



Direct Benefit Transfer for LPG (DBTL) Scheme

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Why in News?

India's [Direct Benefit Transfer for LPG \(DBTL\)](#), also known as the **Pratyaksh Hastantarit Labh (PAHAL) scheme**, has led to the blocking, suspension, or deactivation of **over 4.08 crore duplicate, fake, or inactive** Liquefied petroleum gas (LPG) connections.

What is the Direct Benefit Transfer for LPG (DBTL)?

- **About:** DBTL launched in 2015 by the **Ministry of Petroleum and Natural Gas**, to transfer **LPG subsidies directly into consumers' bank accounts**, ensuring transparency and reducing leakage.
 - Under DBTL all LPG cylinders are now sold at **non-subsidised rates**, with the subsidy component **sent to beneficiaries post-delivery**.
- **Key Features**
 - **Direct Benefit:** The subsidy is automatically credited to the user's account through either the **Aadhaar Transfer Compliant (ATC)** or **Bank Transfer Compliant (BTC)** mode. This eliminates diversion and fake connections, protecting consumer entitlements.
 - **Consumer Empowerment:** Users can opt in/out of subsidy based on eligibility.
 - **Efficient Delivery:** Improves transparency and streamlines LPG supply.
- **Eligibility:** **Must be a registered LPG consumer, and the combined taxable income of the applicant and their spouse should not exceed Rs 10,00,000 in the previous financial year, as per the Income Tax Act, 1961.**
- **Achievements:** As of July 2024, over 30.19 crore LPG consumers are enrolled in the PAHAL scheme. In 2024-25, 194 crore refills were delivered, with just 0.08% complaints, showing the scheme's efficiency.
 - 92.44% of the active LPG consumers have Aadhaar seeded in the system. 86.78% of DBTL consumers are Aadhaar-transfer compliant.
 - A third-party evaluation by **Research and Development Initiative (RDI)** found over **90% of users satisfied with PAHAL's subsidy system**. It recommended better targeting, stronger grievance redressal, and wider safety awareness.

How has India's Welfare Delivery Improved through its DBT System?

- **DBT and Curbing leakages:** India's DBT system saved Rs 3.48 lakh crore by curbing leakages and halved subsidies from 16% to 9% of India's spending on subsidies (2009-2024).

- Beneficiary Coverage: Beneficiaries under DBT surged 16-fold (from 11 crore to 176 crore (2014–2024)) driven by digital infrastructure like the [JAM Trinity \(Jan Dhan, Aadhaar, Mobile\)](#).
 - DBT includes both cash transfers (like [Pradhan Mantri Kisan Samman Nidhi \(PM-KISAN\)](#)), pensions, and scholarships) and in-kind support (such as food through [Public Distribution System](#) and fertilizer subsidies).
 - **A strong positive correlation (0.71) exists between beneficiary coverage and DBT savings, indicating that as coverage expanded, savings increased.**
- A negative correlation (-0.74) between subsidy expenditure and welfare efficiency highlights the reduced waste and leakages facilitated by DBT.
- Welfare Efficiency Index (WEI): The BlueKraft Digital Foundation's WEI quantifies DBT's success, incorporating DBT savings (50% weight), subsidy reduction (30% weight), and beneficiary growth (20% weight). It rose from 0.32 in 2014 to 0.91 in 2023, showing improved efficiency and inclusion.

Drishti Mains Question:

Q. How has the Direct Benefit Transfer system reshaped India's welfare delivery system?

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Mains

Q. Reforming the government delivery system through the Direct Benefit Transfer Scheme is a progressive step, but it has its limitations too. Comment. (2022)

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