



LPG Subsidy Initiatives in India

[Source: BL](#)

Why in News?

The **Pratyaksh Hastantarit Labh (PAHAL)** [Direct Benefit Transfer \(DBT\) scheme](#) and the **'Give It Up'** campaign have completed a decade since their nationwide rollout.

- Alongside these, the government also launched the [Pradhan Mantri Ujjwala Yojana \(PMUY\)](#) in 2016 to expand [Liquefied Petroleum Gas \(LPG\)](#) coverage, especially for economically weaker households.

What is the PAHAL DBT Scheme?

- **About:** The PAHAL DBT Scheme launched nationwide in 2015, is an initiative by the **Ministry of Petroleum & Natural Gas** to ensure the **direct transfer of LPG subsidies** to consumers' bank accounts.
 - The scheme aims to **eliminate leakages, prevent duplicate connections**, and enhance transparency in subsidy distribution.
- **Working:** LPG cylinders are sold at market price, and the subsidy amount is directly transferred to consumers' bank accounts.
 - Consumers receive the subsidy through two modes **Aadhaar Transfer Compliant Mode** and **Bank Transfer Compliant Mode** (subsidy credited to the registered bank account without Aadhaar linkage).
- **Objectives:** Aims to eliminate middlemen and fake LPG connections, ensuring benefits reach genuine consumers.
 - Encourages beneficiaries to open bank accounts, integrating them into the formal financial system.
- **Achievements:** As of 2024, over **30.19 crore LPG consumers** are enrolled under PAHAL. The scheme has saved the government over Rs **1.5 lakh crore by reducing subsidy wastage** and removing ineligible consumers.
 - Aadhaar-based authentication helped **remove duplicate beneficiaries and fake or fraudulent LPG connections** from the system.

What is the Give It Up Campaign?

- **About:** Give It Up Campaign launched in 2015, by Prime Minister Narendra Modi at the **'Urja Sangam' global energy summit**.
 - It encouraged **well-off LPG consumers to voluntarily surrender their subsidies**, allowing the government to redirect funds to the poor.
- **Impact:** The campaign saw **10 million give up subsidies in the first year**, but slowed to **11.5 million by 2025**.

What is the Pradhan Mantri Ujjwala Yojana?

- **About:** PMUY aims to provide **deposit-free LPG connections** to adult women from economically

weaker households.

- The scheme promotes **clean cooking fuel**, reduces health risks from indoor pollution, and decreases dependence on **traditional fuels**.
- Beneficiaries receive **Rs 2,200 per 14.2 kg connection and Rs 1,300 per 5 kg connection (from FY 2023-24)**.
 - Additionally, interest-free loans are available for purchasing gas stoves, ensuring wider accessibility.

▪ **Implementation and Expansion:**

- **Phase 1 (2016-2019):** Initial target of **80 million LPG connections**, achieved by **September 2019**.
- **Phase 2 - Ujjwala 2.0 (2021-2022):** Additional **16 million connections** provided by **December 2022**.
- **Phase 3 (2023-2026):** Government approved **7.5 million more connections**, target met by **July 2024**.
 - As of **January 2025**, a total of **103.3 million PMUY connections** have been issued across India.

Why is LPG Adoption Still Limited Despite Widespread Access?

- **High Recurring Cost of Refills:** Even with deposit-free connections, the cost of **refilling LPG cylinders (~ Rs 1,100/cylinder)** is prohibitive for many BPL families.
 - According to the **Petroleum Planning & Analysis Cell (PPAC, 2016)**, **83%** of respondents cited high refill cost as a key deterrent.
 - Although PMUY connections are free, **86%** of households struggle with the **cost of stoves, hoses, and regulators**.
 - While the government provides a refill **subsidy**, it still leaves a substantial cost burden for poor households to maintain a regular LPG connection.
- **Low Refill Rates Among Beneficiaries** PMUY households refill on average **3.95 times/year** (2023-24), compared to **6.5 times/year** for non-PMUY users.
 - The maximum permitted is **12 subsidised cylinders/year**, highlighting underutilisation.
- **Availability of Traditional Fuels:** Firewood, cow dung, and crop residues are **freely available or low-cost**, making them preferred options in rural areas.
 - Cooking on chulhas (traditional stoves) is deeply entrenched in some regions due to habit and cooking style.

Read more: [Pradhan Mantri Ujjwala Yojana \(PMUY\)](#)

Drishti Mains Question:

Despite widespread access to LPG through PMUY, why do many households continue to rely on traditional fuels?

UPSC Civil Services Examination, Previous Year Questions (PYQ)

Mains

Q. Access to affordable, reliable, sustainable and modern energy is the sine qua non to achieve Sustainable Development Goals (SDGs)." Comment on the progress made in India in this regard. **(2018)**

