

Pradhan Mantri Ujjwala Scheme | Price Cut & Its Impact

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Why in News?

- Recently, the Union government announced a price cut of Rs 200 per cylinder for all users and the beneficiaries of the government's Ujjwala Yojana will now get a reduction of Rs 400 per cylinder.

About Pradhan Mantri Ujjwala Scheme:

- Pradhan Mantri Ujjwala Scheme was launched by Prime Minister Narendra Modi on 1st May, 2016 with the slogan of **“Clean Fuel, Better Life”**.
- **Objective:** To safeguard the health of women & children by providing them with a clean cooking fuel – LPG, so that they don’t have to compromise their health in smoky kitchens or wander in unsafe areas collecting firewood.
- **Implementing Agency:** Ministry of Petroleum & Natural Gas
- **Budget:** Rs 8,000 crore

Features of the Scheme:

- 5 crore LPG connections were to be provided to BPL (Below Poverty Line) families with a support of Rs 1600 per connection in the next 3 years (2016-19).
- Subsequently, the target was revised to 8 crore LPG connections in April 2018.
- **Connections are issued in the name of women of the households.**

Eligibility & Identification:

- **All BPL families** can get the benefit of this scheme.
- Any adult woman from a BPL family can apply for a deposit free LPG gas connection under the Ujjwala scheme.
- The scheme was expanded in April 2018 to include women beneficiaries from seven more categories (SC/ST, PMAY (Pradhan Mantri Awas Yojana), AAY (Antyodaya Anna Yojana), most backward classes, tea garden, forest dwellers, river islands).
- The identification of the BPL families is done through **Socio Economic Caste Census Data 2011**.

Challenges in Implementation of the Scheme:

- The government faced the following challenges while implementing the PMUY scheme:
 - **Identification of poor households:**
 - This was the key challenge in allotment of free LPG connections, as there was a lack of authentic data that could help identify poor households with 100% accuracy.
 - Though the government used the SECC-2011 data, it was reported that many deserving households were left out during the field work.
 - **Misuse of the SECC data:**

- It was noted that a few affluent households were also listed as BPL households in the SECC-2011 data.
- Therefore, it became challenging to validate the authenticity of every data in the SECC database.
- **Safety awareness among beneficiaries:**
 - As most beneficiaries were from poor and illiterate backgrounds, they had limited awareness about the safety requirements for cooking on an LPG stove.
- **Unavailability of documents:**
 - In addition, many deserving households did not have mandatory documents such as ration card and Aadhaar card.
- **Limited reach of LPG distribution:**
 - In some parts of the country, LPG distributorships could not be established due to law & order issues or it being a forest area.
 - Households in those areas are still disconnected with the scheme and are unable to have access of cleaner cooking fuel.

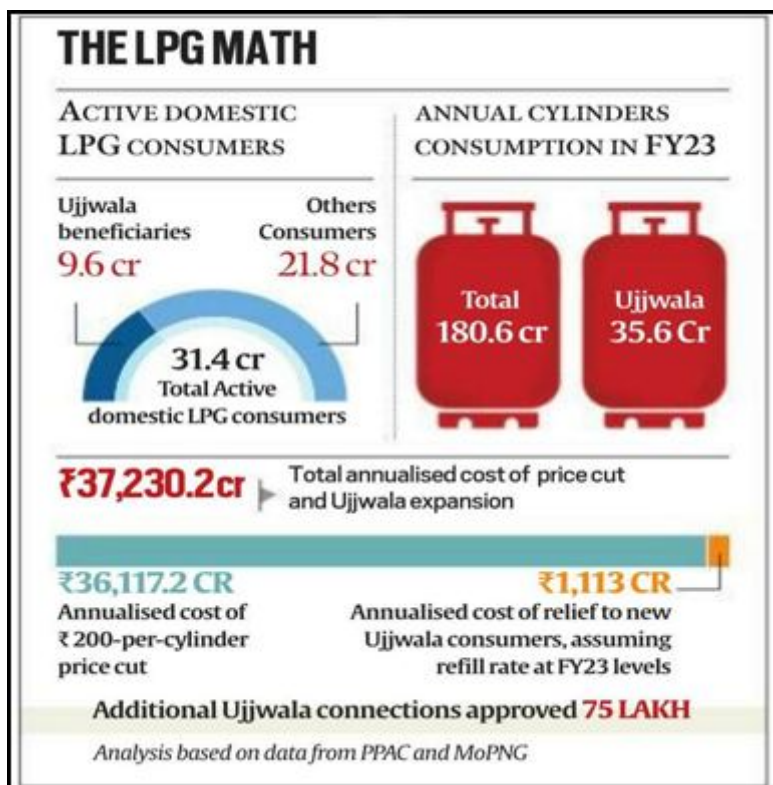
Performance of Ujjwala Scheme (Phase-I):

- The release of 8 Crore LPG connections under the scheme helped in increasing the LPG coverage from 62% on 1st May 2016 to 99.8% as on 1st April 2021.
- The scheme has benefitted over 1.46 crore BPL families in Uttar Pradesh, 88 lakhs in West Bengal, 85 lakhs in Bihar, 71 lakhs in Madhya Pradesh and 63 lakhs in Rajasthan.

Ujjwala 2.0 Scheme:

- In the Union budget for FY 21-22, provision for an additional 1 crore LPG connection under Ujjwala 2.0 was announced.
- In this phase, special facility has been given to migrant families.
 - Migrants will not be required to submit ration cards or address proof.
 - A self-declaration for both 'family declaration' and as a 'proof of address' will suffice.
- As on March 1, 2023, the total number of connections released under PMUY was **9.59 crore.**
- The **active domestic LPG consumers have increased from 14.52 crore in April 2014 to 31.4 crore as of March 2023.**

News Summary:



- Recently, the Union government announced a price cut of Rs 200 per cylinder for all users.
- Meanwhile, beneficiaries of the government's Ujjwala scheme will now get a reduction of Rs 400 per cylinder.
 - Earlier in March 2023, the government had approved a subsidy of Rs.200 per 14.2 kg cylinder for up to 12 refills per year for the beneficiaries of the Ujjwala scheme.
- This price cut of Rs 200 per cylinder and the addition of new beneficiaries under Ujjwala 2.0 will cost the Union government **Rs 37,000 crore on an annualized basis**, an analysis of liquefied petroleum gas (LPG) consumer base and average gas refill data suggests.

Q1) What is Deendayal Antyodaya Yojana?

The DAY aims to eliminate rural poverty through the promotion of multiple livelihoods and improved access to financial services for the rural poor households across the country.

Q2) How is Below Poverty Line defined in India?

The BPL income limit is calculated using monthly expenditures for things like food, clothing, health care, transportation, and power. Currently, a person who spends Rs. 33 per day in urban areas and just Rs. 27 per day in rural regions is considered to be living below the poverty line.

Source: [LPG price cut, Ujjwala expansion could cost over Rs 37,000 crore annually](#) | [Tol](#)

Source: <https://vajiramandravi.com/current-affairs/pradhan-mantri-ujjwala-scheme/>

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