

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
STARRED QUESTION NO.- 151
ANSWERED ON- 04/08/2025

IRREGULARITIES IN LPG DISTRIBUTION AND SUBSIDY TRANSFER

*151 SHRI IMRAN PRATAPGARHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Government is aware of widespread irregularities in LPG distribution, including delays in Direct Benefit Transfers (DBT) of subsidies and the presence of ghost beneficiaries, particularly in rural areas;
- (b) the total number of such cases reported during the last three years and action taken thereon;
- (c) whether Government will initiate a nationwide social audit of LPG subsidy transfers to identify systemic lapses; and
- (d) whether it plans to strengthen the grievance redressal mechanism to ensure timely resolution and accountability in subsidy disbursements?

ANSWER

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) IN RESPECT OF THE RAJYA SABHA STARRED QUESTION NO. 151 FOR REPLY ON 04.08.2025 REGARDING 'IRREGULARITIES IN LPG DISTRIBUTION AND SUBSIDY TRANSFER' ASKED BY SHRI IMRAN PRATAPGARHI.

(a): Government continues to take measures on ongoing basis to ensure that LPG distribution and subsidy transfers in respect of domestic LPG consumers are efficient, transparent, and inclusive. Implementation of initiatives like the PAHAL (DBTL) scheme, Aadhaar-based verification, biometric authentication and weeding out of ineligible or duplicate connections have significantly strengthened the system of transfers of targeted subsidies.

Transformation of LPG distribution system

Strengthening Beneficiary Targeting under PMUY-

As of July 1, 2025 the total number of active domestic LPG consumers in India stands at 33.05 crore, which includes 10.33 crore beneficiaries of the Pradhan Mantri Ujjwala Yojana (PMUY). This represents a significant increase from 14.51 crore domestic LPG consumers as of April 1, 2014, reflecting the Government's successful efforts to expand access to clean cooking fuel.

Pradhan Mantri Ujjwala Yojana (PMUY) was launched in May, 2016 with an objective to provide deposit free LPG connection to adult women from poor households across the country. The primary objective of PMUY is to provide LPG connections to poor households, in order to protect their health from the adverse effects of traditional cooking fuels such as firewood, coal, and cow dung, which are known to cause serious indoor air pollution and related health hazards. Implementation of PMUY has contributed to improvement in LPG coverage in the country from 62% in April 2016 to near saturation now.

Expanding Rural LPG Access-

In order to improve access of LPG in rural and remote areas, out of 7997 distributorships commissioned during 01.04.2016 to 30.06.2025 across the country, 7403 (i.e. 93 %) are catering to rural areas. As of July 01, 2025, there are a total of 25,573 LPG distributorships across the country, out of which 17,646 are serving rural areas.

Delivery Monitoring and Consumer Empowerment-

To enhance consumer empowerment and improve service transparency, IVRS/SMS refill booking system has been implemented across the Country in all LPG distributorships. Under this system, consumers receive SMS notifications at key stages — refill booking, cash memo generation, and refill delivery —which allows them to track their transactions and report any cases of wrong or non-delivery. In addition, Oil Marketing Companies (OMCs) have introduced the *Delivery Authentication Code (DAC)*. This code is sent to the consumer via SMS upon cash memo generation and is required to be shared with the delivery personnel at the time of delivery, thereby ensuring delivery authentication.

Field Inspections and Checks-

To ensure compliance and curb malpractices, both Regular and Surprise Inspections of LPG distributors are done by Field Officers of the OMCs. Also, officers from Regional Offices/ Zonal Offices/ Divisional Offices/ Territory Offices and officials from Anti Adulteration Cell/ Quality Reassurance Cells and Vigilance Department conduct random checks at Distributors' Godown/ Showroom/delivery points, as well as en-route to ensure that no misuse of LPG takes place.

Reforms in Subsidy Transfers and Strengthening of the system

Direct Benefit Transfer of LPG (DBTL)-PAHAL Scheme has been implemented since January 2015 for transparent and effective disbursement of subsidy across the country. Under PAHAL Scheme, all domestic LPG cylinders are sold at non-subsidised price and applicable subsidy to LPG consumers is transferred directly into the bank account of the consumers.

Once the subsidy is credited, the consumer receives an SMS on their registered mobile number confirming the subsidy deposit. In the event of a failed transaction, the consumer is informed of the issue along with the necessary corrective action to be taken through SMS.

PAHAL has played a crucial role in identification and blocking of 'ghost' accounts, multiple accounts, and inactive LPG connections, thereby helping curb the diversion of subsidised LPG for commercial use. As of 01.07.2025, 4.08 crore duplicate, fake/non-existent, and inactive LPG connections are blocked/suspended/deactivated.

Government has taken numerous steps to remove ineligible consumers and improve subsidy transfer process, which include the following:

De-duplication through CLDP-

Government has also brought a Common LPG Database Platform (CLDP) through which duplicate connections are being identified and removed from the LPG database. Deduplication amongst LPG consumer database is done using Aadhaar Number, Bank Account Details, AHL TIN Number, Ration Card Details, Name and Address as the key parameters.

Biometric Aadhaar Authentication Drive-

Aadhaar-based authentication for Direct Benefit Transfer (DBT) schemes enables accurate, real-time, and cost-effective identification, authentication, and de-duplication of beneficiaries, ensuring targeted delivery of benefits to the intended recipients. To strengthen consumer authentication, the Government had directed the public sector Oil Marketing Companies (OMCs) to undertake and complete biometric Aadhaar authentication of PMUY and PAHAL beneficiaries. As of 01.07.2025, Biometric Aadhaar authentication has been completed for 67% of the existing PMUY beneficiaries. Further, all new PMUY consumers undergo Biometric Authentication before release of connections.

Weeding out of Ineligible Consumers-

PAHAL has enabled the disbursement of the Targeted subsidy benefit to PMUY consumers. Multiple steps have been taken to ensure that these benefits reach the eligible and targeted beneficiaries in an efficient and timely manner. Since its inception, as a result of comprehensive deduplication exercises undertaken, a total of 8.49 lakh PMUY connections have been terminated. Further, in January 2025, a Standard Operating Procedure (SOP) was issued for the removal of PMUY consumers who had not taken any further refills after the installation of their connection. Under this SOP, around 12,000 inactive PMUY connections have already been terminated.

Reducing Transaction Failures by Enhancing Aadhaar Compliance-

While most subsidy transactions are completed successfully within 2 days of delivery, some issues have been observed leading to transaction failure during DBTL subsidy transfer such as deseeding of consumer Aadhaar from bank account, merger of banks, Inactive Aadhaar number, Account closure/Transfer etc. To address these issues, focused efforts have been made to ensure

that all consumers become Aadhaar Transfer Compliant. As of 01.07.2025, 92.44% active LPG consumers out of total 33.05 crore have their Aadhaar seeded in OMCs database and around 86.78% of total 30.63 crore DBTL consumers are Aadhaar Transfer Compliant.

(b): In order to regulate distribution of LPG, the Government has notified “Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000. Additionally, OMCs have formulated “Marketing Discipline Guidelines” to be adhered to by LPG Distributors. These guidelines also provide for penal action against LPG distributors indulging in any malpractice. In all established cases of irregularities by LPG distributors in marketing of LPG, action is taken as per provisions of Marketing Discipline Guidelines / Distributorship Agreement.

The total number of complaints received and satisfactorily resolved by the OMCs for the last three years is given below:

Financial Year	2022-23	2023-24	2024-25
Complaints related to LPG subsidy issues	2,85,825	3,59,655	4,61,113
Complaints related to LPG distribution	6,59,297	8,04,393	10,96,339

(c): Several studies have been done to assess the impact of DBTL-PAHAL scheme. A comprehensive third-party evaluation was conducted by Research and Development Initiative (RDI). The study found that more than 90% of the respondents were satisfied with subsidy reimbursement mechanism. The report recommends strengthening the subsidy payment infrastructure and grievance redressal systems, along with improving targeting by limiting subsidies to economically weaker sections. It also highlights the need for sustained safety awareness and expanded outreach through local language and mass media campaigns to ensure better adoption and safe usage of LPG. Based on these findings, steps have been taken to further improve the efficiency, transparency, and outreach of the PAHAL scheme.

(d): The grievance redressal system for all LPG consumers has been gradually strengthened and improved over time to enhance consumer experience and service quality. Now LPG consumers can lodge their grievances/complaints using any of the following methods-

1. Toll free helpline- A dedicated toll-free helpline (1800 2333 555) is available for consumers to lodge their queries, including subsidy-related issues.
2. OMCs' official websites and Mobile Applications

3. Centralised Public Grievance Redress and Monitoring System (CPGRAMS)
4. Chatbots, WhatsApp, Social media handles (Twitter, Facebook, Instagram) including MoPNGeSEVA
5. 1906: Dedicated helpline for LPG accidents/leakages
6. Lodging Complaints directly at the distributor office

In case of online complaints consumers have an option to provide their feedback on complaint resolution. If a consumer is not satisfied with the resolution provided, they have the option to reopen the query for further review.
