

# CAG Report Summary

## Pradhan Mantri Ujjwala Yojana

- The Comptroller and Auditor General (CAG) of India submitted a performance audit report on the Pradhan Mantri Ujjwala Yojana (PMUY) on December 11, 2019. The PMUY scheme was launched in May 2016 with the objective of providing Liquefied Petroleum Gas (LPG) connections to women from below poverty line (BPL) households.
- The audit aimed to examine whether: (i) connections under the scheme have been released to eligible and intended beneficiaries, (ii) the scheme has led to sustained usage of LPG, and (iii) any measures have been undertaken to improve the distribution network. The report audited the implementation of the scheme between May 2016 and December 2018. Key findings of the report are:
- **Identification of beneficiaries:** In order to get a connection under the scheme, the eligible beneficiaries (women from BPL households) have to provide the following: (a) proof of residential address, (b) Aadhaar number, and (c) details of bank account. After receiving the application, the distributor verifies the application and a new connection is allotted. The report finds that of the 3.78 crore total connections issued under the scheme, 1.6 crore (42%) were issued only on the basis of Aadhaar number of the beneficiary.
- Under the scheme, the identification of BPL households is based on the Social Economic and Caste Census (SECC) data. The report finds cases of mismatch in the names of beneficiaries between the PMUY consumer database and the SECC data (12.5 lakh cases). Further, it noted of instances (1.9 lakh cases) where connections were released to men.
- CAG recommended that the LPG distributors should use measures such as data validation to prevent issuance of connections to ineligible persons. Further, electronic KYC should be initiated for authenticating genuineness of beneficiaries.
- **Sustained usage of LPG:** CAG observed that a total of 7.2 crore connections have been issued under the scheme against a target of eight crore by March 2020 (90%). Further, the LPG coverage in the country has increased from 62% in May 2016 to 94% in March 2019. However, the average annual refill consumption for PMUY beneficiaries has remained low, compared to non-PMUY consumers. This points to a lack of sustained usage of LPG by the beneficiaries under the scheme.

**Table 1: Details of LPG connections**

	LPG coverage	Avg. annual refill (non-PMUY)	Avg. annual refill (PMUY)
2015-16	61.9%	7.7	-
2016-17	72.8%	7.5	3.9
2017-18	80.9%	7.3	3.4
2018-19	94.3%	6.7	3.0

- LPG distributors provide the beneficiaries an option to opt for a loan for covering the expense of cooking stove and first refill. CAG noted that low consumption of refills has also hindered loan recovery worth Rs 1,235 crore for the distributors. It recommended that since the target of releasing connections has broadly been achieved, the scheme should now be focused towards sustained usage.
- **Delay in installation:** Under the scheme, new connections should be installed within seven days from the day of providing required details. CAG observed that only 72.7 lakh connections (19%) were installed within seven days. In 1.8 crore (47%) cases, the time taken was more than 30 days. In 1.3 lakh cases, connections were not installed. Delay of more than 10 days was noted in delivery of 36 lakh refills.
- **Diversion of cylinders:** The report finds that nearly 14 lakh beneficiaries consumed three to 41 cylinders in a month, and nearly two lakh beneficiaries had an annual consumption of more than 12 cylinders. CAG noted that this points to risk of domestic cylinders being diverted for commercial purposes and recommended that high consumption cases should be regularly reviewed to curb diversion.
- **Safety standards:** Pre-installation inspection is required before issuing LPG connections to ensure that a beneficiary's premises meets required safety standards (such as ventilated kitchen, elevated stove). CAG observed that there were many instances where installation inspection report was not available. Further, it noted instances of unsafe practices by beneficiaries, such as the stove being kept on ground. It recommended: (a) exploring subsidy for the cost of mandatory inspection, (b) organising safety campaigns to ensure safe usage by beneficiaries.
- **Lack of performance indicators:** CAG noted that there are no parameters to assess outcomes related to the scheme such as improvement in health of women and reduction in air pollution. It recommended that the Ministry of Petroleum and Natural Gas should develop a roadmap to assess these outcomes.

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