

“A Study on Challenges, Branding and Implementation of Ujjwala Scheme”

R Umapathy, Dr D Sreeramulu

Research Scholar Chief Manager HPCL
Professor, Department of Business Management Osmania University
Corresponding Author: R Umapathy

ABSTRACT: India is home to more than 24 Crore households out of which about 10 Crore households are still deprived of LPG as cooking fuel and have to rely on firewood, coal, dung – cakes etc as primary source of cooking. The smoke from burning such fuels causes alarming household pollution and adversely affects the health of Women & Children causing several respiratory diseases/ disorders. As per a WHO report, smoke inhaled by women from unclean fuel is equivalent to burning 400 cigarettes in an hour. In addition, women and children have to go through the drudgery of collecting firewood.

Pradhan Mantri Ujjwala Yojana (PMUY) aims 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. The scheme is aimed at providing “Swacch Indhan, Behat Jeevan”

Date of Submission: 17-08-2019

Date of acceptance: 31-08-2019

I. INTRODUCTION

Liquefied Petroleum Gas (LPG) a domestic cooking fuel has become synonymous like water connection in every household throughout India. LPG is basically a by-product of Crude oil is used both in Domestic sector and Commercial sector (Hotels, Industries etc.). Three PSU (Public Sector Undertaking) Companies i.e. IOCL, HPCL, BPCL and some Private players like Reliance, Go Gas, Elf are the major companies.

PSU OMCs (Oil Marketing Companies (IOCL, BPCL and HPCL) together have 23.71 crore customers registered with them out of which 23.46 crore customers are in the domestic category. Nearly 46.4% of total registered domestic customers have double bottle connections (DBC). All these customers are being served by OMCs through 18786 LPG distributors pan India. Out of 23.46 crore registered domestic customers, 19.88 crore customers are active. The LPG coverage of the country estimated on the basis of active domestic connections and estimated household is around 72.8 % All India LPG penetration is 72.8%, few states like MP, UP, Bihar, Chhattisgarh etc. has penetration of 50 to 60%. Still 37.2% of households are deprived of this cooking gas.

Our Honorable Prime Minister Sri Narendra Modi was more concerned about the health and economic condition of poor women in rural areas who cook their food on fire wood, cow dung cakes etc. Usage of firewood not only diminishes forest coverage but also it leads to air pollution. Also the health of the woman gets spoiled due to smoke. Honorable PM has dreamt about a scheme to reach LPG in every household of this country which will improve the health of women and avoids air pollution. Ministry of Petroleum and Natural Gas (MOP NG) under the guidance of Honble Minister for MOPNG Sri Dharmendra Pradhan has launched a scheme called Pradhan Mantri Ujjwala Yojana (PMUY) in the month of May 2016 at Baliya Dist, UP State.

This scheme has aimed to release free LPG Cooking gas connections to Poor women beneficiaries who are listed in SECC (Socio Economic Caste Census) – 2011. So far more than 7 crores Crore Ujjwala Connections have been issued.

In the present research paper the researcher has made an attempt to study the penetration of LPG in rural India, 4 A's of LPG (Availability, Affordability, Acceptability, Awareness), also the Infrastructure of LPG dealer to make villages smoke free. The study has also tried to find out the safe practices and usage by women and methods used in Promoting the scheme. In the present research efforts have been made to study about the scheme and challenges in implementation, readiness.

1. About the Scheme

Pradhan Mantri Ujjwala Yojana was launched by Hon'ble Prime Minister Shri Narendra Modi on May 1st, 2016 in Ballia, Uttar Pradesh. Under this scheme, 5 Cr LPG connections are provided to BPL families with a support of Rs.1600 per connection till 2019. Ensuring women's empowerment, especially in rural India, the

connections will be issued in the name of women of the households. The government has allocated Rs. 8000 Cr towards the implementation of the scheme. Identification of the BPL families is done on the basis of Socio Economic Caste Census Data.

PMUY is likely to result in an additional employment of around 1 Lakh and provide business opportunity of at least Rs. 10,000 Cr. Till 2019 to the Indian Industry. Launch of this scheme will also provide a great boost to the ‘Make in India’ campaign as all the manufacturers of cylinders, gas stoves, regulators, and gas hose are domestic.

2. Implementation

The GOI has decided to implement the scheme in priority and non priority States. Data has been developed by NIC as per SECC – 2011 and hosted on separate Ujjwala portal. The 3 OMCs are given access to the data through their Distributors.

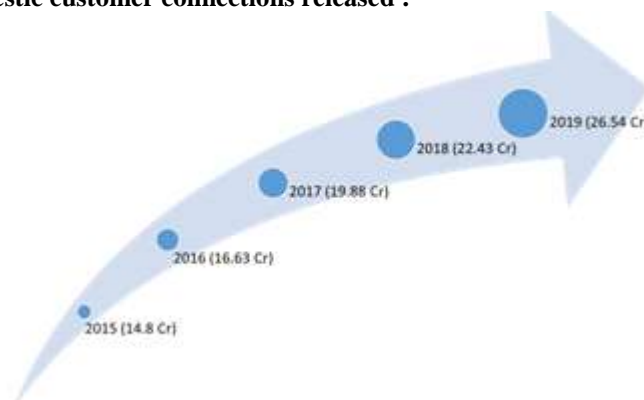
The Distributors have to download the data, classified the data and have approached the beneficiaries’ village wise. Only Woman beneficiary can be released connection. The distributor with his work force has to collect the KYC form, and feed into the system with the help of AHL TIN Number which is unique to each beneficiary. The system does a de duplication process and the connection is ready to release. The customer has an option of selecting with loan or without loan.

The connection can be released by issuing a 14.2 kg cylinder, Pressure regulator, stove or hotplate, Suraksha Hose along with a DGCC book and a safety instruction card. The woman beneficiary must possess Aadhar card, bank account and BPL card. Thus after preparing the document, the authorised mechanic of distributor installs the connection at customer premises.

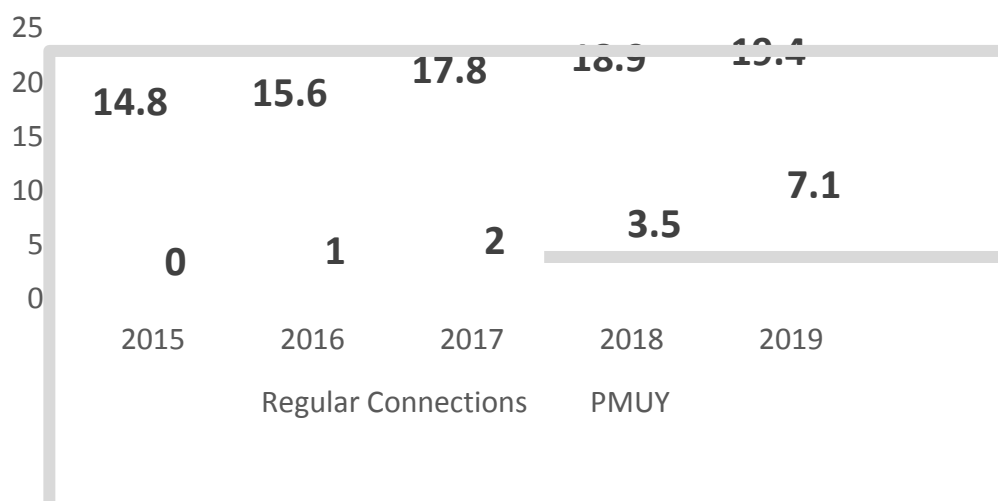
Flow Chart for issuing connections :



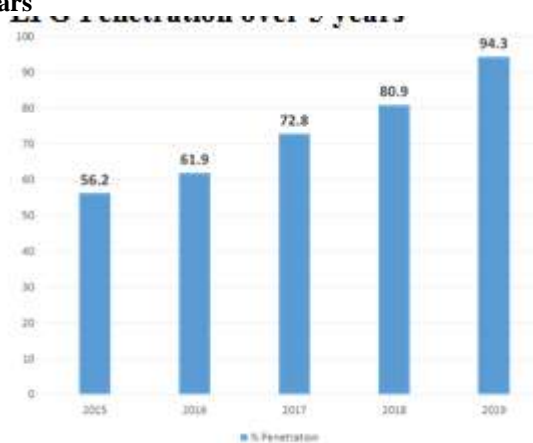
Total number of Domestic customer connections released :



Normal connections issued vs PMUY connections



LPG Penetration over 5 years



Top 10 States in terms of PMUY Connections releases vs % Penetration

State	No of PMUY Connections in Lakhs	% LPG Coverage
Uttar Pradesh	130	98.2
West Bengal	80.6	93.9
Bihar	78	71.9
Madhya Pradesh	64.4	81
Rajasthan	60	100
Odisha	42	74.2
Maharashtra	40.6	100
Tamilnadu	31.4	99.4
Karnataka	28.2	103

3. Advertising and Branding of PMUY

To popularize the scheme and to give it more publicity, Ministry of Petroleum NG under the guidance of Minister for MOP NG Sri Dharmendra Pradhan, implementing various schemes through OMC to popularize it. Hoardings are being put up in Airports, Bus Stops, and Petrol pumps and on main junctions across the country. Short films/Videos are being documented to showcase the usage and penetration of Ujjwala in rural

areas. A lot of advertisements are being done in Mass Media to create awareness. Advertisement of “Give it up” on mass media is being done to transfer the subsidy to economically weaker section.

4. Challenges in Implementation

Since the launch of the scheme, total 3.4 Crore connections were released across India. But the challenge remained for OMC is regarding the usage of LPG. The PCC (Per Capita Consumption) of LPG for All India is 90Kg, whereas for Ujjwala the PCC remained 50Kg which is lower than the National Average. Also, the average Ujjwala consumption for a family remained at 3 cylinders per Annum per family against National Average of 8 Cylinders per Annum per family. This has become main cause of concern to the OMC and MOP NG.

To overcome these challenges, various methods of mitigation were introduced. OMCs have ventured into surveying the households of beneficiaries about the usage with a questionnaire. The findings of survey are:

No money to buy a refill – 76%

Alternate and cheaper fuel availability – 24%

5. Strategic Initiatives

The economic and financial condition of rural household could not afford refill which is costing at an average Rs 50 to 60 per KG. Also in the rural belt, due to forest coverage, availability of free fire wood, cheaper alternatives like cow dung cakes, kerosene. This has led to low or no take off of refill. Further mitigation methods have introduced by MOP NG and some more which should be introduced by HPCL are,

- **Distribution Melas:** Melas are being conducted where the connections are issued by a VIP/Public representative, preferably MP of the constituency for better patronage. In these Melas awareness campaigns should be organised.
- **Mitigation Strategies -- Safety Clinics:** Women groups are educated on safer usage of LPG with a demonstration. It should be done on a regular basis till the usage of the product becomes sustainable in the long run. The after sales service should be strengthened with Self Help Groups.
- **Awareness Campaigns --Nukkad Natak:** Nukkad Natak are played to educate and make women aware of the benefits and usage.
- **Low Quantity Affordable Cylinders:** 5 kg small cylinders are offered in lieu of 14.2 kg cylinders which are more affordable to rural people as their purchasing power is less.
- **Opinion Leadership-- Ujjwala Mitras:** Ujjwala Mitras or Ujjwala Sakhis are introduced who are trained and engaged by dealers. These Mitras go to every household, interact and encourage the customer for usage of LPG.
- **PM LPG Panchayat:** LPG Panchayat is to leverage in publicizing the scheme. Panchayat are conducted with a group of min 100 women beneficiaries which acts as a catalyst between the beneficiaries and OMCs. Women beneficiaries interact and share their cooking experience with others thus seeding interest in other participants. OMCs and their dealers are directed to conduct these Panchayat in every village.

6. Strategic Recommendations

- **Loan Schemes ---** Another method we would like to propose is that some loan schemes should also be started initially on the refill so that the villagers get to atleast use it for some long duration and get the flavor of the benefits that accrue with the usage. At present the entire process is new as well as costly so its effective is less. We need to make efforts to make them like the product thereafter they will work hard to earn money and buy it.
- **Distribution System –** The rural people have opportunity cost in terms of time. It is difficult for them to go to the Dealers and get the cylinders refilled. Hence the OMC should make it sure that there is Door to Door delivery of the gas so that women can be benefitted. Even if it is at an extra cost. As these days more of rural and semi urban women are working, this facility should done for better selling. E.g. There are people who go still 10 Kms to get the cylinders still, on the other hand the slip is cut at one place and the cylinder is procured at the other place, which further adds to the cost and chaos of the product for rural people.
- **Marketing Strategies--** The OMC should try to work seriously on its Product, Price, Place and Promotion in terms of Rural Market. It should try to craft and chisel all its strategies according to Rural Market like the Mobile Companies have done these days. It has to be an area specific targeting and segmentation, positioning marketing strategies for better penetration and selling.
- **Research and Development --** OMC should do a lot of research and development in terms of product innovation and its requirement in Rural Markets with reference to their affordability. Apart from that the OMC should send their personnel on a regular basis to check the Gas connections and its workability and reduce the anxiety and stress of the new users till they get use to it. Apart from that they should have regular awareness campaigns in areas so make the general people aware of the usage and its precautions.

- **Corporate Social Responsibility** – Under the CSR the OMC should also try to adopt villages across India and make them model villages in terms of economy, education, livelihood and smoke free. The model villages can be used as a source of inspiration for other villages. The selection of the area of villages across India can be done various geographic characteristic so that there is a good representation of all difficult and less difficult areas.

II. CONCLUSION

Honorable Prime Minister Sri Narendra Modi and Honble Minister for MOP NG Sri Dharmendra Pradhan dream to make Indian villages smoke free is not too far if the PMUY reaches the masses and every poor household of our country. At present the number of beneficiaries has reached 7 crores and it is expected within in a year, it will cross 8 Crore mark. The first phase of distribution is over and the next phase remains is the regular usage of LPG. The MOP NG, OMCS, its distributors, State Governments have taken adequate steps to start the scheme. They further need to develop creative and innovative marketing campaigns including the LPG product, its price, place and promotional schemes for the economically weaker beneficiary group so that they get so use to using it in their daily life's as they days they use Mobile phones and electricity. We need to develop creative plans and sell it to them for the greater good of India. It will be like a Win- Win situation for India, our country, the OMCs and for the rural people in all ways. A lot of research and development needs to be done in terms of Rural Market and Product Innovations for the greater good of the Humanity and the Country. Now it is the onus of beneficiaries to come forward and use this smokeless, non-polluting cooking gas to make India more sustainable and smoke free. Apart from this the OMC companies need to rethink and refocus their target segment and strategizes for coming years.

BIBLIOGRAPHY

- [1]. PMIS, Ujjwala reports Year 2017
- [2]. LPG Profile, Dt. 1.10.17,PPAC – MOPNG
- [3]. www.hindustanpetroleum.com
- [4]. www.iocl.com
- [5]. www.bharatpetroleum.com
- [6]. www.PMujjwalayojana.com
- [7]. Assessment report: Primary survey on household cooking fuel usage and willingness to convert to LPG ,June 2016,CRISIL
- [8]. LPG Contributing to health –Report, Dr N Buhari, MD year, 2017

R Umapathy “A Study on Challenges, Branding and Implementation of Ujjwala Scheme”
International Journal of Business and Management Invention (IJBMI), vol. 08, no. 08, 2019, pp
05-09