes effective if Aadhaar of all family members are seeded in LPG database. Status of Aadhaar seeding of family members will be checked during audit of e-PMUY."*

**(B) Release of PMUY connections against AHL TIN with complete blank records in SECC-2011**

19. Audit found that laxity in identification of beneficiaries was noticed as 9897 LPG connections were issued against Abridged Household List Temporary Identification Numbers (AHL TINs) where names of all family members and the beneficiary were blank in SECC-2011 list. Similarly, 4.10 lakh connections were issued against AHL TINs where entire detail of family except that of one member was blank in SECC-2011 list.

In this connection MoPNG replied to Audit (December, 2020) that all connections were blocked. However, Audit found that the 8,407 connections out of 9,897 connections were still appearing as active in the LPG database as on 30 November, 2020.

20. Apprising the Committee of the steps taken to block the connections of ineligible persons, the MoPNG in their written replies stated as under:-

“The SECC data was shared by MoRD to MoPNG who in turn shared it with OMC through NIC. The SECC data was based on a survey done by MoRD in 2011 but it was being used 5 years later. The time gap gave rise to some inconsistencies in field like name, DOB, gender, blank AHL TIN field, wrong names/ family composition etc in some of the cases. At the beginning of the scheme, the data was made available in excel sheets. In this data, it was seen that some connections were released on Null AHL TIN data where the AHL TIN data of the family was not available. At later date, with assistance from NIC, OMCs have uploaded all the data in the respective OMCs systems where the required checks and balances were made available.

These connections were later detected in the CAG Audit and were blocked and thus subsequent refills were stopped. Distributors were advised to terminate these connections. However, the beneficiaries were reluctant to terminate their connections citing that they hailed from poor families.

Considering the condition of these families, a facility was made such that these identified connections with Null AHL TIN connections can be regularized in EPMUY/EPMUY-2 schemes provided they meet the eligibility criteria of the new scheme.

A total of 9177 connections were identified with Null AHL TIN and all have been blocked. As on 01.09.2021, 1103 have been terminated, 8072 have been regularized and made active and balance 2 connections are still suspended.”

**(C) Issue of PMUY connections to male consumers**

21. 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 data base with those in the SECC-2011 database, audit observed that 1.88 lakh LPG connections were issued by IOCL against AHL TINs of males.

22. In this regard 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.

23. On being asked about the current status w.r.t. ineligible connections, reasons for issuing such connections by IOC and responsibility fixed in this regard, the Ministry replied as under:-

"In the CAG Audit, 1.78 lakh connections were identified to have been released using AHL TIN of male members. All the identified connections were verified and as on 01.09.2021, 363 connections are in suspended status, 11,253 have been surrendered and the balance 1.67 lakh connections have been verified and made active.

The SECC data was shared by MoRD to MoPNG and then with OMCs. Some inconsistencies were noticed in the SECC data pertaining to the 'Gender' field of the applicant. It was observed that in a large number of cases, the connections were released to female beneficiaries but were wrongly tagged as 'Male' in the SECC list. All other details in the SECC data were found to be correct. These connections were regularized and made active.

As the scheme was implemented in mission mode, a check that only AHL TIN of 'female' members can be used could not be put in place at the OMC and NIC level. Also, as the data was received through MoRD, the necessity of putting such a check was not felt initially. However, as soon as this inadequacy was identified, necessary checks were put in place and further release of such connections was stopped.

The absence of a check so as to allow enrolment using AHL TIN belonging to females was unintentional and therefore no responsibility has been fixed. The check was put in place as soon as the gap was identified and necessary corrective action is also being taken."

24. Apprising the Committee about the present position w.r.t. to the connections issued in the name of Male members, the Ministry submitted as under:

"Of the identified 1.785 lakh connections, all were verified. Upon verification, it was found that 1.36 lakh connections were found to be correct and made active. The balance 0.42 lakh connections were blocked as some regularization were required. Once regularization process was made available, necessary changes were made and as on 20.11.2021, 0.31 lakh connections have been regularized and made active, 11,253 have been surrendered and the balance 362 connections are in suspended status where action is yet to be taken by field. OMCs will complete the exercise by March 2022."

25. When asked as to whether validation check in this software of IOC has been rectified and why such a validation check was not ensured in gender category, the MoPNG submitted as follows:

“Yes, the validation was put in the OMC software as soon that the inadequacy was noticed.

As the scheme was implemented in mission mode, a check that only AHL TIN of ‘female’ members can be used could not be put in place at the OMC and NIC level. Also, as the data was received through MoRD, the necessity of putting such a check was not felt initially.

However, not all connections detected to have been released with AHL TIN of ‘Male’ members were found to be ineligible. It was observed that in a large number of cases, the connections were released to female beneficiaries who were wrongly indicated as ‘Male’ in the SECC. All other details in the SECC data were found to be correct. Due to the inconsistency in the SECC data, the beneficiary was identified as a Male member although as per the KYC form the PMUY connection was issued to female beneficiaries only in these wrongly tagged cases as well.”

26. *While apprising the Committee about the action taken to correct the issue of PMUY connections to male consumers as appeared in Audit Observation on PMUY-1.0 and current status in this regard, the MoPNG in their replies submitted as under:-*

*Software validation check for confirming that the beneficiary is female has been incorporated in system. This will eliminate the possibility of issue of PMUY connection to male members. PMUY connections were given to poor households. Instead of terminating the connections given on technical grounds customers were given an option to regularize the connection, in case if there is any eligible person in the same household and there is no other LPG connection in the same household. In all such identified cases, OMCs carried out re-verification of documents and appropriate corrective action was taken as detailed in the table below.*

	<b>CAG Finding</b>	<b>Total Cases</b>	<b>Total verified</b>	<b>Active (Verified and found ok/ Regularized)</b>	<b>Terminated</b>	<b>Blocked as on 01.07.2022</b>
3.2.3	<b>Issue of PMUY connections against AHL TIN of male consumers</b>	<b>178, 520</b>	<b>178, 520</b>	<b>167,058</b>	<b>11,386</b>	<b>76</b>



**Action could not be taken on these 76 blocked cases due to pending court cases.**

**27. In response to aforesaid replies of the Ministry, Audit in their vetting comments submitted as under:-**

***“Sample KYC have been requisitioned from OMCs in order to verify the entitlement of beneficiary/regularisation process. However, information is awaited from all three OMCs.”***

**28. Further, when asked about the improvement made as a result of putting validation check in the OMC software, the Ministry stated as follows:-**

***“Salutation and Gender validation checks are added in the system. With above checks, erroneous entries have been eliminated. Wrong connections or duplicate connections are avoided by adopting de-duplication of Aadhaar of all family members submitted by the consumer. Also, several system validation checks have been incorporated to avoid release of LPG connections to ineligible beneficiaries.”***

**29. However, during the course of vetting of these replies, the Audit stated that “OMCs have provided screenshots for validation checks regarding gender in their software in support of their reply. However, efficacy of the validation check will be verified in the e-PMUY audit.”**

**(D) Issue of LPG connections to minors under PMUY**

**30. 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.**

**31. Lack of input validation check in IOCL software allowed issue of 0.80 lakh connections to beneficiaries aged below 18 years. Similarly, data analysis revealed that 8.59 lakh connections were released to beneficiaries who were minor as per SECC- 2011 data which was in violation of PMUY guidelines and LPG Control Order, 2000.**

**32. As regards the action taken by the Ministry on the abovesaid Audit observation, the MoPNG submitted as follows:**

***“During the course of implementation of the scheme, the absence of the validation on date of birth was noticed and the same was introduced in the software immediately to avoid recurrence of release of connections to minors. The Scheme was started on war-footing and the absence of the check was unintentional. Hence, no responsibility has been fixed. Corrective action has been taken on the identified connections and as on 01.09.2021, out of 0.78 lakh identified connections, 0.71 lakh connections have been regularized and made active, 7531 connections have been***

terminated and the balance 70 connections are suspended and action is to be taken on them.

Also, 8.11 lakh connections were identified across Industry where the beneficiary was a minor as per the SECC database. All the connections were verified, and it was seen that in most cases, the DOB in the SECC data was incorrect i.e. the DOB in the SECC database was incorrectly captured. During the course of implementation, it was observed that the DOB as per Aadhaar and SECC was different. Hence, distributors were advised to use the DOB as per the Aadhaar card.

All the 8.11 lakh identified connections were verified and as on 01.09.2021, 7.49 lakh connections were regularized and made active, 0.38 lakh connections were terminated, and the balance 0.24 lakh connections are suspended and action is yet to be taken on them.”

33. As regards the current status of regularisation of 70 suspended connections, the MoPNG in their written replies stated as under:

“As of 20.11.2021, out of the 0.79 lakh connections identified, 70 are in suspended status, 7533 have been terminated and the balance 0.71 lakhs connections have been regularized and made active. The balance 70 connections will be regularised by OMCs by 31.03.2022.”

34. On being asked as the OMCs claim to have achieved 90 percent of the target of providing 8 crore connections and if the inelligible connections are deducted, what is the real time coverage, the Ministry replied as under:-

“The target of the scheme was achieved on 7<sup>th</sup> September, 2019 when the 8<sup>th</sup> crore connection was released. Verification of the identified connections had already been started before the target of 8 crore was reached. As and when connection is terminated, the number is reduced from the total number of released connections. However, suspended connections are still accounted for in the total number of connections. As on 1<sup>st</sup> September, 2021, the number of connections as against the target of 8 crore is 7.99 crore including 1.64 lakh suspended connections on which regularization or termination is yet to be carried out.”

35. ***While providing the present data in this regard, the Ministry submitted as follows:***

***The main reason for release of connections to minor was incorrect entry in data maintained in SECC list provided by MoRD. The other reason was absence of system check in the software of OMCs. However, software validation check for ensuring that age of beneficiary is more than 18 years was later incorporated in system. This ensures that no connection is given to a minor inadvertently. The data in this regard is as below: -***

	<b>CAG Finding</b>	<b>Total Cases</b>	<b>Total verified</b>	<b>Active (Verified and found ok/ Regularized)</b>	<b>Terminated</b>	<b>Blocked as on 01.07.20 22</b>
3.2.5	<b>Issue of LPG connections to minors under PMUY (Field Verification)</b>	<b>142</b>	<b>142</b>	<b>125</b>	<b>17</b>	<b>-</b>
3.2.5.2	<b>Issue of connections to minors due to absence of validation checks in the LPG database</b>	<b>78,999</b>	<b>78,999</b>	<b>71,310</b>	<b>7,685</b>	<b>4</b>
3.2.5.3	<b>Issuance of LPG connections to consumers being minors as per SECC 2011</b>	<b>8,11,419</b>	<b>8,11,419</b>	<b>7,66,076</b>	<b>44,268</b>	<b>1075</b>

**Corrective actions for the blocked cases is complete except for Court Cases.**

36. **In their vetting comments, the Audit submitted as follows:**

**“OMCs have provided validation regarding age restriction to avoid connection to minors. Further, Sample KYC have been requisitioned from OMCs in order to verify the entitlement of beneficiary / regularisation process. The information is still awaited from all three OMCs.”**

**(E) Mismatch in the names of beneficiaries between SECC-2011 database and PMUY consumer database of OMCs**

37. 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.

38. Apprising the Committee about the reasons for such a high cases of mis-match in the name of beneficiaries, the Ministry stated as follows:-

"The SECC data was shared by MoRD to MoPNG and then to OMC through NIC. The SECC data used was 5 years old and it was found that it had some inconsistencies like blank or missing name, mismatch in names, wrong names, use of nick names, short names etc.

During scheme implementation process, it was observed that the names captured in the SECC list were found to be nick names/ other names/ short names of same beneficiaries while distributors captured names in the LPG data base as per Aadhaar. Due to the aforementioned mis-match between SECC data and KYC data (filled as per Aadhaar), the CAG Audit identified 12.46 lakh suspect cases with name mismatch between SECC and LPG data base."

39. When the Committee desired to know the action taken by the OMCs in respect of reported cases of name mismatch, the Ministry replied as under:-

"Field has verified all the suspect cases to ascertain whether the correct beneficiary has been given the connection by scrutinizing, family details in ration card/ voter card, name in bank, address in POA, Aadhaar etc. Wherever the beneficiary as per the SECC details and Aadhaar/RC/Voter Card details have been found to be the same person, the connection was made active. In the balance cases, the connection was suspended for termination. Additionally, provision has been given to regularize these connections to EPMUY/EPMUY-2, subject to meeting eligibility criteria of the new schemes.

Out of 12.42 lakh connections, 11.36 lakh connections were regularized and made active, 0.46 lakh connections were terminated and the balance 0.6 lakh connections are still in blocked state and action is yet to be taken on them."

40. On being asked about the time by which the action will be completed, the MoPNG submitted as under:

"As on 20.11.2021, out of the total identified 12.42 lakh connections, 0.22 lakh connections are in blocked status, 0.46 lakh connections have been terminated and the balance 11.73 lakh connections have been regularized and made active. The balance 0.22 lakh connections will be regularized by OMCs."

**41. The present position as on 01.07.2022 as submitted by Ministry is given as under:-**

**"Out of 12.42 lakh cases identified under this, only 2413 cases are under blocked status as detailed in the table below:**

	<i>CAG Finding</i>	<i>Total Cases</i>	<i>Total verified</i>	<i>Active (Verified and found ok/Regularized)</i>	<i>Terminated</i>	<i>Blocked as on 01.07.2022</i>
3.2.7	<i>Mismatch in the names of beneficiaries between SECC-2011 database and PMUY consumer database of OMCs.</i>	1,241,835	1,241,835	1,188,023	51,399	2,413

**(F) Issue of multiple connections under PMUY to the same individual or within the same family**

42. 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)

43. 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.

44. Audit observed 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.

45. On being asked about the action taken by OMCs to improve the system check, the MoPNG in their written replies submitted as follows:-

“The SECC data was shared by MoRD to MoPNG and then to OMC through NIC. AT the beginning of the scheme, the data was received through excel sheet and was shared with distributors for contacting the prospective beneficiaries. The AHL TIN used for application is a 29-digit long number. Since the data was provided in excel sheets, the distributors had to type the AHL TIN number in the application process. This gave rise to typographical errors in entering the AHL TIN. When this issue was noticed during self-audit of the system, the details received from MoRD was hosted in the OMC software and auto-population of the AHL TIN number was enabled. In this way, wrong entry of AHL TIN number was prevented in the system.”

46. When asked as to whether the connections in all such cases have been blocked, the Ministry stated as under:-

“All the identified connections were verified. Wherever, the AHL TIN could be rectified (family AHL TIN remaining unchanged) or the family could be regularized to EPMUY/EPMUY-2, regularization was done. Wherever connections were found to be ineligible, the connections have been terminated. As on 01.09.2021, out of 42,145 identified connections, 35,513 could be regularized and made active, 6491 connections were terminated and the balance 141 connections are in suspended state and corrective action is yet to be taken.”

47. *Apprising the Committee about the present status of regularization of multiple connections issued under PMUY-1.0, the MoPNG in their written replies stated as under:*

*The connections were regularized by identification of families which had spilt but not captured in Ration Card or family composition documents. Multiple connections among OMCs were addressed by retaining one connection in the family and terminating the other connections based on retention criteria. Details are as under:-*

<i>CAG Finding</i>	<i>Total Cases</i>	<i>Total verified</i>	<i>Active (Verified and found ok/Regularized)</i>	<i>Terminated</i>	<i>Blocked as on 01.07.2022</i>
<i>Issue of multiple connections under PMUY to the same individual or within the same family</i>	9,583	9,583	7,121	2,402	60

48. *In their vetting comments to the aforesaid replies of the Ministry, Audit observed as follows:-*

*“Sample KYCs have been requisitioned from OMCs in order to verify the entitlement of beneficiary / regularisation process. The information is still awaited from all three OMCs.”*

**(G) Delay in installation of PMUY connections**

49. 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:

**Time analysis of installation as on December 2018 (in lakh)**

Time taken from KYC to installation (No. of day)	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 356 days	1.82	1.09	1.44	4.35
<b>Total</b>	<b>180.41</b>	<b>97.51</b>	<b>99.96</b>	<b>377.88</b>

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.

50. Apprising the Committee about the specific reasons for such a long period of delay in installation of PMUY connections, steps contemplated to avoid these delays and the monitoring mechanism if any that has been put in place to ensure timely installations of connections, the MoPNG stated as follows:

“Physical KYCs in large numbers were collected by way of door-to-door and enrolment camps conducted at village level by the distributors and then seeded in system by the respective distributors. Once the applications were

cleared after de-duplication, these were ready to be released. As per modalities, the initial connections in an area were to be given away in presence of the public representative (Hon'ble Ministers/MPs/MLAs etc.) in a public function (Ujjwala Melas). Thereafter, installations process starts. Distributors' endeavour was to install the connections at the earliest after clearing of the KYCs.

Considering the afore-mentioned process followed at field level, there was some time lag between the release of connections and physical installation of the connections. Moreover, the process of installation is dependent on the availability of the customer at home. It was seen that many did not have mobile number with them and were not reachable by the distributor for installation of the connections. Many customers could be contacted but delay the installation process due to non-availability of money to pay for the hot plate and refill (non-loanee customers). Also, natural calamities like flood or very heavy rain fall disrupted the transportation of Cylinders/Regulators/Hot Plates and distributor's operations in general.

SOPS have been made and circulated to field for taking action. PMIS portal was used by the field to ensure timely installations are done against release of SVs."

**(H) Linked Bank Account not pertaining to PMUY beneficiaries**

51. PAHAL (DBTL) Scheme launched (2013) by the Government of India 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.

52. 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.

53. As regards the steps taken by OMCs to link the Bank account of PMUY beneficiaries to ensure transfer of subsidy to the right beneficiaries, the MoPNG in their written submitted stated as under:-



"In the process of DBTL, LPG customers are receiving subsidy either via ATC (Aadhaar Transfer Compliant mode) or BTC (Bank Transfer Compliant mode). Out of cash transfer nearly 85% is going through ATC process of cash transfer. It may be noted that Aadhaar is not mandatory for PMUY for Assam and Meghalaya).

Moreover, after seeding the bank account details, bank verification is carried out at Bank's end. Here the name and account details of the LPG customer are matched with the name in the bank records. In case of mismatch in the name (e.g. in cases of joint account, spelling errors etc.), the information of the mismatch is shared with the distributor through a portal. Distributor has to verify the correctness of the data once again. Only after the distributor clears the data, customer becomes compliant for receipt of subsidy.

Hence, the process of subsidy transfer is having suitable checks and balances and is designed to ensure that subsidy is transferred to the intended beneficiary only."

**54. When asked about the action taken in case of aforesaid 100 cases the Ministry replied as under:-**

***"Bank accounts (Husbands bank account or other members) were rectified under Bank account correction facility and beneficiaries bank account/Joint account got added."***

**55. In this regard, Audit in their vetting comments stated that HPCL has provided case wise detail of correction of bank account, which will be verified during audit of e-PMUY HPCL has provided case wise detail of correction of bank account. This will be verified during audit of e-PMUY.**

**56. While providing the latest status of 100 cases where linked bank account does not pertain to PMUY beneficiaries, the Ministry stated that:**

***"All the identified connections observed in the field visit have been verified and corrective action has been taken as deemed fit."***

**57. Apprising the Committee about the present status of recovery of subsidy transferred in the account of ineligible beneficiaries, the MoPNG stated as follows:**

"In case it is found that the bank details entered are of ineligible beneficiaries, the connections have been terminated. As per extant process, the entire amount of subsidy paid to the consumer has been recovered from the distributor besides total loan amount, cash assistance component, State Government advance and other advances, if any.

In their reply (December 2020) the Ministry submitted that connections of ineligible beneficiaries were terminated. However, Audit found that even as on 30 November, 2020 in 5,391 cases name of beneficiary was different from name of bank account holder.”

58. Apprising the Committee about the measures taken to terminate all the connections and present status thereof, the MoPNG stated as follows:

“There are many instances wherein the PMUY beneficiaries have submitted joint accounts with primary name being of husband/father/some other family member. Also, the beneficiary’s name used in the bank account is found to have the initials of the name of the account holder instead of the complete name. In case of mismatch, the distributor received the data through a portal where he/she has to verify the bank account details.

However, in case the customer is an ATC customer, then the subsidy is transferred to the bank account which has been last linked to the Aadhaar number. Many a times, consumers have multiple bank accounts and the bank account seeded in the PMUY application will be different from the one in which she is received the subsidy.”

**(I) Third Party Audit of the Scheme**

59. 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. MoPNG initiated process to carry out third party audit of the scheme.

60. The Committee sought to know the reasons for non-conducting of third party audit of the scheme and present status to carry out the same. In response the MoPNG replied as follows:

“Work order dated 12.10.2020 has been issued to M/s Research and Development Initiative Pvt. Ltd. for undertaking study on perception and adoption level of PMUY. Impact study on PMUY by M/s. Research and Development Initiative Pvt. Ltd. is underway. Report will be submitted upon completion of the survey.”

**Chapter- 4: Compliance to Safety Standards**

**(A) Non-Conducting of Pre-installation Inspection**

61. Pre-installation inspection is conducted before issuance of LPG connection in order to ascertain that the beneficiaries’ premises meet the required safety standards for LPG installation viz. ventilated kitchen, elevated platform for stove etc. Pre-installation inspection also serves as a tool to check whether the household already has a LPG connection in which case, the beneficiary becomes ineligible for getting a LPG connection under PMUY.

During field audit, a test check of the KYC records at LPG Distributors revealed that in 2531 cases (13.64 percent), the pre-installation inspection report regarding suitability, or otherwise, of the kitchen of household on the basis of pre-installation inspection was not available on record. In addition to this, audit observed that at three sample distributors, pre-installation inspection report was not found attached with the SVs in any of the PMUY connections (29078). Thus, the possibility of non-compliance to safety standards during LPG installation in these households cannot be ruled out.

62. While enquiring about the steps taken to improve the system of compliance to safety standards during PMUY LPG installations, the MoPNG replied as under:-

“OMCs have placed the SOP for installation of cylinders at customer premises along with the format of pre inspection report. The physical copies of inspection report are retained with the distributors and made available on request. Distributors were advised that all PMUY installations are to be necessarily inspected. This is done by Distributor and his staff.”

**(B) Unsafe LPG usage by the PMUY beneficiaries**

63. The Handbook of PMUY provides for the following safety standards to be observed:

- i) The hot plate should always be placed on a platform (made of non-flammable material) above the cylinder level;
- ii) All parts of the installation are to be in good condition;
- iii) Only ISI marked hot plates are to be used;
- iv) Rubber tube must be regularly checked and changed immediately in case any visible cracks / damage are noticed. Use of “SURAKSHA” LPG hose sold by LPG distributors is recommended for its enhanced safety features and longer life. Rubber Tube, if used, must be ISI approved.

64. Test check of KYC records at sample distributors and beneficiaries survey (1662) conducted by audit revealed adoption of unsafe LPG practices in 277 cases (16.67 percent) viz. installation of hot plate below the height of LPG cylinder (82 cases), hot plates kept on wooden platform(9 cases), poor quality/rusted/damaged stove burners/non-ISI stove (21 cases), sub-standard quality of hose-pipe (10 cases), installation of LPG connection in unsafe places i.e. kutcha houses, bamboo/hay roof (155 cases).

65. Providing status of LPG Fire accidents that have taken place at households of PMUY beneficiaries since launch of the scheme, MoPNG submitted as under:

Year-wise number of LPG accidents have taken place in PMUY households.

Year	OMC
2016-17	44
2017-18	194
2018-19	174
2019-20	173
2020-21	311
Total	896

66. On being asked as to whether OMCs have conducted awareness campaigns to educate the PMUY beneficiaries on safe use of LPG, MoPNG replied as under:

“OMCs have been conducting safety-clinics which is an integral part of consumer awareness programs done by the distributors/ field officers. For PMUY consumer, a module of PMLP (Pradhan Mantri LPG Panchayat) was implemented from 2018-19 onwards. During 2018-19, a total of 1.04 lakh PMLPs were conducted. During 2019-20, 0.42 lakh PMLPs were conducted at the ground level involving Village Pradhans, Teachers, NGOs, Anganwadi workers, LPG users etc to spread awareness about LPG safety. It may be noted that during such safety clinics/ PMLPs a demo installation along with training on usage is vividly shown to all the participants. Besides, PMLP, demonstration on safe usage of LPG are provided to PMUY consumers while releasing connections by the mechanic doing installation.”

#### **Chapter- 5: Infrastructure Preparedness**

##### **(A) Non-achievement of target to appoint distributors**

67. Audit observed that the OMCs have commissioned only 4738 new LPG distributorships in the last 33 months (April 2016 to December 2018). Out of these, 2262 distributorships were related to the advertisements released prior to June 2016. After June 2016, OMCs advertised for 6373 locations out of which 2476 distributorships (39 per cent)

were commissioned. It was further observed that in 12 states less than 25 percent LPG distributorships were commissioned against the advertisement. OMCs replied (April 2019) that after receipt of the revised Unified Guidelines for Selection of LPG distributorships, OMCs conducted Feasibility studies/Surveys for identification of locations for setting up the LPG distributorships and 6382 locations were identified (till April 2019) and published on pan India basis. Completion of the stipulated procedures for selection for such a high number of locations took considerable time. MoPNG added (May 2019) that 7807 new distributorships have been commissioned in the last four years and commissioning of more than 2000 new distributorships is at various stages. Further, during Exit Conference it stated that difficulties are being faced in obtaining the NOC/Retail Sales License in some States.

68. MoPNG informed the Audit that from April 2015 to January 2020, 8690 new distributorships have been appointed on Industry basis and presently 2029 locations are in pipeline in various stages of commissioning.

69. Apprising the Committee about the present status of commissioning of new LPG distributors at 2029 locations, which were in pipeline in various stages of commissioning, the MoPNG submitted as follows:

The status of the 2029 locations is mentioned below:

Particulars	Index	OMC
All Locations pending as on 01.02.2020	A	2029
Total Commissioned between 01.02.2020 till 01.09.2021	B	743
Locations pending for Commissioning as on 01.09.2021 (from 01.02.2020)	C = A-B	1286
Net Locations dropped between 01.02.2020 till 01.09.2021	D	2
Total Locations in pipeline as on 01.09.2021	E = C-D	1284

70. On the question of steps taken for enhancement of LPG Distribution Network in PMUY-2.0 the MoPNG in their written replies submitted as under:-

*"Apart from increasing number of LPG Distributors, OMCs have tied up with CSC/VLEs for providing refill bookings, deliveries and other services which enables easy access of refill to Ujjwala customers in far flung areas."*

**(B) Long distances catered to by the Distributors**

71. As per Unified Guidelines for selection of LPG distributorship issued (June 2016) by MoPNG Rural Urban Vitrak and Gramin Vitraks serve the LPG customers in specified rural areas covering all villages falling within 15 Km from the municipal limit/boundary limit of the LPG distributorship location respectively and/or the area specified by the respective OMCs. Audit analyzed the data relating to the distance covered by 164 distributors and observed that LPG distributors are covering the various villages/areas/tehsils as specified by the OMCs which come in the range of 0 Km to 92 Km as detailed below:

**“No. of LPG distributors with distance covered for refill delivery**

Particulars	0-15 km	Beyond 15 km upto 92 km
IOCL	47	35
HPCL	7	34
BPCL	15	26
<b>Total</b>	<b>69</b>	<b>95</b>

Thus, it can be seen that out of 164 LPG distributors, 95 LPG distributors (57.93 per cent) served the PMUY beneficiaries' located up to a distance of 92 Km. Covering such long distances to cater to the consumers led to delay in refill supply and non-delivery of refills at customer's door-steps.”

72. MoPNG replied (May/July 2019) that the OMCs have been directed to expedite the commissioning of new distributorships and also effect intra as well as inter OMC customer transfer by re-distributing connections to the nearest distributorship and complete this exercise by 31 July 2019.

73. In their Action Taken Notes MoPNG stated that OMCs have now facilitated booking of refills from all the CSC/VLEs.

74. While specifying the extent to which the time for refill delivery has been reduced due to refilling from all the CSC VLEs, the Ministry stated as under:

“CSC VLEs are appointed by distributors who are supplying beyond 15 Km trading area/far flung areas. Enrolment of consumers beyond 15 km radius arose mostly as PMUY consumers were in areas beyond the supply area of the nearest distributors. PMUY consumers being first time users were not conversant with booking through IVRS if at all they had mobile phones with them. They used to book refill when the delivery personnel of the distributor used to visit their villages for delivery. Consequently, the delivery was also delayed. However, after booking facility was extended through CSC-VLEs, this

hassle reduced to quite some extent. Once the booking is done, distributor is able to gauge at what intervals the delivery in the villages can be done. This resulted in faster delivery of cylinders. Thus, with the aid of cylinder availability at CSC VLEs, the customer is at his/her convenient for taking refill from CSC/VLE rather than expecting refill delivery from the distributor who will be covering the village once/twice in a week.”

75. The steps as taken by the Ministry to ensure timely refill delivery are given as under:

“As per MoU for FY 2019-20, OMCs have been given the target to maintain 80% of distributors with 4 and 5 stars rating. As of now more than 90% of the Distributors are having 4 & 5 Star ratings. To monitor the backlog position, complete refill data is available at all levels in OMCs in field to monitor the distributor performance, viz. average delivery time, pending call, calls with age analysis, based on which suitable actions are taken at field level. Necessary corrective action is taken from time to time to counter any increase in the backlog position.”

**(C) Non-Delivery of LPG cylinders at customers’ address**

76. During beneficiary survey of PMUY consumers, audit observed that LPG distributors were not making home delivery to all consumers. Instead, consumers had to pick up the LPG cylinders either from the distributor’s godown or from a common point in the service area as identified by the distributor. 247 (14.86 per cent) out of 1662 surveyed PMUY beneficiaries reported that they are getting refills either on point delivery basis or self pick-up from the distributors’ godown. Audit also observed that since the OMCs are not maintaining any data in their system about the ex-godown / point delivery taken by the consumers, it could not be verified as to what portion of the population are still not getting refills delivered at their doorsteps which is mandatory as per the MDG.

77. OMCs replied (February 2019) that PMUY consumers are mostly from the rural segment with meager buying capacity. They prefer to take refills from the distributor premises as per their convenience and ease to buy. BPCL further stated (April 2019) that in view of rapid expansion of customer base in rural areas after PMUY, district/state administration have suggested and advised distributors to identify Points of delivery as an interim arrangement of refill delivery till the commissioning of new distributors. The replies disregard the fact that non-home delivery of refill can only be made under exceptional circumstances and with prior written authorization of the OMC. Non-compliance of this condition falls under major irregularities defined under MDG. Further, it confirms the fact that there is an urgent requirement for the OMCs to appoint new LPG distributors in the rural areas. MoPNG replied (May/July 2019) that the OMCs have been advised to ensure door step delivery by capturing coordinates of the refill delivery place or to allow ‘Cash and Carry’ rebate to customers. It also directed the OMCs to capture the mobile number of all the registered consumers in the system.

78. On being asked about the steps taken to record data in the LPG system about the ex-godown/point delivery taken by the PMUY consumers, the MoPNG replied as under:

“The rural customers due to their poor socio-economic conditions prefer to book refill at the distributorship itself as per their funds and their availability at home. Most being casual labor/daily wage earners are not very educated to do IVRS booking and make walk-in booking at the distributorships. Distributors have been advised to ensure home-delivery to all LPG consumers and in most cases Home-delivery of LPG cylinders is undertaken. Wherever the same is not possible, Cash & Carry Rebate is given to the consumers. Further, OMCs have done pilot for delivery verification through Delivery Authentication code (DAC)/OTP. However due to the issues being faced in field in receiving OTPs due to non-availability of internet/mobile connectivity and the user not being at home, the same has not been implemented on all-India basis.”

79. While providing present status of capturing of all mobile numbers of PMUY consumers in LPG data base, the MoPNG stated that 82% of the PMUY customers in IOC, 80% of HPCL PMUY customers and 88% of BPC PMUY customers are having Mobile Numbers updated in LPG data base.

**80. As regards the steps initiated to strengthen the delivery mechanism to provide benefit to intended beneficiaries, MoPNG submitted as follows:-**

***“The delivery mechanism has been strengthened through Commissioning of new distributorships in under-served areas and engagement of CSC/VLEs for LPG distribution, steps which have immensely improved the delivery infrastructure thus benefiting the PMUY beneficiaries in getting the refills at doorstep. All the OMCs distributors, except DurgamKshetriyaVitrak are understanding instructions to provide door to door refill delivery to all households.”***

**81. In response thereto, Audit in their vetting comments stated that this will be verified during audit of e-PMUY.**

**(D) Delay in delivering refills to PMUY consumers**

82. During the period from May 2016 to December 2018, 19.41 crore LPG refills have been delivered by 17782 LPG distributors to 3.78 crore active PMUY beneficiaries. On analysis of data, audit observed that in case of 36.62 lakh LPG refills delivered to 24.83 lakh consumers (6.57 per cent of total active consumers) by 14290 LPG distributors (80.36 per cent of total LPG distributors), there was a delay of more than 10 days in delivery of refills by the LPG distributors which is in deviation to the OMCs' Citizen Charter which specifies maximum delivery time of seven days. On further analysis, it was observed that out of 36.62 lakh refills, 5.94 lakh refills were delivered with a delay of more than 30 days as detailed below:



### Delay in delivery of LPG refills

Delay in refill delivery (in days)	IOCL		HPCL		BPCL		Total	
	No. of refills	No. of consumers affected	No. of refills	No. of consumers affected	No. of refills	No. of consumers affected	No. of refills	No. of consumers affected
11-30	1263645	1007872	749289	692349	1055057	783261	3067991	2483482
31-180	221849		173055		195375		590279	
181-664	71		1701		2238		4010	
<b>Total</b>	1485565		924045		1252670		3662280	

It was further observed that 1209 LPG distributors supplied more than 100 refills (ranging from 100 to 9154 refills) with a delay of more than 30 days to 5 lakh beneficiaries. As majority of PMUY beneficiaries are having Single Bottle Cylinder (SBC), delayed delivery of refill is a deterrent to the main objective of the scheme of transferring the BPL households from unclean to clean fuel and may force PMUY beneficiaries to return to unclean fuel being used earlier.

83. Apprising the Committee about the action initiated by the OMCs to appoint new LPG distributors in the rural areas, MOPNG stated as under:

“Unified Guidelines for selecting LPG distributorships was communicated to OMCS by MOP&NG vide letter P-20019/2/2016-LPG dated 23.06.2016. The formats of LPG distributorships catering to the villages under the unified guidelines are as under:

- Rurbanvitrak caters to ‘urban area’ and also provides service to the LPG customers in specified ‘rural area’, generally covering all villages falling within 15 km from the municipal limits of the LPG distributorship location and or the area specified by the respective OMCs.
- Graminvitrak located in ‘rural area’ caters to specified villages or cluster of villages falling within 15 km from the location.
- DurgamKshetriyavitrak (DKV) are set up in difficult and special areas where setting up of Gramin and Rurbanvitrak are not feasible.

PMUY consumers mostly hail from the rural areas and new distributors were advertised in the rural areas in view of providing better service to the growing number on consumers in the rural areas.

9433 distributorships have been appointed between April 2015 to August 2021 and as on 01.09.2021, around 1284 are in various stages of commissioning.”

84. MoPNG replied (December, 2020) that the pendency of booking at any distributorship is monitored through the system generated report on daily basis which includes all booking status vis-a-vis supply. It has also got age analysis of pending refills for sensitizing the field.

In this regard Audit observed that refill data furnished by IOCL was incomplete therefore the same could not be verified in case of IOCL. As on 30 November, 2020, 37.03 lakh refills were delivered with delay of more than 10 days out of which 7.33 lakh refills were delivered with delay of more than 30 days in HPCL and BPCL.

85. Justification of the MoPNG/OMCs in this regard is as under:-

“The pendency of booking at any distributorship is monitored through the system generated report on daily basis which includes all bookings' status vis-à-vis supply. It has also got age analysis of pending refills for sensitizing the field. Only after multiple attempts (three)of delivery has been made, distributors are allowed to cancel and booking after recording proper reason. Till then the booking are kept open for delivery.

At times, however, delay in delivery of refills is beyond control of OMCs/distributor due to natural calamities, strikes/bandhs, law & order situation, Government directives, product shortage/ supply constraints with OMCs etc. In such situations, all out efforts are made to normalize the situation. OMCs on daily basis are monitoring the backlog in field which is also shared with MoPNG.

To gauge the backlog scenario, OMCs have been given a target to maintain 80% distributors with star rating of 4 and 5. OMCs ensure the compliance of the same is done by monitoring the backlog situation. As of now more than 90 % of the Distributors are having 4 & 5 Star ratings.”

**(E) Non-adherence to “Targeted Delivery Time” norms contained in the MDG**

86. LPG distributorships are appointed by the OMCs and are governed by the terms & conditions of agreement/MDG.As per the MDG, the LPG distributors have to deliver the gas cylinders within the “Targeted Delivery Time” (TDT) where delivery time is the time between the booking dateand the actual delivery date. The TDT performance envisages rating of distributors based on its quarterly performance as follows:

No. of Star	Delivery period	Category
5 Star	85% delivery in <=2 days	Excellent
4 Star	85% delivery in <=4 days	Good
3 Star	85% delivery in <=6 days	Average
2 Star	85% delivery in <=8 days	Below Average
1 Star	15% delivery in >8 days	Poor

The distributor is to ensure that its distributorship is not rated with '1' Star, i.e. 'Poor' rating and '2' Star, i.e. 'Below Average' rating in a quarter, failing which the OMCs have to take the action, as specified in the MDG, against the erring distributorship.

MDG states that in case of '1' Star rating in 1st or 2nd quarter, OMCs have to issue a warning- cum guidance letter to the distributor. In all cases of 'Poor' rating during any quarter subsequent to above period, a fine equivalent to 25 per cent of one month's distributor commission shall be imposed on the erring distributor. In every instance of 'Poor' performance rating subsequent to the above, 50 per cent of one month's distributor commission shall be imposed. Further, it states that if LPG distributorship is rated 'Poor' in any four completed quarters during the preceding 2 years (i.e. 8 quarters), it would lead to termination of the LPG distributorship.

On analysis of the OMCs star rating data w.r.t. its LPG distributors, audit observed that there were 504 (IOCL: 373, BPCL: 87 and HPCL: 44) LPG distributors who were given one star rating in all eight quarters in the preceding two years on the basis of their performance and were therefore liable for termination.

Further, it was observed that there were 461 (IOCL: 371, BPCL: 40 and HPCL: 50) LPG distributors whose performance was observed at two-star rating, either on consistent basis or in last three quarters in the last two years. As per MDG, these distributorships were also liable for a penalty i.e. a fine equivalent to 10 per cent to 25 per cent of one month's distributor commission due to continuous 'Below Average' performance.

87. On being asked about the steps taken to monitor the performance of LPG distributors, the MoPNG replied as under:

"To gauge the backlog scenario, MoPNG has given OMCs a target to maintain 80% distributors with star rating of 4 and 5."

The backlog of the distributors is monitored by OMCs regularly. OMCs have developed system wherein distributor-wise / day-wise pendency of refills is auto triggered to field every day. This enables stringent monitoring of the backlog.

This also helped in improvement of TDT rating of the distributors. The details of the distributors with 4 and 5 Star TDT rating for the year 2019-20 to 2020-21 is as under:

OMCs	IOC	HPC	BPC
2019-20	80.4%	84.7%	82.57
2020-21	88.7%	91.2%	89.02
2021-21 (Apr-Jun)	93.1%	90.9%	91.20

88. Further, when asked about the action taken against the erring LPG distributors for non-adhering to targeted delivery time, the Ministry submitted as under:

“Whenever it is observed that star ratings of the LPG distributor either one star (poor) or two star (below average) action in line with MDG is initiated in the form of the Show Cause Notice to the LPG distributorship. The reply to the Show Cause notice is analyzed by the competent authority at Territory /Divisional Offices of respective OMCs and in all established cases, action is taken against the distributors under the provision of MDG. However, in case the reasons are not attributable to the LPG Distributor, action is not taken.

However, in the past 18 months, in view of prevailing pandemic situation, monitoring of Distributor Performance w.r.t. Targeted Delivery Time was not tenable.”

**(F) Insufficient steps to encourage consumption of 5 kg cylinders**

89. The Expenditure Finance Committee (EFC) in its meeting held on 7 March 2016, highlighted that unless and until the distribution policy of LPG was reformed to bring availability of small cylinders to the poor households, PMUY would not be that successful. In line with this, MoPNG recommended two sizes of cylinders i.e. 14.2 Kg and 5 Kg for PMUY beneficiaries depending upon the field situation. Further, encouragement of the option of using smaller sized cylinder was important as PPAC-CRISIL survey (June 2016) had highlighted that high refilling cost was a serious barrier to LPG usage with 83 per cent of the respondents of the survey considering it as a barrier. However, it was observed that the OMCs, till December 2018, have been able to release only 16032 connections with 5 Kg cylinders as shown below:

**Number of 5 kg LPG connections released**

OMC	2016-17	2017-18	2018-19 (December 2018)	Total
IOCL	325	322	13848	14495
BPCL	0	253	172	425
HPCL	0	896	216	1112
Total	325	1471	14236	16032

It is evident from the above that the number of 5 Kg cylinder connections released till December 2018 constituted only a miniscule portion (0.04 per cent) of the total PMUY connections. Further, during the course of beneficiary survey, audit observed that 567 beneficiaries out of 1662 PMUY consumers (34 per cent) were not aware of the option of 5 Kg cylinders which raises a concern about the effectiveness of awareness building measures taken by the OMCs. Though a pilot project for swapping 14.2 Kg cylinder with 5 Kg cylinder was launched (July 2017), the response was not very encouraging. In May 2018, eight focus states were identified to improve 5 Kg cylinder by certain ways viz. maintaining adequate stock at distributorship / plant level, close monitoring of LPG distributor performance on 5 Kg cylinder and undertaking wide publicity. Further, MoPNG issued instructions in June 2018 to OMCs to encourage use of 5 Kg cylinders by providing the option to switching from 14.2 Kg to 5 Kg cylinder or opt for Double Bottle Cylinder (DBC) of 5 Kg cylinder instead of a 14.2 Kg connection. However, these steps should have been taken initially itself in view of caution expressed by EFC.

90. The current position of consumption of 5 kg cylinders from 2018-19 to 2021-22, as provided by the MoPNG is given as under:

“The current status of consumption of 5 Kg cylinders for the year 2020-21 and 2021-22 (till August 2021) is as appended below.

FY	Sales (in lakhs)
2018-19	3.72
2019-20	38.23
2020-21	50.42
2021-22 (till August 2021)	13.49

It is observed that the growth of 5kg refill sale in FY 20-21 was 32% while the overall growth for LPG in FY 20-21 was 8% for Industry. Therefore, it can be said that sufficient steps have been taken by the OMCs to promote sale of 5 kg cylinders.”

91. Further, in regard to the steps taken for encouraging the beneficiaries to use the 5 kg cylinders or opt for double bottle cylinder of 5 kg cylinder instead of 14.2 kg connections, the MoPNG submitted as under:

“In order to promote 5 Kg sales, following have been done by OMCs

- i. Option to swap 14.2 Kg cylinders with 5 Kg and back
- ii. Default option of 5 Kg in new connection enrolled (PMUY enrollments were stopped wef 05.09.2019 on achieving 8 crore target and Ujjwala 2.0 has started w.e.f. 10.08.2021)
- iii. Promotion of 5 kg through campaigns and banners
- iv. Use of Pradhan Mantri LPG Panchayats and Safety Clinics to enhance 5 kg sales.”

## **Chapter- 6: Transition of BPL households to LPG**

### **Adoption of clean fuel by the PMUY beneficiaries**

Audit analysis of consumption of refills by PMUY consumers are given in the following paras:

#### **(A) Low consumption of refills**

92. At the time of implementation of the scheme, OMCs have worked out the annual consumption of existing BPL families having LPG connections as 3-4 refills per annum. This consumption pattern was expected to continue after launch of PMUY and the assessment of demand of refills was based on this assumption. First year of LPG usage is crucial in assessing the BPL household's willingness to adopt clean fuel and, therefore, keeping this in view, audit calculated the average refill consumption of 1.93 crore PMUY consumers who had completed one year or more as on 31 March, 2018 and observed that they had consumed 3.66 refills per annum. The same analysis was done for 3.18 crore PMUY consumers who had completed one year or more as on 31 December 2018 and it revealed that the average refill consumption came down to 3.21 refills per annum. Thus, the overall average refill consumption of PMUY beneficiaries is on a declining trend. A further analysis of these 3.18 crore PMUY consumers, who had completed one year or more as on 31 December, 2018, revealed that 0.56 crore (17.61 percent) beneficiaries never came back for second refill and 1.05 crore (33.02 percent) beneficiaries consumed 1 to 3 refills only.

**(B) State-wise consumption pattern**

93. State-wise consumption shows that Chattisgarh had the lowest per annum average refill consumption of 1.61 refills, followed by Madhya Pradesh (2.38 refills), Jharkhand (2.57 refills), Odisha (2.88 refills), Assam (2.95 refills), West Bengal (3.08 refills) and Maharashtra (3.18 refills). In the remaining States/UTs, Audit observed that in two States/UTs the average annual consumption was less than three refills i.e. below the envisaged consumption of 3-4 refill per annum.

**(C) Higher Annual LPG refill consumptions**

94. OMC-wise details of consumers with higher annual consumption of refills are as detailed below:

**OMC wise number of beneficiaries with higher consumption**

Average annual consumption of LPG refills	Number of PMUY consumers			Total
	IOCL	BPCL	HPCL	
13-20	96326	60160	37384	<b>193870</b>
21-30	1376	1342	1335	<b>4053</b>
<b>31 to 40</b>	108	104	141	<b>353</b>
41-50	33	17	107	<b>157</b>
51-85	11	4	16	<b>31</b>
<b>Total</b>	<b>97854</b>	<b>61627</b>	<b>38983</b>	<b>198464</b>

As seen from the above, 1.98 lakh consumers had an average annual consumption of more than 12 cylinders.

**(D) Higher monthly LPG refill consumptions**

95. Audit further analyzed the consumption pattern of PMUY beneficiaries on monthly basis and observed that 13.96 lakh consumers in 20.12 lakh instances consumed 3 to 41 refills in a month since installation. Out of 13.96 lakh consumers, 10.09 lakh consumers have taken refills in the above range only once and the remaining 3.87 lakh consumers have taken refills 2 to 23 times which suggests that these consumers are habitual in taking more than two refills in a month. OMC wise detail of instances of higher monthly consumption by the beneficiaries is as detailed below:

### OMC wise instances of higher monthly consumption

Monthly consumption of LPG refills	IOCL		BPCL		HPCL		Total	
	No. of consumers	No. of instances	No. of consumers	No. of instances	No. of consumers	No. of instances	No. of consumers	No. of instances
3 to 5	553516	689769	449031	612752	393898	543521	1396445	1846042
6 to 9		51626		48400		35638		135664
10 to 14		16092		7996		6185		30273
15 to 41		67		65		84		216
<b>Total</b>		<b>757554</b>		<b>669213</b>		<b>585428</b>		<b>2012195</b>

96. Attributing the reasons for the two different trends in the use of LPG cylinders-decline as well as high consumption, the MoPNG stated as under:-

“The PMUY consumers are mostly first time LPG users. Hence, it was expected that the average consumption of LPG refills would rise steadily over the years.

The average consumption of PMUY consumers has been improving year on year. The year-on-year per capita consumption of LPG refills by PMUY consumers is given below:

FY	PCC for PMUY Consumers
2016-17	3.96
2017-18	3.39
2018-19	3.00
2019-20	3.01
2020-21	4.39 (effect of Free Refill under PMGKY scheme)
2021-22	3.72 (data till August 2021, prorated for FY)

97. On being asked as to whether the OMCs get the matter investigated by their investigating teams, Ministry replied as under:

“Yes, the OMCs have got the matter investigated by their teams and action on case to case basis has been taken. OMCs have already taken action based on the findings/verification for the cases as per MDG.



Show cause notices were issued to Distributors having cases of high consumption detected by CAG providing the details and reason for justification. The Distributors have submitted their replies where customers have stated that high consumption was due to function / religious event in the family. The details for consumption have been verified based on the DGCC entries.

Wherever misuse of refills was obtained, action has been taken on the Distributor. Wherever the consumption has been confirmed by the consumers, the same has been confirmed and taken into account. Based on the verification, MDG have been levied upon the 1665 Distributors wherever the consumption was found not genuine."

**98. As regards the steps taken to improve the low consumption of LPG refills, the Ministry in their written replies submitted as under:-**

*PMUY beneficiaries are households with poor socio-economic background and are habituated to use their traditional cooking methods. Hence, OMCs are continuously monitoring the refill pattern of PMUY Beneficiaries and taking necessary initiatives to improve LPG Adoption by PMUY Beneficiaries. As seen from the table below, the per capita consumption of PMUY beneficiaries has been progressively increasing and has reached 3.68 Refills during FY 2021 -22. The year-on-year improvement in PCC for PMUY consumers is given below:*

<i>FY</i>	<i>PCC for PMUY Consumers</i>
<i>2018-19</i>	<i>3.00</i>
<i>2019-20</i>	<i>3.01</i>
<i>2020-21</i>	<i>4.39</i>
<i>2021-22</i>	<i>3.68</i>

**OMCs have also tried to facilitate LPG Consumption by taking following measures:**

**1. Deferment of Loan Recovery**

**2. Swapping provision from 14.2 Kg to 5 Kg refill and vice versa and 5 Kg DBC provision under PMUY Scheme.**

**3. To create awareness about LPG usage and benefits, PMLP (Pradhan Mantri LPG Panchayats) are being regularly conducted by OMCs.**

**4. During Covid-19 pandemic, a Scheme for providing upto 3 (three) free of cost LPG refills to PMUY beneficiaries was started under Pradhan Mantri Garib Kalyan Package (PMGKP).**

**Apart from above, the Government has started subsidy of Rs. 200/- per refill(14.2 kg cylinder) upto 12 refills/Annum during FY 2022-23. This subsidy will be over and above market subsidy being credited to customer's bank account.**

**99. However, Audit in their vetting comments submitted that annual average refill consumption is still less than 4 refills.**

100. The Ministry stated (in December 2020) that OMCs have further strengthened the system by imposing additional restrictions w.e.f. June 2019 which limits the maximum refills to 2 per month and 15 in a year of PMUY consumers.

In this regard, Audit observed that 20,307 instances of monthly consumption of more than 2 refills from June 2019 were noticed in database of BPCL and HPCL. IOCL has furnished incomplete data of refill of LPG cylinders and same could not be verified.

101. While providing justification in this regard, the Ministry stated that:

“There is an option available for a PMUY consumer to book more than 2 refills in a month, if the same is needed on the basis of family size and requirement. The request for such cases are approved by OMC field officials.

For all such cases, where consumption is more than 2 post June, 2019, the requests for refills shall have been approved by OMC field official based on request made.”

102. *Further, on being asked about the action taken to limit the high consumption of refills, the MoPNG stated as under:-*

*OMCs have introduced validation check in June, 2019 in their respective software that restricts refills to 2 numbers of 14.2 Kg refill per month and maximum 15 in a year to PMUY Customers. OMCs have taken necessary Disciplinary action against the established diversion cases as per the provision of MDG. Action has been taken against 697 distributors and imposed penalty of ₹14.5 crore.*

103. *In this regard Audit remarks are given as under:*

*“OMCs have provided screenshots regarding validation put in place by them in their software in support of their reply. However, the same would be verified during the e-PMUY to check the efficacy of the validation put in place. Information regarding imposition of penalty has not been shared by OMCs.”*

**(E) Outcome of PMUY beneficiary survey**

104. Audit observed that out of 1662 PMUY beneficiaries, 672 beneficiaries exclusively shifted to LPG, while 589 beneficiaries again reverted back to the use of unclean fuels (firewood, cow-dung cake and etc.) and 401 beneficiaries were using both LPG and unclean fuels mainly due to higher price of LPG refills or easy/free of cost availability of traditional unclean fuel. In view of high cost of LPG refill, which emerged as the main cause for reverting back to traditional unclean fuel by the BPL households from beneficiary survey, audit analyzed the price of LPG refills (14.2 Kg

cylinder) and found that market price of LPG refills had varied between the range of 500 per refill to 837 per refill during the period from April 2016 to December 2018. Since the cost of refill has to be paid upfront by the BPL consumers, this has become a constraint in ensuring sustained usage of LPG.

Some initiatives as taken by the MoPNG to improve the affordability for PMUY consumers are given below:

- i) 5 Kg DBC connection made attractive giving additional amount of ₹ 350/- through CSR over ₹ 1600/- cash assistance to PMUY
- ii) Swapping option from 14.2 Kg to 5Kg and vice a versa was implemented
- iii) Deferment of loan recovery from Subsidy amount to reduce the net cash out go of a PMUY consumer to encourage refill consumption for six refills of 14.2kg/17nos. 5kg cylinder or a period of one year, whichever is earlier w.e.f. 01.08.2019.”

105. On being asked about the action taken by the MoPNG/OMCs to ensure sustained usage of LPG by PMUY beneficiaries and current status in this regard, the MoPNG replied as under:

“PMUY has been successful in enhancing the refill consumption of the consumer. The year-wise per capita consumption of PMUY customers for last years, is as under and it clearly indicates that the refill consumption is improving.

FY	PCC for PMUY Consumers
2016-17	3.96
2017-18	3.39
2018-19	3.00
2019-20	3.01
2020-21	4.39 (effect of Free Refill under PMGKY scheme)
2021-22 (till August 2021)	3.72 (data till August 2021, prorated for FY)

OMCs have taken various steps to improve the LPG consumption of PMUY customers and are as follows:

1. Deferment of loan recovery from subsidy amount to reduce the net cash outgo of a PMUY consumer to encourage refill consumption for six refills or period of one

year whichever is earlier during FY 2018-19 and also during August 2019 – July 2020.

2. Swap option from 14.2 kg connections to 5 kg connections which will reduce the upfront cash outgo for a PMUY consumer and thus encourage refill consumption.
3. PMUY beneficiaries were given option of 5kg DBC package. To avail the 5kg refills, the upfront cash outgo for a customer will be low.
4. During pan India lockdown on account of Covid-19, Government of India supported the PMUY beneficiaries with the free refills Scheme under “Pradhan Mantri Garib Kalyan Package”. Under this scheme, 14.17 crore free refills were delivered to PMUY Beneficiaries during April-December, 2020.
5. Conducting Pradhan Mantri LPG Panchayat (PMLP), a community-based program to create awareness about the scheme and also to address any issue pertaining to LPG usage. After achieving 8 Crore LPG connections, PMLP were targeted among nil or low refill consumers, to convince them about sustained usage of LPG. OMCs had conducted total 1.46 Lakh LPG Panchayat during FY 2018-19 & FY 2019-20.”

**(F) Interest free loan extended by the OMCs**

106. MoPNG guidelines on the PMUY states that OMCs will provide EMI facility to those BPL beneficiaries who want to avail the same towards the cost of gas stove and first refill under the scheme. In this regard, audit observed that OMCs have extended unsecured interest-free EMI facility to 68 *per cent* of beneficiaries subject to recovery of loan amount from the subsidy payable to respective PMUY beneficiary against initial refill/subsequent refills. Details of interest-free loan extended by the OMCs to PMUY beneficiaries vis-à-vis recovery thereof as on 31 March and 31 December 2018 was as follows:

**Details of loanee PMUY consumers and outstanding loan there against**

PARTICULAR	31.03.2018	31.12.2018
No. of active PMUY consumers (in crore)	3.52	3.78
No. of PMUY consumer who have taken loan(in crore)	2.38	2.58
Amount of Interest-free Loan extended (₹in crore)	3852.77	4192.79

Amount of Interest-free Loan recovered(₹in crore)	1519.36	1575.72
Outstanding Interest-free Loan (₹in crore)	2333.41	2617.07

As seen from the above, only 37.58 percent of the amount of interest-free loan extended has been recovered by the OMCs as on 31 December 2018.

107. Apprising the Committee about the steps taken by MoPNG to safeguard financial interest of the OMCs in view of non-recovery of interest free loans from the PMUY beneficiaries, the MoPNG stated as under:-

“As on 31<sup>st</sup> December, 2019, OMCs have extended a total loan of ₹ 10,575 crore to PMUY beneficiaries. Of this around ₹ 3,500 crore has been recovered. The balance ₹ 7,075 crore is outstanding. The interest free loan was given by the OMCs to the PMUY consumers to ease their entry into the LPG ecosystem and to ensure better adoption of LPG for its sustained usage. As of 01.09.2021, while about ₹ 4,121 crore worth of loan was recovered, ₹ 6,454 crore remained unpaid. Due to Covid related restrictions and continuous financial difficulties faced by the PMUY consumers, it was felt that enforcing recovery of loans from poor PMUY consumers would not be a justifiable option, especially when complete recovery of loan through LPG subsidy was not feasible. Therefore, MoPNG has advised the OMCs to consider the effects of prevailing situation on the consumers and take suitable decision about absorbing/writing off the pending loans.”

108. The Committee then sought to know about the recovery of balance amount of ₹7,075 crore. In this regard the reply of the Ministry is as follows:-

“As on 01.09.2021, the outstanding loan for PMUY beneficiaries is ₹ 6454 crores. OMCs had undertaken deferment of loan recovery of the PMUY consumers during FY 2018-19 and during Aug '19- July '20. As a result, instead of recovery of loan through subsidy, the subsidy was paid to the consumers. Also, the recovery of PMUY loan has been low as compared to the previous years as the value of subsidy in any particular market has reduced drastically since May 2020. Moreover, around 17% markets are not having any subsidy. Consequently, the recovery of PMUY loan has also reduced. Now, OMCs have been conveyed by MoPNG that OMCs may take a decision regarding absorption/writing off the outstanding PMUY loans. OMCs are presently working on this matter.”

**109. Apprising the Committee about the recovery of outstanding loan, the Ministry stated as under:-**

***“Loan amount is recovered through adjustment of subsidies against the refills taken by the beneficiaries and is underway. Under Ujjwala 2.0, all beneficiaries are being given free refill and stove and hence there is no loan option required in Ujjwala 2.0.”***

**(G) Absence of Performance indicators to assess the benefits of the scheme.**

110. Expenditure Finance Committee, during approval of the Scheme, enquired (March 2016) about the measurable benefits / outcomes of PMUY to which MoPNG replied that PMUY being a social development scheme, the measurable benefits / outcomes were:

- a) the reduction in dependence on firewood;
- b) improved health status of women

Audit, however, observed that there were no parameters set to monitor sustained usage of clean fuel. No performance indicators were set by the Ministry for assessing the health benefits achieved by the beneficiaries from the scheme. To an audit query that whether any criteria / benchmark has been set to assess the extent of achievement of the scheme, MoPNG replied (January 2019) that the scheme relied upon the existing studies enumerating impact of conventional fuels on the health of women and children. Hence, the overall benefit achieved from the scheme cannot be measured in absence of any performance indicator.

MoPNG noted (May/July 2019) the audit observation and also replied that to assess the impact of PMUY, it has requested the Ministry of Health & Family Welfare to set up an inter-ministerial panel of experts chaired by Health Sector expert consisting of representatives from relevant sectors including Environment, Petroleum & Natural Gas.

111. The reasons as stated by the MoPNG for not specifying performance indicators to assess the overall implementation of PMUY, are given as under:

**“The increase in PCC of PMUY beneficiary from 3.39 to 4.39 cylinders indicates that users are switching over from partial use of primitive fuel like wood, coal, cow dung etc. to full utilization of LPG. The LPG coverage across the country has increased from 56 % as on 01.04.2014 to 100.5 % as on 01.09.2021. Number of domestic LPG customers has increased from 14.51 crore in 2014 to 29.31 crore as on 01.09.2021. Total LPG consumption in the country has increased from 17.6 MMT for the year 2014-15 to 27.7 MMT for the year 2020-21.**

The Scheme was designed with an overall objective of enhanced LPG coverage in the country and hence National/State level LPG coverage is its most important

performance index, alongwith number of domestic connections and per family LPG consumption. All these parameters are regularly monitored by MoPNG.”

112. On being asked as to whether inter-ministerial panel of experts chaired by Health Sector experts consisting of representatives from relevant sectors including Environment, Petroleum and Natural Gas has been set up to assess in the impact of PMUY, the MoPNG stated as under:-

“MoPNG has commissioned a third party evaluation for measuring impact of the scheme on various socio-economic aspects of women life. The study is being conducted by RDI. Also, a study has been commissioned by Ministry of Health and Family Welfare on measuring health effects of improved LPG coverage. According to interim results shared from this study for 6 States, 45 % of the total surveyed primary cooking persons have reported improved health after consistently using LPG.”

## **Chapter- 7: Financial Management**

### **(A) Budget for settlement of PMUY claims**

113. OMCs' claims against release of LPG connections under PMUY are required to be lodged with PPAC on a quarterly basis which was revised to monthly basis from September 2016. PPAC scrutinizes and forwards the same to MoPNG which in turn reimburses the claims to OMCs. Year-wise release of PMUY connections and settlement thereof was as given below:

Details of funds allocated and utilization

Year	PMUY connections released (in crore)	Budget Estimate (₹in crore)	Revised Estimate (₹in crore)	Budget utilized (₹in crore)	OMCs' claims processed (₹in crore)	Remarks
2016-17	2.00	2000.00	2500.00	2500.00	Up to January 2017	Balance claims of ₹498.77 crore for 2016-17 were settled in 2017-18.
2017-18	1.56	2500.00	2251.81	2251.81	Up to September 2017	Balance claims of ₹672.84 crore for 2017-18 were settled in 2018-19.
2018-19	2.39 (including 2.09 crore)	3200.00	N.A.	3200.00	Up to August 2018 (part payment)	• Balance claims amounting to ₹1232.00 crore

	under EPMUY)					for the period from Aug-18 to Nov-18 were settled in 2019-20. • Payment of claim of ₹177.11 crore for December 2018 was under process at MoPNG
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In this regard, Audit observed that while scaling up the scheme target to eight crore, the year wise target for release of PMUY connections was also revised (September 2017) to two crore connections each for the years 2016-17 to 2019-20. However, neither the RE for 2017-18 nor the BE for 2018-19 was allocated in line with the revision of targets or for meeting the shortfall for the previous years. This has resulted in partial settlement of the claims in these years due to shortfall in the budget. This situation is likely to persist in view of further release of PMUY/E-PMUY connections unless MoPNG gets sufficient budget to settle the pending claims of the OMCs including the shortfall arising due to partial settlement of claims.

The Ministry in their Action Taken Note have informed that the OMCs have achieved the target of releasing 8 crore connections under PMUY. The total cash assistance from Govt. of India that has been sanctioned for these connections is ₹ 12,800 crore.”

114. Providing details of the amount disbursed to each OMC out of ₹ 12,800 crore and details of the Budget Estimates, Revised Estimates and Budget utilized during the years 2019-20, 2020-21 and OMCs claims settled, the Ministry submitted as follows:-

“The amounts disbursed to OMCs under PMUY are as under:

(₹ in crore)

		IOC	HPC	BPC	Total
A	Net claim submitted to PPAC	5,978.73	3,442.42	3,358.94	12,780.09
B	Less: Claim Utilized out of CSR pool Fund	117.24	67.29	65.95	250.48



C(A-B)	Final claim net of ineligible claim and utilized out of CSR	5,861.49	3,375.13	3,292.99	12,529.61
D	Less: Claim amount received from PPAC	5,850.23	3,366.37	3,282.95	12,499.55
E(C-D)	Net PMUY Cash assistance claim receivable	11.26	8.76	10.04	30.06

**(B) CSR funds collected from NOCs without assessing the realistic requirement**

115. CCEA, while approving the scheme, had stipulated that MoPNG may, from within the available savings from the total scheme funds and CSR fund of OMCs, spend no more than two *per cent* towards administration and IEC related activities. MoPNG, while issuing modalities for implementation of PMUY, directed (June 2016) the OMCs that 20 *per cent* of CSR funds of National Oil Companies (NOCs) would be used for release of LPG connections under PMUY to the extent of two percent administrative / IEC expenses. IOCL was nominated as the nodal agency. Accordingly, the NOCs had contributed 20 *per cent* of their CSR funds as given below:

**Details of CSR funds contributed by NOCs (₹ in crore)**

Company	CSR Contribution			Total
	2016-17	2017-18	2018-19	
ONGC	107.13	-	-	107.13
GAIL	16.30	-	-	16.30
OIL	15.80	12.35	11.23	39.38
IOCL	41.60	76.43	85.38	203.41
BPCL	31.82	36.67	40.54	109.03
HPCL	16.58	25.27	31.44	73.29
<b>Total</b>	<b>229.23</b>	<b>150.72</b>	<b>168.59</b>	<b>548.54</b>

Utilization of CSR fund by the OMCs for release of LPG Connections under PMUY as on March 2019 was as below:

**Details of utilization of CSR funds by OMCs (₹ in crore)**

OMC	2016-17	2017-18	2018-19	Total
IOCL	41.60	10.79	54.20	<b>106.59</b>
BPCL	16.44	12.94	29.58	<b>58.96</b>
HPCL	15.99	14.09	31.06	<b>61.14</b>
<b>Total</b>	<b>74.03</b>	<b>37.82</b>	<b>114.84</b>	<b>226.69</b>

Audit observed that MoPNG, instead of working out the realistic requirement of CSR funds for utilization in PMUY, directed the NOCs to pool in 20 *per cent* of their CSR fund as per past practice. Since only an amount of ₹286.69 crore had been utilized till March 2019, an amount of ₹ 261.85 crore is lying idle with IOCL which is the pool operator.”

116. The Ministry in their Action Taken Note have stated that CSR contribution to the CSR Fund of the OMCs is governed by the PMUY modalities document. As per extant modalities, CSR funds (i.e. 20% of 2% CSR of IOC, BPC, HPC, ONGC, GAIL and OIL) will be used to provide LPG connections under PMUY to the extent of 2% IEC/ PME which would be booked under PMUY. The estimated release of connections under PMUY for a financial year out of this CSR fund was not projectable for any future period. The un-utilised fund from a particular financial year gets carried forward to next year without causing any loss to Govt. /OMC. In order to utilise CSR fund, following expenditure was approved for inclusion in CSR by appropriate authority.

- 5kg DBC connections under PMUY
- Connections to those BPL families dwelling in the proximity of Taj Trapezium Agra who were not part of the SECC data

117. While attributing the reasons for not realistically accessing the requirement of CSR fund and the present position of unutilized CSR fund, MoPNG submitted as follows:-

“As per the PMUY scheme, fund received under CSR pool account are to be used for issuing PMUY connections to the extent of 2% of IEC and PME admissible under the scheme.

As the fund received by nodal agency are to be given back to OMC upon their claim against PMUY connections issued by them to claim IEC/PM expenses, there is no certainty when the claim from OMC would be received by nodal agency (i.e. IOCL) and also nodal agency cannot foresee the amount of claim that each OMC would lodge with IOCL.

Hence it is not possible to foresee the amount and when the requirement would arise. However, contribution to CSR pool fund is as per the scheme i.e. 20% of CSR pool fund.

There is no unutilized CSR fund as on date. The entire amount has been disbursed or consumed amongst OMCs."

**(C) Non-transfer of subsidy to PMUY consumers**

118. The non-loanee PMUY beneficiaries are entitled for refill subsidy right from the first refill. However, for loanee beneficiaries, the subsidy is to be transferred only after recovery of loan in full. In order to enable transfer of refill subsidy to consumers' bank account, Bank account details and Aadhaar number of consumer has to be mapped with LPG connection by the LPG distributor. Analysis of PMUY transaction data (as on 31 December 2018) using data analysis tool revealed that:

a) Subsidy of ₹78.85 crore (IOCL: ₹44.38 crore, BPCL: ₹13.04 crore and HPCL: ₹21.43 crore) for 10.5 lakh non-loanee PMUY consumers (IOCL: 5.97 lakh, BPCL: 1.48 lakh and HPCL: ₹3.05 lakh) had not been transferred to their bank account despite these consumers being active and taking refills;

b) Similarly, subsidy amounting to ₹108.66 crore (IOCL: ₹66.02 crore, BPCL: ₹15.55 crore and HPCL: ₹27.09 crore) for 15.43 lakh loanee PMUY consumers (IOCL: 9.53 lakh, BPCL: 2.06 lakh and HPCL: 3.84 lakh) on subsequent refills had not been transferred to bank accounts of these consumers. Out of 15.43 lakh consumers, loan of 3.23 lakh consumers (IOCL: 2.24 lakh, BPCL: 0.26 lakh and HPCL: 0.73 lakh) had been recovered fully. Subsidy of remaining consumers was due as their consumption was less than six refills as on 31 December 2018."

119. In this regard, the Ministry replied (December, 2020) that the issue of subsidy failure is due to Aadhaar not linked by customer's Bank account or Aadhaar delinking/other reasons of account not active with the Banks or in National Payments Corporation of India (NPCI) Mapper.

OMC have recently initiated drive for contacting consumers with an intention to correct their bank a/c linked to Aadhaar. Distributors are given visibility of subsidy failure cases and they are proactively contacting consumers and guiding them to take suitable action mostly with their banks. OMCs are regularly taking up with NPCI for corrective action on the failures cases. Action initiated at the distributor end is being regularly monitored through an MIS.

On the aforesaid reply of the Ministry, Audit observed that as on 30 November 2020, an amount of ₹ 114.96 crore (₹ 99.78 crore: loanee PMUY consumers; ₹ 15.18 crore: non-loanee PMUY consumers) of subsidy was not transferred to consumers. There were still cases of non-transfer of subsidy. As the beneficiaries belong to BPL families so non-transfer of subsidy to eligible beneficiary may defeat the objective of the PMUY scheme.

120. Apprising about the present status of linking of bank account of PMUY beneficiaries and transfer of subsidy to their accounts, MoPNG stated as follows:

"The bank account of PMUY beneficiaries have been linked to their account and on OMC basis, 85% Cash Transfer Compliant customers and Aadhaar Transfer Compliant. The balance are Bank Transfer Compliant.

It may be noted that currently subsidy component has reduced drastically. Therefore, there is very little incentive to the customer to change the bank account for availing subsidy. Moreover, we would like to mention that major reason for failure in cash transfer which are received from Bank/ NPCI are given as under:

1. Aadhaar number inactive
2. Account closed/ transferred/ blocked/ frozen
3. Aadhaar number not mapped to Account number.
4. Change of IFSC code on account of merger of banks.
5. Beneficiary account becoming dead or dormant.

For all these failures, action has to be taken at bank end by the consumers. The major failure reasons were also highlighted by OMCs to NPCI over mails/Letter/meeting for further correction actions at bank's end.

In addition to above following actions are taken / being taken by OMCs for subsidy transfer in (PratyakshHanstantritLabh) PAHAL.

1. For the failed cases OMCs are retriggering the subsidy every 15 days (twice). Further attempts are also made after successful cash transfer of subsequent refill.
2. The failed transactions are eligible for subsidy transfer for subsequent 2 financial year excluding current year.
3. For the cases having difficulty in linking Aadhaar with bank (inactive Aadhaar), OMCs are collecting bank details and transferring the funds via BTC mode.
4. SMS is being sent to customers on success & failed transactions giving the reasons of failures with an advice to take corrective actions.
5. Information of subsidy transfer including the failure reasons are made available OMC call center 1800 2333 555, grievances can be attended on phone as well.

6. Several rounds of trainings/communications were given to distributors for assisting customers for getting their grievances resolved from bank.

**7. IFSC codes of merged banks and RRBs are being collected through PFMS/NPCI for mass upload."**

121. As regards the measures taken by the OMCs for process improvement in handling the issue MoPNG stated that as a process improvement, OMCs have made the following changes in system:

- i. CTC Status confirmation of PMUY beneficiary before release of SV.
- ii. Option to update bank account details for PMUY beneficiaries.
- iii. Sending communication to consumers for getting correct details updated.
- iv. Tie-up with Payments Banks as India Post Payments Bank to organize camps to enroll for bank accounts for seeding.

**122. Audit observed that ₹ 79.55 crore subsidy was pending to be transferred to ₹ 37.57 lakh consumers, when asked about the measures taken by the OMCs for process improvement, the MoPNG stated as under:-**

*PMUY subsidy is being credited to all beneficiaries who have been onboarded on PFMS. Out of the above amount of ₹ 79.55 crore, ₹ 52.51 crore could not be disbursed to the beneficiary and amount has got lapsed due to time-barring of two years. OMCs are constantly upgrading the process for subsidy transfer based on IFSC update, bank details update and issue with PFMS. Subsidy is transferred as per PAHAL scheme guidelines. As per this, three attempts are made to send subsidy to customer at intervals of 15 days. If all three attempts fail, then subsidy amount is parked and is re-triggered to the customer when any subsequent customer transfer is successful. Thus customer gets an opportunity to correct problems in Bank end in case of subsidy failure. In most cases subsidy fails in case Bank account is either closed or blocked. Subsidy amount parked can be transferred to the customer till 2 financial years after the date of transaction excluding the financial year on which transaction was made. For example, if transaction was made in June,2018, then customer will get this subsidy till March, 2021.*

**Pradhan Mantri Ujjwala Yojana -2**

123. PMUY-2 was launched on 10.08.2021 on Pan-India basis to provide additional one crore LPG connections alongwith free first refill and stove. The reasons that necessitated launch of PMUY-2 are as below:

- (i) To accommodate poor households who could not be covered in earlier schemes;
- (ii) To address the issue of eligible migrants who are facing difficulties in providing POA through a self-certification process;
- (iii) To improve LPG coverage and sustenance to clean energy.

124. According to Ministry the target of one crore connections was achieved in the month of January 2022. Government of India had announced an extension to the scheme by additional 60 lakh connections out of which 45 lakh connections have already been released by OMCs as on 01.08.2022. The scheme is progressing at satisfactory pace.

125. Upon noticing that several inadequacies have been pointed out by Audit in release/installation of LPG connections under PMUY, the Committee desire to know the extent to which those inadequacies have resolved in PMUY-2. In response thereto, the Ministry P&NG submitted as under:

“To ensure release of connections under Ujjwala 2.0 is error free, OMCs have upgraded their software systems. These include:

- Softwarevalidation check for ensuring the beneficiary is female is incorporated in system. This will avoid inadvertent issue of LPG connection to male members.
- Software validation check for ensuring that age of beneficiary is female is more than 18 is incorporated in system. This will ensure that no connection is given to a minor inadvertently.
- Aadhaar authentication by UIDAI is made mandatory.
- Installation check list introduced to ensure safety and proper installation of connection at customer’s premises.
- Software check for entry of Aadhaar numbers for adult family members entered in the system is made mandatory.”

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**PART-II**  
**OBSERVATIONS/RECOMMENDATIONS**

1. Pradhan Mantri Ujjwala Yojana (PMUY) was launched on 1<sup>st</sup> May, 2016 with the primary objective of providing access to clean cooking fuel (LPG) to poor households thereby protecting their health by reducing the serious health hazards associated with use of conventional cooking fuel such as firewood, coal, cow dung etc., which causes severe indoor household air pollution. The scheme aimed to provide five crore deposit free LPG connections to women belonging to the Below Poverty Line (BPL) families over a period of three years starting from Financial Year 2016-17. The beneficiaries were to be identified from Socio Economic and Caste Census (SECC)-2011 list. Subsequently, the target for PMUY beneficiaries was increased from 5 crore to 8 crore to be achieved by FY 2019-20. The Government has, at a later stage, extended the benefit of PMUY to such poor families who have been left out on account of their names not appearing in either SECC list or belonged to the identified categories of poor families of the country and were made entitled for being covered under the Scheme, Extended PMUY (E-PMUY).

2. The Committee's examination of the subject 'Pradhan Mantri Ujjwala Yojana' is based on the performance Audit of this Scheme carried out by the office of C&AG of India for assessing the implementation of the Scheme as per the guidelines laid down by the Ministry of Petroleum and Natural Gas. Performance Audit covered the implementation of PMUY (excluding E-PMUY) during the period from May, 2016 to December, 2018. The objective of carrying out the performance Audit was to ascertain whether PMUY connections have been: (a) released and installed by the OMCs to the eligible and intended households of SECC list after due diligence; (b)

sufficient measures for enhancement of LPG distribution network have been undertaken to cater to the PMUY beneficiaries; (c) the OMCs have taken steps to ensure the usage of LPG by PMUY beneficiaries; and (d) the scheme has led to sustained usage of LPG by PMUY beneficiaries. Audit scrutiny revealed certain deficiencies in implementation of PMUY which *inter alia* include, not obtaining the Aadhaar numbers of all adult family members from PMUY beneficiaries; releasing PMUY connections against AHLTIN with blank records in SECC-2011 list; issue of LPG connections to minors under PMUY; issue of multiple connections under PMUY to the same individual or within the same family; delay in installation of PMUY connections; not conducting pre-installation inspection; non-availability of installation certificates; unsafe usage of LPG by the PMUY beneficiaries; non-delivery/delay in delivery of LPG cylinders at customer's address; non-adherence to targeted delivery time norms; low consumption of refills; collection of CSR Fund from OMCs without assessing requirement realistically; non-transfer of subsidy to PMUY consumers etc. The Committee have dealt with these issues in the subsequent paragraphs of the report.

3. The Committee note that 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 exercise of de-duplication for obviating the possibility of issue of multiple connections to the same household. The Committee are concerned to note that out of 3.78 crore LPG connections, 1.60 crore (42 percent) connections were issued only on the basis of beneficiary's Aadhaar which later on proved to be a deterrent in enabling de-duplication of multiple connections. In case of 361 PMUY beneficiaries who had furnished Aadhaar number of their adult family



members alongwith KYC, the LPG distributors failed to enter the details in the LPG software. The reasons for not entering the Aadhaar numbers in the LPG data need to be enquired into and informed to the Committee. Moreover, out of these 361 available Aadhaar numbers of adult family members of PMUY beneficiaries, 72 (20 percent) were, as per Audit observation, found to be linked with some other LPG connection as well with either the same or another OMC. The Committee would like to be apprised of the Action taken in regard to 72 PMUY beneficiaries having additional LPG connections as per data informed about. Also, in cases where the Aadhaar number of all family members was not available, OMCs were required to facilitate the concerned in obtaining the Aadhaar of the family members. However, LPG software of OMCs had no provision for seeding Aadhaar after release of LPG connections. It was only since September, 2017 that capturing Aadhaar numbers of other family members of beneficiaries was enabled and made mandatory in the System design. The Committee are constrained to observe that while the PMUY Scheme was introduced in May, 2016, capturing Aadhaar numbers of other family members was made possible only since September, 2017. The Committee desire to know the reasons for such delay of more than one year following the initiation of the scheme in facilitating capture of Aadhar data of all family members of the beneficiaries'. The Committee are of the view that had this process been initiated earlier, the prevalence of additional connections in the beneficiary households which has been brought out in the Audit observation could have been avoided.

As regards the observation made during CAG Audit of the Scheme, that there were 1.60 crore connections where details of Aadhaar of adult family members was not available, subsequently, Ministry of Petroleum & Natural Gas advised OMCs to ensure addition of Aadhaar of adult family members to the identified connections.

The Committee note that in case of all the connections of PMUY, de-duplication on the basis of Aadhaar, bank account, AHLTIN, RC number, name and address is being carried out by NIC and OMCs have, to a substantial extent, ensured the uniqueness or correctness of the PMUY connections. The Committee are compelled to note in this regard that it was only after being pointed out by Audit that the Ministry of Petroleum & Natural Gas has initiated action towards resolving the issue. The Committee are of the view that this move by the Ministry should have been initiated much earlier and not after the matter was brought to notice by Audit. The Committee have been informed that Distributors had arranged for Aadhaar enrolment camps for prospective applicants under PMUY and their family Members. Yet, the information furnished is silent on the number of applicants who have enrolled their Aadhaars and the extent to which these camps have been beneficial for enrolling Aadhaar of prospective applicants. The Committee would like to have the desired information in this regard within one month of the presentation of this Report to Parliament.

The Committee note that pursuant to the advice of OMCs, the distributors carried out an exercise of contacting the beneficiaries where only the applicant's Aadhaar formed the basis for granting connections, with a view to obtaining the Aadhaar numbers of all the adult family members. The Committee, however, do not find the related information furnished by the Ministry to be satisfactory as it lacks details about the number of beneficiaries contacted, the number of Aadhaars received from them and extent and nature of de-duplication of connections carried out. The Committee desire to be apprised of the related details. Further, the Committee observe that as on 30 November, 2020, out of 2.18 crore LPG connections, a very substantial number of connections were still pending in regard to obtaining

details of Aadhaar numbers of all family members of beneficiaries. Apprising the Committee about the present position of seeding of Aadhaar numbers of all family members, the Ministry of Petroleum & Natural Gas submitted that as on 01.09.2021 adult family Aadhaar/lone member declaration has been taken from 15.23 lakh beneficiaries out of 1.60 crore connections identified in the CAG Audit, but the Pandemic severely impacted the pace of collection of Aadhaar numbers of family members. Audit have stated that information has been sought in this regard from the OMCs. Audit has also stated that status of Aadhaar seeding of family Members will be assessed in the course of Audit of e-PMUY. The Committee hope that adult family Aadhaar from all the 1.6 crore beneficiaries would have been secured by now. The Committee would like to be apprised of the present position of rectifying the problem. The Committee would also await the findings of Audit of e-PMUY.

Release of PMUY connections against AHLTIN with blank records in SECC-2011

4. There has been laxity in identification of beneficiaries, as noticed from the fact that 9897 LPG connections were reportedly issued against Abridged Household List Temporary Identification Numbers (AHLTIN) in cases where names of all family members as well as the beneficiary were blank in SECC-2011 list. More strikingly, 4.10 lakh connections were issued against AHLTINs where entire details of family, leaving apart that of one member was blank in SECC-2011 list. Further, from the information furnished, the Committee find that 8,407 out of 9,897 connections continued to be shown as active in the LPG database as on 30 November, 2020. Apprising the Committee about the status in this regard, i.e., as on 01.11.2021, the Ministry have stated that out of the total 9201 connections, 2 connections are suspended, 988 have been terminated and the balance 8211 connections have been

regularized and are now active. According to Ministry of Petroleum & Natural Gas, the identified connections with Null AHLTIN connections can be regularized under EPMUY/EPMUY-2 Schemes provided the beneficiaries meet the eligibility criteria of the new schemes. The Committee would like to be furnished with data in regard to number of cases that were ineligible at the time of commencement of PMUY, who subsequently became eligible under the E-PMUY and E-PMUY-2. The Committee would also like to be informed of the present status of regularization of such connections under EPMUY/EPMUY-2.

#### Issue of PMUY connections to male consumers

5. The Committee note that PMUY envisaged release of LPG connections to women. However, Audit observed that due to lack of input validation check in software of Indian Oil Corporation Limited (IOCL), as many as 1.88 lakh connections were released against AHLTIN of male members. According to Ministry of Petroleum & Natural Gas, in May/July, 2019, OMCs were advised to verify and take corrective action. Accordingly, 0.41 lakh connections were terminated by IOCL as being ineligible out of 1.78 lakh cases verified. Remaining cases were under verification. On the reasons for such a lapse having occurred, the MoPNG indicated that the inconsistencies in the SECC data pertaining to the 'Gender' field of the applicant was the cause for the lapses. The Ministry further admitted that a validation check for ensuring usage of AHLTIN of female members only could not be put in place at the level of OMC and NIC. Also, as the data was received through MoRD, the need for putting such a check in place was initially not felt. However, once the inadequacy came to notice, necessary checks were put in place and further release of such connections stopped. The Committee wish to point out in this regard that the Ministry

became active with the intent of resolving this issue only after it was pointed out by Audit. The Committee feel that since the main aim of launching the PMUY was to provide women with Liquefied Petroleum Gas (LPG) connections with the intent of safeguarding the health of women and children, it was imperative upon the OMCs to design sufficient validation in the LPG software for issuance of LPG connections only to women. The Ministry of Petroleum & Natural Gas/OMCS should have taken timely action to ensure release of the connections to women beneficiaries only, so that the benefit of this scheme could reach the intended beneficiaries. As regards the current status of action taken in this regard, the Ministry of Petroleum & Natural Gas submitted that as on 01.07.2022, of the identified 1.79 lakh connections, 1.67 lakh have been regularized and made active, 0.11 lakh have been terminated and 76 cases have been blocked. Action could not be taken in these 76 cases due to pending court cases. Audit observed that OMCs have provided screenshots for validation checks regarding gender in their software. However, the efficacy of the validation check devised will be verified in the e-PMUY Audit. The Committee would like to be apprised of the present status of rectification measures being taken so as to avoid recurrence of such lapses.

#### Issue of LPG connections to minors under PMUY

6. The Committee find that on review of Aadhaar Cards attached with 18558 KYC records of PMUY beneficiaries at 164 LPG distributors by Audit, 255 LPG connections (1.37 percent) were observed to have been released to individuals who were minors as per DoB (Date of Birth) 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. The Committee are also perturbed to note that lack of input validation check in IOCL software allowed issue of 0.80 lakh connections to beneficiaries aged below 18 years. Similarly, data analysis revealed that 8.59 lakh connections were released to beneficiaries who were minors as per SECC-2011 data, which was in violation of PMUY guidelines and LPG Control Order, 2000. The Committee have been informed that during the course of implementation of the scheme, the absence of validation of date of birth was noticed and consequently the same was introduced in the software to avoid recurrence of release of connections to minors. The Committee feel that had the Ministry/OMCs taken timely action for developing such a software before-hand, that is, prior to initiation of the scheme, the problem could have been avoided. As regards the present status of action taken in this regard, the Committee have been informed that as on 01.07.2022, out of 0.79 lakh identified connections, which were issued in the name of minors due to absence of validation check in the LPG data base, 0.71 lakh connections have been regularized and made active, 7685 connections have been terminated and the balance 4 connections have been blocked. The Committee would like to be apprised of the present status of action taken in regard to blocked cases. Further, in regard to 8.11 lakh connections that were identified, where the beneficiary was a minor as per the SECC, 2011 database it was observed that the DoB as per Aadhaar and SECC was different. Hence, distributors were advised to use the DoB as per Aadhaar card. The Committee feel that the MoPNG/OMCs should have, instead of blaming the SECC database by terming it as faulty, and therefore, the reason for all the errors, taken timely steps for obtaining authentic records of beneficiaries i.e. Aadhaar number, birth certificate, bank details, Ration Card etc. Further, according to the Ministry, out of 8.11 lakh identified connections, as on 01.07.2022, 7.66 lakh have been regularized and made active and

the balance 0.44 lakh connections are terminated and 1075 cases have been blocked. In this regard, Audit observed that sample KYC have been requisitioned from OMCs in order to verify the entitlement of beneficiary/enableregularization process. The information is expected from all the three OMCs. The Committee would like to be apprised of the information sought by Audit and corrective action taken in regard to the blocked cases.

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

7. The Committee note that data analysis revealed mismatch in names of 12.46 lakh beneficiaries between PMUY database and SECC-2011 data. Further, test check in field audit revealed that AHLTINs of 784 (18 percent of 4348 KYCs verified) intended beneficiaries were used by LPG distributors to extend benefits to unintended persons by manipulating and using AHLTIN of eligible beneficiaries. This happened mainly due to absence of monitoring at the field level. According to MoPNG, wherever the beneficiary as per the SECC details and Aadhaar/RC/Voter Card details has been found to be of the same person, the connection was made active. In the balance cases, the connection was suspended for termination. Additionally, provision has been made to regularize these connections under EPMUY/EPMUY-2, subject to the beneficiary meeting eligibility criteria of the new schemes. The Committee are perturbed to note that instead of appropriately addressing the matter during PMUY phase itself, the Ministry have, in a way, carried forward and kept pending, the issue of addressing the matter to EPMUY/EPMUY-2. Now, the MoPNG submitted that as on 01.07.2022, out of 12.42 lakh connections, 11.88 lakh connections were regularized and made active, 0.51 lakh connections were

terminated and the balance 0.02 lakh connections continue to be in blocked state and action is yet to be taken on them. The Committee desire that the action in regard to the balance 0.02 lakh connections be taken at the earliest and the Committee informed of the present status of such cases.

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

8. The Committee observe that deficiencies in de-duplication to restrict issuance of duplicate connections were noticed in 12465 cases. Further, lack of input validation check allowed release of 42,187 connections against invalid AHLTINs which did not exist in SECC-2011 data. The Committee note that the distributors concerned had entered incorrect AHLTIN of the beneficiary, which was accepted by the LPG software due to the lacuna of not having the facility of input validation check. This also remained undetected in the de-duplication process at the NIC level. Obviously, the MoPNG did not make efforts to restrict issuance of duplicate connections in a large number of cases. Further, no reason or explanation was given for entering incorrect AHLTIN of the beneficiary by the distributor concerned. The Committee desire to know about the responsibility, if any, fixed against those distributors who had entered incorrect AHLTIN of the beneficiary. As regards the steps taken to avoid such situations, MoPNG submitted that when this issue was noticed during self-audit of the system, the details received from MoRD were hosted in the OMC software and auto population of the AHLTIN numbers was enabled. In this way, wrong entry of AHLTIN numbers was prevented in the system. The Committee note that the Ministry have taken this step only after the issue was taken up for examination by the PAC. Had such a step been taken initially itself, the position would have been different. However, as on 01.07.2022, out of total of 9583



connections identified, 2402 connections have been terminated and the balance 7121 connections have been regularized and made active and 60 connections have been blocked. The Committee would like to know the present position of the 60 cases that are in blocked state. The Committee are also constrained to note that sample KYC that has been requisitioned from OMCs has not been secured. The Committee desire to be apprised of the requisite information at the earliest.

#### Delay in installation of PMUY connections

9. Another instance of improper execution of the scheme by MoPNG/OMCs is the delay in installation of PMUY connections. OMC's citizen charter on marketing of Petroleum Products clearly stipulates that a new connection is to be installed within seven working days. Yet, delay to the extent of more than 365 days in installation of 4.35 lakh connections against stipulated time period of seven days has been noticed. The reasons as attributed by the MoPNG for this delay include, difficulties in locating customers due to absence of customer contact number, migrating rural population, beneficiaries 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 transporter's strikes, flood etc. The Committee feel that the reasons as cited are not the kind that could not have been detected timely and addressed in order to avoid the huge delays witnessed in installation of PMUY connections. The Committee, therefore, desire that henceforth these reasons should be identified/resolved timely so that such long delays are avoided in future. Now, the MoPNG have informed the Committee that SOPs have been made and circulated at the field level for taking action. Programme Management

Information System (PMIS) portal was used at the field level to ensure timely installation. The Committee would like to be apprised of the details of SOPs and their effectiveness in reducing the delays in installation on account of the steps taken.

Linked Bank Account not pertaining to PMUY beneficiaries

10. The Committee note that during test check of KYC records of a sample of 164 LPG distributors, 100 instances were noticed where accounts of other persons were linked with PMUY beneficiaries thereby leading to transfer of subsidy intended for the beneficiary into the bank accounts of others, and depriving the genuine beneficiaries of the subsidy amount. However, as per the submission of MoPNG the process of subsidy transfer has suitable checks and balances built in and is designed to ensure that subsidy is transferred to the intended beneficiary only. Further, as regards the latest status of 100 cases where linked bank account does not pertain to PMUY beneficiaries, the Committee have been apprised that all the identified connections observed in the field visit have been verified and corrective action has been taken as deemed appropriate. However, the information furnished is silent on the nature of action that has been taken. The Committee would like to be apprised of the details of the action taken in this regard and the actual outcome thereof. The Committee, however, are appreciative of the fact that as part of the rectification measures, the entire amount of subsidy paid to the ineligible beneficiaries including the total loan amount, cash assistance component, State Government advance, and other advances, as may have been given has been recovered from the distributor concerned.

The Committee also note from the information furnished that as on December, 2020, all connections of ineligible beneficiaries have reportedly been terminated. However, as per Audit observation, as on 30 November, 2020, in 5,391 cases there was a mismatch in the name of beneficiary from that of the bank account holder. The Committee are surprised to note as to how these many cases could be analysed and ineligible ones terminated in such a short span of time. The Committee would like to be informed of the process followed in this connection.

The Committee have also been informed that many a time, consumers have multiple bank accounts and the bank account seeded in the PMUY application may be different from the one into which the subsidy is transferred to the beneficiary. As mismatch in the bank account number creates several problems in transferring subsidy to the actual beneficiary, the Committee would desire that concrete measures be contemplated by the MoPNG for transferring subsidy to the bank account of the beneficiary which has last been linked to the Aadhaar number only. This would obviate the chances of transferring the subsidy to ineligible beneficiaries. As regards the measures taken in this direction, the Committee have been apprised that Bank Accounts were rectified under bank account correction facility and beneficiaries bank account/joint Account got added. In their Audit comments, Audit found that HPCL has provided case wise details of correction of bank account details. This will be verified during audit of e-PMUY. In this regard, the Committee feel the need for checking the bank account of the actual beneficiaries at regular intervals and in case any irregularity in transferring the subsidy is noticed, stringent action be taken against the errant distributor.

### Third Party Audit of the Scheme

11. The Committee note that although PMUY guidelines clearly stipulate that the Government may undertake third party audit of the Scheme, no such audit has been carried out till the audit of the scheme by the office of C&AG of India. It was only pursuant to the audit observation that the MoPNG initiated the process of carrying out third party audit of the scheme. In this regard, work order dated 01.10.2020 has been issued to M/s Research and Development Initiative Pvt. Ltd. for undertaking a study on perception and adoption level of PMUY. The 'impact study' is presently underway and the Report will be submitted upon completion of the survey. The Committee also note in this regard that the work order to M/s Research and Development Initiative Pvt. Ltd. has been issued only after four years of the initiation of PMUY i.e. on 12.10.2020 and the 'impact study' is still underway. In view of the large number of shortcomings as pointed out by the Office of C&AG of India in operation of PMUY, the Committee recommend that the study may be completed at the earliest. They also wish to be apprised of the outcome of this study and Action Taken thereon by MoPNG/OMCs.

### Pre-installation Inspection

12. The Committee note that a test check of the KYC records at LPG Distributors revealed that in 2531 cases (13.64 %), the pre installation inspection report regarding suitability or otherwise, of the kitchen of the household on the basis of pre-installation inspection was not available on record. Besides, in case of three distributors taken as sample, pre-installation inspection report was not found attached with the SVs in any of the PMUY connections (29078). The Committee thus

feel that the possibility of non-compliance to safety standards during LPG installation in these households cannot be ruled out. As regards the steps taken to improve the system of compliance to safety standards during PMUY, the Committee have been informed that OMCs have placed the SOPs for installation of cylinders at customer premises along with the format of pre-inspection report. Distributors were advised that all PMUY installations are to be necessarily inspected. While expressing agreement with the steps taken by OMCs in this regard, the Committee feel that a strong monitoring mechanism also needs to be made available at all the OMCs for keeping constant vigil over the distributors for inspecting the premises of beneficiaries before the PMUY installations, failing which action could be taken against the distributor concerned. This is necessary as pre-installation inspection is a vital component before issuance of LPG connection in order to ascertain that the premises of the beneficiary meet the required safety standards.

#### Unsafe usage by the PMUY beneficiaries

13. The Committee note that test check of KYC records at sample distributors and beneficiaries survey (1662) conducted by Audit revealed that unsafe LPG practices were adopted in 277 cases (16.67 %) viz. installation of hot plate below the height of LPG cylinder (82 cases), hot plates kept on wooden platform (9 cases), poor quality/rusted/damaged stove burners/non-ISI stove (21 cases) sub-standard quality of hose-pipe (10 cases), installation of LPG connection in unsafe places i.e. kutcha houses, bamboo/hay roof (155 cases). It is also a matter of concern to note that since the launch of the scheme (2016-17 to 2020-21) a total of 896 LPG accidents have taken place in PMUY households. Most of accidents i.e. 311 had occurred during the year 2020-21. The Committee feel that this could be mainly due to not conducting pre-

installation inspection and also not annexing the installation certificates with SVs. Evidently, proper awareness programmes are not being conducted to educate the PMUY beneficiaries on safe use of LPG. However, according to the Ministry, several awareness programmes have been conducted for the PMUY beneficiaries about LPG safety. Nearly one lakh LPG Panchayats are stated to have been conducted in 2018-19 to educate the customers about how safely the connection is to be used. The Ministry also reportedly conducted 42,000 LPG Panchayats in 2019-20. Besides, demonstration events on safe usage are also to be provided to PMUY consumers while releasing connections by the mechanic responsible for installation. The Committee, while appreciating the aforesaid steps taken by the MoPNG/OMCs yet feel that concrete and specific measures need to be initiated by the MoPNG/OMCs to spread awareness about LPG safety. Training too needs to be provided in this regard to distributors.

#### Non-achievement of target of appointing distributors

14. The Committee note that in furtherance of its commitment to provide clean fuel to all households in the country with key focus on rural and difficult areas, the MoPNG directed (February 2016) the OMCs to commission 10,000 new LPG distributorships in that year (2016-17) to cater to the increased demand and to provide better services to rural poor. The Committee further note that inadequate efforts in commissioning the targeted 10000 new LPG distributorships by OMCs led to a compelling situation for existing LPG distributors to supply cylinders either at long distance or from godowns/designated points instead of door-step delivery which has had the effect of considerable delays in supply of cylinders. Apprising the Committee about the present status of commissioning of new LPG distributors, the

Ministry submitted that from April, 2015 to January, 2020, 8690 new distributorships have been granted on Industry basis and presently 2029 locations are in various stages for commissioning. The Committee have further been apprised that as on 01.09.2021, out of 2029 locations 1284 locations continue to be in pipeline and are yet to be commissioned. The Committee are constrained to observe in this regard that between 01.02.2020 and 01.09.2021, distributorships have been commissioned only at 743 locations. The Committee wish to be apprised of the reasons for the undue delay in commissioning of distributors. The reasons for non-commissioning need to be enquired into and responsibility for the same fixed, as may be necessary. The Committee would also like to be apprised of the current position in this regard and recommend that appointment of distributors at all the 1284 locations be completed at the earliest as this would reduce the average distance covered by the existing distributors and most of the villages would be catered by an LPG distributorship.

#### Long distances catered to by the Distributors

15. The Committee note that the Audit analysed the data relating to the distance covered by 164 distributors and observed that LPG distributors are covering the various villages/areas/tehsils as specified by the OMCs which come in the range of 0 Km to 92 Km. From the figures of number of LPG distributors with distance covered for refill delivery, it can be seen that out of 164 LPG distributors, 95 LPG distributors (57.93 percent) served the PMUY beneficiaries' located upto a distance of 92 Km. Covering such long distances to cater to the consumers led to delay in refill supply and non-delivery of refills at customer's door-steps. The Committee have now been apprised that the time for refill delivery has been reduced due to refilling from all the CSC VLEs. Thus, with the aid of cylinder availability at CSC VLEs, the customer is at

his/her convenience for taking refill from CSC/VLE rather than expecting refill delivery from the distributor who will be covering the village once/twice in a week. They have further been informed that as of now more than 90% of the distributors are having 4 and 5 star ratings. Besides, necessary corrective action is taken from time to time to counter any increase in the backlog position. While appreciating the steps taken in this regard, the Committee suggest that steps may also be taken to increase the service capability of distributors in ensuring timely refill delivery. Ministry of Petroleum & Natural Gas and OMCs should also consider allowing Fair Price Shop dealers to keep PMUY cylinders so as to reduce the time of beneficiaries/distributors. In this regard, Secretary, Ministry of Petroleum and Natural Gas deposed before the Committee that for selling cylinders at Fair Price Shops permission of 'PESO' has to be taken and more than seven cylinders cannot be kept at one place only. However, the Ministry is making efforts to revise this norm so as to enable keeping some more number of PMUY cylinders in the shops, as a temporary storage, in Fair Price Shops. Besides, some persons in the remote villages could be deputed to aggregate the demand of PMUY beneficiaries in order to send the collective demand to the company and cylinders may be brought in bulk. Secretary, MoPNG also agreed that there is an urgent need to streamline the system of keeping cylinders at fair price shops and the Ministry would surely take necessary measures in this direction. The Committee would desire that appropriate steps be taken at the earliest. The Committee would like to be apprised of the action taken in this regard and outcome thereof in enabling timely delivery of cylinders.

#### Non-Delivery of LPG cylinders at Customer's address

16. The Committee are constrained to observe that LPG distributors were not providing the facility of home delivery to all consumers. 247 (14.86 percent) of the



1662 surveyed PMUY beneficiaries reported that they were getting refills either on point of delivery basis or by way of self pick-up from the distributor's godown. The Committee are concerned to note in this regard that OMCs are not maintaining any data in their system about the ex-godown/delivery point availed by the consumers. It is not clear as to how, in the absence of the relevant data in their system, the OMCs could verify the portion of population that was either securing or not securing refills at their doorstep. In this regard, the Ministry of Petroleum and Natural Gas stated that OMCs have been advised to ensure door step delivery by capturing coordinates of the refill delivery places or to allow 'cash and carry' rebate to customers. The Committee desire to be apprised of the measures taken in this direction and outcome thereof. The Ministry has also directed the OMCs to capture the mobile number of all the registered consumers in the system. Further, on the present status of capturing of all mobile numbers of PMUY consumers in LPG data base, the Ministry of Petroleum and Natural Gas apprised the Committee that 82% of the PMUY customers in IOCL, 80% of HPCL PMUY customers and 88% of BPCL PMUY customers are having mobile numbers updated in the LPG database. The Committee appreciate the steps taken in this direction. Since most of PMUY consumers are from the rural segment with meager buying capacity they prefer to buy refills from the distributors premises as per their convenience. The Committee recommend that necessary arrangements be made for having more distribution points at the earliest for refill of PMUY cylinders besides commissioning of new distributorships.

#### Delay in delivering refills to PMUY consumers

17. The Committee note that delay of more than 10 days (ranging upto 664 days) was noticed in delivery of 36.62 lakh LPG refills against the stipulated period of seven

days. It was also observed that out of 36.62 lakh refills, 5.94 lakh refills were delivered with a delay of more than 30 days. Further, 1209 LPG distributors supplied more than 100 refills (ranging from 100 to 9145 refills) with a delay of more than 30 days to 5 lakh beneficiaries. As regards the action initiated by the OMCs to appoint new LPG distributors in rural areas, MoPNG, as indicated, apprised that 9433 distributorships have been appointed between April 2015 to August 2021 and as on 01 September, 2021, around 1284 are in various stages of commissioning. However, the Committee note that as on 30 November, 2020, 37.03 lakh refills were delivered with delay of more than 10 days out of which 7.33 lakh refills were delivered with delay of more than 30 days. The reasons attributed by the MoPNG for delay in delivery of refills include, natural calamities, strikes/bandhs, law and order situation, Government directives, product shortage/ supply constraints with OMC, etc. The Committee desire that all out efforts be made by the OMCs/ distributors to resolve the aforesaid issues at the earliest in coordination with the Ministry/OMCs/distributors and provide refills of PMUY cylinders to beneficiaries in time. For this, the Committee suggest that monitoring of bookings vis-a-vis supply may be done at regular intervals, distributors keep some refill cylinders in their storage godowns etc. to deal with such situations and storage capacity of refill cylinders may be adequately enhanced so as to avoid delay in delivery of refills. The Committee further feel that urgent measures should also be taken to commission the 1284 additional distributorships at the earliest. Besides, pendency of bookings may be monitored at the higher level in the Ministry of Petroleum and Natural Gas/OMCs and responsibility of the officers/distributors may be fixed to avoid the delay in delivery of refill cylinders to the beneficiaries.

Non-adherence to 'Targeted Delivery Time' norms contained in the Marketing Disciplinary Guidelines (MDG)

18. The Committee note that the poor performance of LPG distributors in adhering to Targeted Delivery Time (TDT) norms of Marketing Disciplinary Guidelines (MDG) was not monitored by the OMCs. Apprising the Committee about the action taken against the erring distributors, the Ministry of P&NG submitted that in case of '1' star rating in 1<sup>st</sup> or 2<sup>nd</sup> quarter, OMCs have to issue a warning letter to the distributor. In all cases of 'Poor' rating during any quarter subsequent to above period, a fine equivalent to 25% of one month's distributor Commission is to be imposed on the erring distributor. In every instance of 'Poor' performance rating subsequent to the above, 50 percent of one month's distributor commission is to be imposed. Further, if LPG distributorship is rated 'Poor' in any four completed quarters during the preceding 2 years (i.e., 8 quarters), it would lead to termination of the LPG distributorship. The Committee observe that there were 504 (IOCL: 373, BPCL: 87 and HPCL: 44) LPG distributors who were given '1' star rating in all eight quarters in the preceding two years and were liable for termination of distributorship. Further, there were 461 (IOCL: 371, BPCL: 40 and HPCL: 50), who were also liable for a penalty i.e., a fine equivalent to 10 percent to 25 percent of one month's distributor commission due to continuous 'Below Average' performance. The Committee would like to be informed of the number of distributors to whom warning-cum-guidance letter has been issued, fine imposed amounting to 25% of one month's distributor Commission or Penalty of 50% of one month's distributor Commission levied; and number of LPG distributorships terminated since the inception of PMUY. The Committee express the view that penalties need to be imposed stringently for reasons of non-adherence to targeted delivery time schedules.

### Consumption of 5 Kg LPG cylinders

19. Considering the high refill cost which was a barrier to LPG usage the Expenditure Finance Committee (EFC) and Petroleum Planning and Analysis Cell (PPAC) – Credit Rating Information Services of India Limited (CRISIL) had highlighted the importance of small 5 kg cylinders to make PMUY successful. However, efforts towards promoting usage and supply of 5 kg. cylinders have been slow and tardy, which is evident from the fact that till December, 2018, only 16032 (0.04 percent of total PMUY connections) beneficiaries were provided 5 kg cylinder connections. As per information made available, 34 percent of total PMUY Consumers were not aware of the option of 5 kg cylinders, which is indicative of the fact that awareness measures undertaken by the MoPNG/OMCs to encourage use of 5 kg cylinders or enable the consumer to opt for Double Bottle Cylinders (DBC) of 5 kg instead of a 14.2 kg cylinders have been insufficient. The Committee are of the view that steps towards promoting supply and usage of 5 kg. cylinders should have been taken at the stage of initiation of the Scheme itself. Nevertheless, subsequently, as per information furnished, in the year 2020-21, and during 2021-22 (till August, 2021) the growth in sale of 5 kg refills has reportedly been to the extent of 32% (in FY 2020-21) while the overall growth of LPG consumption during the year was to the extent of 8%. The Committee would desire to know the current status of extent of consumption of 5 kg cylinders and further action being taken to bring about an improvement in promoting usage of these small cylinders.

### Transition of BPL households to usage of LPG

20. The Committee note that sustaining usage of LPG remains a challenge as the annual average refill consumption of 1.93 crore consumers (who have completed

more than one year as on 31 March, 2018) was 3.66 refills only as worked out by Audit. Similar analysis for 3.18 crore PMUY beneficiaries as on 31 December, 2018 revealed that refill consumption was only to the extent of 3.21 refills per annum. A further study of the 3.18 crore PMUY consumers who had completed one year or more of LPG usage as on 31 December, 2018, revealed that 0.56 crore (17.61 percent) beneficiaries never came back for second refill and 1.05 crore (33.02 percent) beneficiaries consumed 1 to 3 refills only. Further, data regarding state-wise consumption indicates that Chhattisgarh had the lowest per annum average refill consumption of 1.61 refills, followed by Madhya Pradesh (2.38 refills), Jharkhand (2.57 refills), Odisha (2.88 refills), Assam (2.95 refills), West Bengal (3.08 refills) and Maharashtra (3.18 refills). Of the remaining States/UTs, Audit observed that in two States/UTs the average annual consumption was less than three refills. From the data, the Committee are inclined to conclude that the awareness programmes launched by the MoPNG/OMCs are not as impactful as required. The Committee, therefore, emphasize that effective measures be taken to encourage the PMUY beneficiaries towards sustaining usage of LPG so as to effectively secure benefits of improving the health of women and reducing Household Air Pollution.

#### Improper usage of Domestic Cylinders

21. The Committee are also concerned to note from the data on “OMC-wise details of consumers with higher annual consumption of refills” that 1.98 lakh consumers had monthly consumption of more than 12 cylinders. This is indicative of possible diversion of domestic cylinders for commercial use as consumption of a large number of LPG refills, particularly by BPL households seems to be improbable. The Committee, therefore, recommend that the purported consumption of a large number

of cylinder refills by BPL families as brought out by Audit should be enquired into and those guilty of any wrong doing suitably punished. A strong monitoring mechanism also needs to be established with a view to avoiding commercial usage of cylinders meant for consumption by PMUY beneficiaries.

Yet another surprising fact to note is that there have been 20.12 lakh instances where individuals concerned purportedly consumed 3 to 41 refills in a month following the installation of the connection. Out of 13.96 lakh consumers, 10.09 lakh consumers have taken refills in the above range only once and the remaining 3.87 lakh consumers have taken refills 2 to 23 times. On the other hand, as for the decline in consumption of LPG cylinders by PMUY beneficiaries, the Ministry has informed that as most of the PMUY consumers are first time LPG users, the average consumption would rise steadily over the years. The scrutiny of LPG consumption figures during the years 2018-19 to 2021-22 reveals that the per capita consumption of PMUY consumers has been improving year on year. Besides, several steps have been taken by the OMCs to facilitate LPG consumption. However, Audit, in their comments on the information furnished by the Ministry, have stated that annual average consumption continues to be less than 4 refills.

Further, with regard to figures pertaining to high consumption levels, the Committee have been informed that the OMCs have got the matter investigated by their teams, show-cause notices have been issued to Distributors having cases of high consumption, and wherever misuse of refills was ascertained, action has been taken on the distributor concerned. Further, based on the verification, MDG has been levied upon the 1665 distributors wherever the consumption was found to be not genuine. The Committee would like to be informed of the details of the number of

show cause notices issued to distributors, reply given, position of acceptance or non-acceptance of the explanation, action taken thereon and the amount of MDG levied upon the 1665 distributors. The Committee note that the MoPNG stated (in December 2020) that OMCs have further strengthened the system by imposing additional restrictions with effect from June 2019 which limits the maximum refills to 2 per month and 15 in a year for PMUY consumers. Yet, it is learnt that 20,307 instances of monthly consumption of more than 2 refills from June 2019 were noticed in the database of BPCL and HPCL. While providing justification in this regard, the Ministry submitted that for all such cases, the requests for refills have been approved by OMC field officials based on requests made. The Committee would like to know the basis on which such requests were approved by OMC field officials, whether all such cases were genuine or there were other issues and considerations. The Committee desire that all the cases of approval by field officials be investigated by the MoPNG and wherever the field officials are found guilty, in any way, stringent action be taken so as to avoid misuse of PMUY cylinders. Further, it needs to be ensured that restrictions imposed by OMCs in this regard are strictly followed by the consumers lest they be faced with stricter penalties for circumventing such restrictions.

#### Outcome of PMUY beneficiary survey

22. The Committee note that out of a sample of 1662 PMUY beneficiaries, 672 shifted to exclusive usage of LPG, while 589 beneficiaries reverted back to using unclean fuels and 401 beneficiaries were using both LPG and unclean fuels which was mainly owing to the higher price of LPG refills. Since the cost of LPG refill has to be paid upfront by the BPL consumers, this has become a constraint in ensuring

sustained usage of LPG. However, for enabling affordability, certain initiatives like giving additional amount of ₹ 350/- through CSR over ₹ 1600/- cash assistance to PMUY, swapping option from 14.2 Kg to 5 Kg cylinders and deferment of loan recovery from subsidy amount for reducing the net cash outgo of a PMUY consumer have reportedly been taken by the MoPNG/OMCs. Further, OMCs have also conducted Pradhan Mantri LPG Panchayat (PMLP), a community-based programme for creating awareness about the scheme and to address any other issue or problem pertaining to LPG usage. The Panchayats have been targeted towards nil or low refill consumers with a view to convincing them about sustained usage of LPG. A total of 1.46 lakh LPG Panchayats have reportedly been conducted by OMCs during FY 2018-19 & FY 2019-20. However, from the figures provided by MoPNG, it is seen that there was not much increase in refills during these two years. As a matter of fact, during the year 2018-19 the number of refills consumed came down from 3.39 refills per capita in 2017-18 to 3.00 in 2018-19. However, thereafter, during the year 2020-21 it has increased to 4.39, which appears to be mainly owing to the effect of 'free refill' under Pradhan Mantri Garib Kalyan Yojana (PMGKY). The Committee are concerned to note that various steps that have been taken by the Ministry/OMCs to improve LPG consumption including holding LPG Panchayats have had little impact. The Committee, therefore, express the need for taking strong and effective measures in this direction. The Committee would like to be apprised of the action taken in this regard and outcome thereof.

#### Interest free loan extended by the OMCs

23. MoPNG guidelines stipulate that OMCs would provide EMI facility to such BPL beneficiaries who want to avail the facility for meeting the cost of gas stove and first



refill under the scheme. However, OMCs have extended unsecured interest-free EMI facility to 68 percent of beneficiaries subject to recovery of loan amount from the subsidy payable to PMUY beneficiary concerned against initial refill/subsequent refills. The Committee have been informed that as on 01 September, 2021, about ₹ 4,121 crore worth of loan amount was recovered and ₹ 6,454 crore remained unpaid. Owing to Covid related issues and financial difficulties faced by the poor PMUY beneficiaries, the MoPNG has advised the OMCs to take into consideration, the effect of prevailing situation on the consumers and take a suitable decision on absorbing/writing off the pending loans. OMCs are reportedly working on this matter. The Committee, while expressing agreement with the advice of MoPNG, desire to be apprised of the present status of absorbing/writing off the pending loans and recommend that measures be taken towards OMCs completing this process at the earliest.

#### Absence of Performance Indicators to assess the benefits of the scheme

24. The Committee feel disappointed to note that there were no parameters set to monitor whether there was sustained usage of the clean fuel. No performance indicators were set by the Ministry for assessing the health benefits for the beneficiaries from the scheme. The Committee cannot therefore, help concluding that the overall benefit achieved from the scheme is not measurable in the absence of any performance indicator. The MoPNG have stated that the number of domestic LPG customers has increased from 14.51 crore in 2014 to 29.31 crore as on 01 September, 2021 and total LPG consumption in the country has increased from 17.6 MMT for the year 2014-15 to 27.7 MMT for the year 2020-21. Yet, the Ministry's reply is silent in regard to the details of PMUY consumers who have benefitted from this scheme,

financially as well as in terms of health. The Committee wonder as to how, in the absence of well-defined performance indicators which is a primary requirement, the Ministry could make an assessment of the implementation of PMUY. As of now, as per information furnished, MoPNG has commissioned a third-party evaluation by RDI for measuring the impact of the scheme on various socio-economic aspects of women's life. The study is under way. The Committee desire to know the date of commissioning of such study and the time frame for its completion. The Committee would also recommend the MoPNG to ensure that the study be completed at the earliest and appropriate action taken on the observations as soon as possible. Besides, as informed, another study has been conducted by IIT, Kanpur which is sponsored by the Ministry of Health and Family Welfare on measuring health effects of improved LPG coverage. According to interim results shared from this study which was carried out in 6 States, 45% of the total surveyed primary cooking persons have reported improved health after consistently using LPG. The Committee would also recommend that the study be completed in all the States/UTs at the earliest, a time line prescribed for this purpose, and they be apprised of the same.

#### Budget for settlement of PMUY claims

25. The Committee note that though year-wise target for release of PMUY connections was revised (September 2017) to two crore connections each for the years 2016-17 to 2019-20, neither the Revised Estimates for 2017-18 nor the Budget Estimates for 2018-19 were made in line with the revised targets or for meeting the shortfall of the previous years. This had the effect of settling OMC's claims only partially in these years due to the shortfall in the budget. The Committee take a serious view of the fact that PMUY suffered from want of adequate funds due to lack

of seriousness and urgency on the part of Ministry of Finance/NITI Aayog, i.e. budget allocating agencies. Obviously, the MoPNG also failed to impress upon the Ministry of Finance/NITI Aayog about the need for timely release of funds for such a vital Scheme. The Committee cannot but emphasise the need for enhancing further the budgetary allocations for such a vital Scheme in view of the fact that rural/poor population of the country are the main beneficiaries of this Scheme. The Ministry of Finance/NITI Aayog ought to keep this fact in view while allocating funds for this Scheme.

CSR funds collected from OMCs without assessing the requirements realistically

26. The Committee observe that there was excess parking of funds under Corporate Social Responsibility (CSR) Pool which was done on the directive of MoPNG. Evidently, there was no realistic assessment made of the requirement, and an amount of ₹ 261.85 crore has been lying idle with IOCL (nodal agency and Pool operator) which could have been utilized elsewhere for other deserving projects. On the reasons for the inability in assessing the requirement of CSR funds, the MoPNG *inter-alia* informed the Committee that the funds received by the nodal agency i.e. IOCL are to be given back to OMCs upon receipt of their claims against PMUY connections issued by them and there is no certainty about when claims would be received. The Committee are of the view in this regard that in this age of technological advancement, it is not impossible to keep an eye on the funds released/expended. The Committee would thus suggest that an appropriate mechanism be developed by MoPNG in co-ordination with IOCL so as to avoid the concentration of CSR funds with IOCL only, and the funds are distributed timely among the other OMCs.

The Committee have further been informed that presently there is no unutilized CSR amount. The entire amount has been disbursed or consumed amongst OMCs. While this is a step in the right direction, the Committee nevertheless, wish to point out that these initiatives have been taken only after the issue was pointed out by Audit and the subject matter examined by the PAC. Had these steps been taken on time, idling of funds could have been avoided and utilized on some other projects, for which funds were in short supply. The Committee, therefore, emphasize that, in future, proactive steps need to be taken to ensure that CSR funds are fully utilized during the on-going year itself.

#### Non-transfer of subsidy to PMUY Consumers

27. Non-loanee PMUY beneficiaries are entitled for refill subsidy right from the first refill. However, for loanee beneficiaries, the subsidy is to be transferred only after recovery of loan in full. For this, Bank Account details and Aadhaar number of consumer has to be mapped with LPG connection by the LPG distributor. The Committee are concerned to note that as on 31 December, 2018, subsidy of ₹ 78.85 crore (IOCL: ₹ 44.38 crore, BPCL: ₹ 13.04 crore and HPCL: ₹ 21.43 crore) for 10.5 lakh non-loanee PMUY consumers (IOCL: 5.97 lakh, BPCL: 1.48 lakh and HPCL: 3.05 lakh) had not been transferred to their bank account despite the consumers being active in consuming refills. Similarly, booking and availing subsidy amounting to ₹ 108.66 crore (IOCL: ₹ 66.02 crore, BPCL: ₹ 15.55 crore and HPCL: ₹ 27.09 crore) for 15.43 lakh loanee PMUY consumers (IOCL: 9.53 lakh, BPCL: 2.06 lakh and HPCL: 3.84 lakh) on subsequent refills had not been transferred to bank accounts of the consumers. Also, out of 15.43 lakh consumers, loan amounts of 3.23 lakh consumers (IOCL: 2.24 lakh, BPCL: 0.26 lakh and HPCL: 0.73 lakh) had been recovered fully and subsidy

amounts of remaining consumers was due as their consumption was less than six refills as on 31 December, 2018. According to the Ministry (December, 2020), this issue of subsidy failure was due to Aadhaar not being linked with Consumer's Bank Account.

The Committee fail to understand how, despite inadequacies relating to Aadhaar numbers, LPG connections were issued to the consumers. Prior to giving the connections, the OMCs should have ensured that Aadhaar number was linked to the Bank account and all documents were in proper order. Also, although, several steps are stated to have been taken by OMCs for ensuring linkage of Aadhaar with the Bank Accounts, the Committee find that as on 30 November, 2020, an amount of ₹ 114.96 crore (₹ 99.78 crore: loanee PMUY consumers; ₹ 15.18 crore: non-loanee PMUY consumers) of subsidy was not transferred to consumers.

The Committee have now been apprised that several steps such as re-triggering of subsidy every 15 days by OMCs in failed cases; making eligible failed transactions for subsidy transfer for subsequent two financial years excluding the current year; collection of bank details and transferring the funds via BTC mode; making available reasons for failure of transfer; attending to grievances on phone as well and giving several rounds of training to distributors for assisting customers have been taken/are being taken by OMCs for subsidy transfers. Besides, for improving the process of handling this issue, OMCs have made some changes in the system like, confirmation of CTC status of PMUY beneficiary before release of SV, option to update bank account details for PMUY beneficiaries, sending communication to consumers for getting correct updates of details and tie-up with 'Payments Banks' such as India Post Payments Bank (IPPB) to organize camps to

enroll for bank accounts for seeding. While appreciating the measures initiated by the MoPNG/OMCs for smooth transfer of subsidy to PMUY consumers, the Committee expect that henceforth subsidy would be transferred to PMUY consumer's bank accounts regularly. Since PMUY consumers are mainly poor and daily-wage labourers, they cannot run from pillar to post to get the subsidy at the cost of losing their daily wages. The Committee note that in reply to the related queries, the representative of Ministry/OMCs apprised the Committee during evidence that in 99 percent cases, subsidy is transferred successfully to the bank accounts of the PMUY consumers. The Committee are of the view that the issue seems to have been neglected by the Ministry/OMCs until Audit conducted a review on the PMUY and PAC took up the subject for detailed examination. The Committee would like to be apprised of the details regarding number of consumers to whom subsidy was to be transferred, number of consumers getting the subsidy regularly from the first refill, number of consumers who remain to be transferred with the subsidy amount and the period of delay in transferring the subsidy to their accounts etc.

28. The Committee have been informed that the Ministry/OMCs have taken various steps to ensure that inadequacies which include, not obtaining Aadhaar numbers of all adult family Members, issue of connections to male members of house-holds and minors; issue of multiple connections to the beneficiaries, delay in installation of PMUY connections, inadequate consumer awareness programmes, failure to grant required number of distributorships, delay in delivery of LPG cylinders at customer's address, as well as abnormally Low/high consumption of refills, non-transfer of subsidy amounts to consumers, as highlighted by Audit are not repeated while operationalising PMUY-2. While noting the steps being taken in this direction by the

Ministry/OMCs, the Committee would desire that based on experience from implementation of PMUY initially, measures need to be taken to improve the infrastructure as well the monitoring mechanism by way of sharpening modalities and software checks so as to ensure that Ujjwala 2.0 is bereft of problems. The Committee would also like to be informed of the present position of releasing the remaining connections that are due. The Committee trust that these connections would be released to the customers without undue delay.

NEW DELHI;  
06 February, 2024  
17 Magha, 1945 (Saka)

ADHIR RANJĀN CHOWDHURY  
Chairperson,  
Public Accounts Committee