



Pradhan Mantri Ujjwala Yojana

For Prelims: [Pradhan Mantri Ujjwala Yojana \(PMUY\)](#), [Ujjwala 2.0](#)

For Mains: Challenges faced by the PMUY in achieving its objectives, "Government Policies & Interventions."

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Why in News?

The [Pradhan Mantri Ujjwala Yojana \(PMUY\)](#), aimed at providing **LPG gas cylinders** to rural and deprived households, has faced challenges in ensuring consistent usage among beneficiaries.

- Out of 9.58 crore Pradhan Mantri Ujjwala Yojana households, **1.18 crore bought no refills in 2022-23, and another 1.51 crore bought one refill.**
- Low refill rates raise concerns about the scheme's ability to ensure sustained usage among beneficiaries.

What are the Concerns Regarding the PMUY?

- **Limited Refill Consumption:**
 - Data reveals that the average PMUY beneficiary refilled **fewer than four LPG cylinders during 2022-23.**
 - One in four PMUY beneficiaries did not use any LPG cylinders or took just one refill in 2022-2023.
 - In contrast, non-PMUY households consumed significantly more cylinder refills, whose per household consumption of LPG cylinders **was 6.67 refills** highlighting a disparity in consumption patterns.
- **Rising LPG Cylinder Prices:**
 - Steep price increases in LPG cylinders, even with subsidies, have made them **less affordable for rural and deprived households.**
 - High prices may discourage beneficiaries from using LPG for cooking, defeating the scheme's purpose.
- **Subsidy Expenditure:**
 - Between January 2018 and March 2023, rates for subsidised LPG cylinders increased by 82%, reaching ₹903 in March 2023 from ₹495.64 in January 2018.
 - Subsidy amounts depend on the difference between the Retail Selling Price (RSP) and the subsidised cost set by the government.
 - Non-subsidised LPG cylinders saw a 49% price increase, reaching ₹1,103 in March 2023.
- **International Factors Impacting LPG Prices:**
 - Various factors, including import charges, bottling charges, freight, delivery charges, GST, and distributor commission, contribute to the final LPG price.

What is Pradhan Mantri Ujjwala Yojana (PMUY)?

- **About:**
 - The **Ministry of Petroleum and Natural Gas (MOPNG)**, introduced the '**Pradhan Mantri Ujjwala Yojana' (PMUY)** as a flagship scheme with the objective of making **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.
- **Objectives:**
 - Empowering women and protecting their health.
 - Reducing the number of deaths in India due to unclean cooking fuel.
 - Preventing young children from a significant number of acute respiratory illnesses caused due to indoor air pollution by burning fossil fuel.
- **Features:**
 - The scheme provides a financial support of Rs 1600 for each LPG connection to the BPL households.
 - Along with a deposit-free LPG connection, Ujjwala 2.0 will provide the first refill and a hotplate free of cost to the beneficiaries.
- **Benefits of PMUY:**
 - The eligible beneficiaries receive a **free LPG connection**.
 - The beneficiaries also **receive a subsidy on the first six refills of 14.2 kg cylinders or eight refills of 5 kg cylinders**.
 - The beneficiaries **can opt for an EMI facility to pay for the cost of the stove and the first refill**.
 - The beneficiaries can also join the **PAHAL scheme to receive the subsidy amount directly in their bank accounts**.
- **Phases of PMUY:**
 - **Phase I :**
 - The scheme was launched on May 1, 2016.
 - The target under the scheme was to release 8 Crore LPG Connections to the deprived households by March 2020.
 - The release of 8 Crore LPG connections under the scheme has also helped in increasing the LPG coverage from 62% on 1st May 2016 to 99.8% as on 1st April 2021.
 - **Ujjwala 2.0:**
 - In the Union budget for FY 21-22, provision for the release of additional 1 crore LPG connections to the eligible households by March 31, 2022.
 - The target of releasing additional 1 crore LPG connections under **Ujjwala 2.0** was achieved in January 2022. Subsequently, it was decided to release additional 60 lakh LPG connections under Ujjwala 2.0. OMCs have achieved the target of releasing 1.6 Crore LPG Connections under Ujjwala 2.0 on 31st December 2022.

Formula To Calculate the LPG Price:

- The price of LPG is calculated based on the **formula known as import parity price (IPP)**.
- Basically, the calculations as per the **IPP are dependent on the international market**.
- The IPP calculation is done through Saudi Aramco's LPG price, which is the world's largest producer.
 - The price **involves costs like free on board (FOB) price**, ocean freight, customs duties, port charges and insurance costs, among other things.
- The price fluctuation of **crude oil also affects the international price of LPG**.
 - The inland prices include freight costs, oil company's margins, bottling costs, marketing expenses, dealer commissions and the **Goods and services Tax(GST)**.
- The final price thus calculated gives the retail selling price for non-subsidised cooking gas cylinders for consumers across different states.
- **India uses the IPP as most of its consumption is through imports.** The formula of LPG cylinders is revised on a monthly basis.
 - LPG is an important requirement with three major PSU suppliers like Indian oil, Bharat

Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL), charging mostly similar prices with different cost structures and operational efficiencies.

Way Forward

- The government should intensify efforts to educate beneficiaries about the health and environmental benefits of using LPG.
- Periodic evaluation of subsidy amounts and mechanisms to keep LPG affordable for beneficiaries is needed.
- Conduct regular assessments of the PMUY scheme's effectiveness and adapt policies accordingly to address emerging challenges.

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