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Government of India

India marches ahead on Energy Security pathways; Ujjwala Yojana key Scorer



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Carving out niche in annals of the country's Petroleum and Natural gas Sector, the Narendra Modi government, during its first three years of governance, unveiled a raft of path breaking initiatives including Ujjwala Yojna, Give Back Subsidy, Urja Ganga and weathered international oil markets fluctuations.



In a determined move to accomplish energy security, the government chased plans to enrich the sector while spreading LPG connections network. Initiatives were launched in lower, middle and up streams, and many are on the pipe lines to lit up the oil sector to pave way for the energy security.

Over two crore LPG cylinders were distributed to BPL women under the PM's Ujjawala Yojana. Government has approved Rs. 8000 crore under the Pradhan Mantri Ujjwala Yojana (PMUY) for release of 5 crore deposit free new LPG connections to women of BPL families over next three years.

PMUY, One of the Flagship schemes, surpassed the targets for the financial year 2016-17 in terms of installing new connections. Over 2.20 Crore connections have been given in the first year of its launch scheme to BPL families.

According to the Minister of State (I/C) for Petroleum and Natural gas, Dharmendra Pradhan, the target of 1.5 Cr connections for the financial year has been surpassed. *PMUY was launched on May 1, last year at Ballia, UP by Mr. Modi.*





Informatively, in the financial year 2016-17, Oil Marketing Companies (OMC) have given 3.25 Cr new connections. This is the highest ever LPG connections released in any given year. Now, total number of active LPG consumer has crossed 20 Crore. This has been a quantum jump from 14 Cr in the year 2014.

The LPG demand has registered a growth rate of more than 10%. More than 4,600 new distributors have been added in the last 3 years which have come up primarily in rural belts. Government data reveals 85% of the new consumers have come back for a refill. About 38% of the beneficiaries in PMUY are from SC/ST category.



The World's largest Direct Benefit Transfer Scheme, PAHAL (Pratyaksh Hastantartit Labh) ensured subsidy given to consumers is directly transferred to the registered account of the consumer without involving any intermediary.

More than Rs. 40,000 crore of subsidy has been transferred to the LPG consumers through 204 crore transactions since inception of the Scheme.

The success of PAHAL is evident from the fact it made it to the Guinness Book of World Records as the World's largest cash benefit transfer scheme. It has also resulted in estimated saving of over Rs. 21,000 crore or USD 3.2 billion in first two years itself.

Buzz on give up LPG subsidy also resonated loudly. Over 1.05 crore households have voluntarily given up their LPG subsidy. Nearly 63 lakh new LPG connections have been released to BPL families in Financial Year 2015-16 linked to Give back campaign.

The ambitious “Urja Ganga” gas pipe line project aims to provide piped cooking gas to residents in Varanasi within two years and in another year after that it would cater to needs of people in Jharkhand, Bihar, Odisha, and West Bengal.



It will cater to energy needs of five states, covering 40 districts and 2,600 villages. It will pave way for revival of three large fertilizer plants, enable industrialisation of over 20 cities and development of city gas network in 7 cities, generating a large number of jobs.

There has been considerable increase in refining capacity in the country over the years. During 2015-16, there was capacity expansion by 15 Million Metric Tonnes Per Annum (MMTPA) with the commissioning of Paradip Refinery. With this increase, the refining capacity has now reached at 230.066 MMTPA.

The Government took several policy initiatives as well as administrative measures to enhance production of oil and gas in the country for meeting domestic demand.

The Ministry also notified the implementation of BS-IV auto fuels in the entire country w.e.f April 1, this year in a phased manner. It has been decided that the country will leapfrog directly from BS-IV to BS-VI fuel standards and BS-VI standards will be implemented from April 1, 2020.

The Indian Strategic Petroleum Reserves Limited (ISPRL) has constructed Strategic Crude Oil Reserves with storage capacity of 5.33 Million Metric Tonnes (MMT) at three locations Visakhapatnam, Mangalore and Padur .

The government also approved Discovered Small Field Policy for monetization of 69 hydrocarbon discoveries made by National Oil Companies ONGC and OIL which could not be monetized for many years due to various reasons such as isolated locations, small size of the reserves, high development costs, technological constraints, fiscal regime etc.

It proposes for expansion of Guwahati, Bongaigaon and Numaligarh refineries, establishment of bio-refinery at Numaligarh and development of network of natural gas, POL and LPG pipelines in the state. The Hydrocarbon Vision Document 2030 provides for an investment to the tune of Rs.1.3 lakh Cr by the year 2030 in oil and gas sector in NE.

The government had announced several measures in Budget 2017 -18 to give fillip to the sector. The key initiatives among other things include: Reduction in the basic customs duty on LNG from 5% to 2.5%; Setting up of two more strategic oil reserves; Creation of an integrated public sector 'oil major' to integrate the oil sector PSUs across the value chain and to enhance capacity of Oil PSUs to bear higher risks, avail economies of scale, take higher investment decisions and create more value for the stakeholders.

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□ **May 19, 2017**

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