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### **Awareness and Impact of Direct Benefit Transfer Scheme of LPG Subsidy in Haryana State District Jind**

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**Rinku Lather\***, Jasvir Singh  
Department of Commerce  
Chaudhary Ranbir Singh University  
Haryana  
India  
Email: [latherrinku@gmail.com](mailto:latherrinku@gmail.com)

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#### **Abstract**

The primary objective of these programs has been to provide the basic minimum feature with large amounts being spent on subsidies the government is examining ways to ensure that this spending is carried out in ways that maximize positive outcomes and lead to significant poverty reductions. The main purpose of the study is to assess the awareness for open an account in bank, type of account and time period (in years) and to investigate the awareness and impact of direct benefit transfer of LPG subsidy. Data were collected from primary as well as secondary sources. In this proposed study, responses collected through questionnaire will be coded, tabulated and will be analysed with the help of statistical and analytical packages like SPSS and Microsoft Excel. In some cases, a simple statistic like average and percentage were applied. Further, cross tabulation and Chi-square test were applied to test the difference in the opinion of the respondents demographically. Through a research study the researcher know about that how many respondents have a bank account then find out that out of 365 respondents' 364 respondents have a bank account. When the researcher categories on the basis of how long the respondents have a bank account then it comprises into less than one year, 2 yrs to 3 yrs, 3 yrs to 5 yrs, 5 yrs to 10 yrs and more than 10 yrs. Then find out that most of the respondents have the bank account for 2 yrs to 3 yrs. Majority of the respondents know about direct benefit transfer scheme through agents.

**Keywords:** LPG Subsidy, Microsoft excel, Demographically, Analytical packages

## **Introduction**

Direct benefit transfer scheme launched by the government of India on 1<sup>st</sup> January 2013. Under this scheme the amount of subsidy transfer directly to the actual beneficiary so it is helpful to reduce leakage and delays. The government of India takes an idea to shift in the delivery of services to the citizens; particularly common person and the under-privileged section of society of the country for this purpose take a decision to start the Direct Benefit Transfer (DBT) Programmed. The primary objective of these programs has been to provide the basic minimum feature with large amounts being spent on subsidies the Government is examining ways to ensure that this spending is carried out in ways that maximize positive outcomes and lead to significant poverty reductions. The Government has established the Unique Identification Authority of India (UIDAI) to develop the infrastructure for delivering direct transfers to support the poor. DBT (direct benefit transfer) is a scheme launched by the Government of India to transfer the benefits and subsidies of various social welfare schemes like LPG subsidies, MNREGA payments, old age pension, scholarships etc., directly into the bank account of the beneficiary (Kelkar-Chairman VL, 2012 ).

“Our Government is for the poor. We have undertaken a wide range of initiatives to ensure all-round and inclusive development. The opening of these doors of progress and opportunity for the poor will make them the driving force in the journey of transforming India.”

## **Materials and Methods**

Direct benefit transfer for LPG subsidy is the scheme aimed to improve the subsidy administration of LPG across the country. As per this scheme, an LPG consumer will get his/her cylinder at the full market price (excluding VAT) and the differential between subsidized price and full market price i.e. the subsidy will be transferred to his/her bank account. Apparently, LPG had become an unavoidable part of human beings. As a result, the Government introduced several measures to solve this issue. Later, after the arrival UIDAI (Unique Identification Authority of India) Aadhaar Government came up with a new idea to link Aadhaar and a bank account of the LPG consumer and provide a subsidy. DBT is not the elimination or substitution of subsidy, but an alternate way of giving subsidy (Korde, 2015).

The primary aim of this direct benefit transfer scheme for LPG subsidy is to bring transparency; remove middle man and benefit of the subsidy are to be transferred to the actual beneficiary. Under this study, the main focus is to be given to the impact and awareness of the LPG subsidy and to find out that whether the subsidy provided by the government is to be reached in the actual user or not.

## **Objective of the study**

The study undertakes to provide insight about the direct benefit transfer scheme for LPG subsidy considering large primary data on multiple parameters. This broad objective in mind, the present study intends to achieve the following specific objectives:

- Examined the awareness for open a bank account, which type of account and how many years.
- To investigate the awareness and impact of Direct Benefit Transfer scheme of LPG subsidy (Krishnan MY, Das UV and Subramani AK, 2015).

Rangarajan committee recommended that international prices be used as a reference for a more market-based approach to pricing of petrol and diesel. It also recommended that subsidized kerosene should be restricted to Below Poverty Line (BPL) families and the retail price of LPG be raised with any remaining subsidies financed directly from the budget.

Parikh committee recommended that the price of petrol and diesel be fully liberalized both at refinery gate and at the pump. It is recommended that; subsidized kerosene sold through the Public Distribution System (PDS) be targeted to BPL families and its price raised each year, according to the growth in nominal agriculture GDP per capita; the price of kerosene sold outside of the PDS system be set close to that of diesel to eliminate incentive for diversion. Domestic consumption of LPG has increased from 9.3 MMT in 2003-2014 to 12.3 MMT in 2008-2009 (Kumar s, 2015).

Kelkar committee recommended the elimination of diesel subsidies over a two-year period followed by full price deregulation in 2014. It also recommended the elimination of LPG subsidies over a period of three years and the reduction of more politically sensitive kerosene subsidies by one-third over the same period. The price of kerosene and LPG also should be revised regularly to keep the subsidy levels at affordable levels.

Korde studied with an objective to find out the issues related to the direct benefit transfer scheme and to identify the major hurdles for the implementation of DBT schemes and used primary data from Maharashtra stakeholders, which was collected from 169 respondents comprising 139 males and 30 females of rural households. Concluded that due to the lack of the awareness, very few persons know about the scheme of DBTL. Therefore, the researcher suggested that the scheme of DBTL Government might promote this scheme through Gram Sabha and other promotional tools (Selvam V and Velmurugan G, 2015).

Kumar examined the awareness of consumer about pahal (DBTL) scheme. Data were collected from 100 respondents. The researcher finds that 98% customer satisfied with timely information about DBTL scheme. 94% satisfied with the services provided by the distributors, 99% of the service by the bank, 47% customers satisfied from helpline and 51% say can't say because they not used helpline no. 99% customers satisfied from the first subsidy and subsequent subsidy transfer in their account. 23% satisfied from their grievance redressed by the company. 76% can't say are those who aren't having any grievances about the scheme. The researcher suggested that 58% customers are highly satisfied, 31% are satisfied, 7% natural, 3% dissatisfied and 1% highly dissatisfied from the DBTL scheme.

Selvam and Velmurugan focused on the personal profile of the respondents and to identify the awareness about the direct benefit transfer scheme. Convenience sampling method was used for a study purpose to collect the data from 127 respondents. Frequency distribution, percentage. Analysis and One-way Variance Analysis (ANOVA) statistical tools were used to analysis the data. The researcher found that 43 respondents agree and 15 respondents strongly agree the age category 18 to 20 that they were aware of DBT. There is a significant association between age and public awareness on DBT in Vellore and suggested that the proper awareness program could be conducted at the village through educational, institutional, non-government organizations, self-help groups.

Krishan, das and subramani studied satisfaction level of LPG consumers towards DBTL scheme with reference to Avadi region and also highlight the consumer's response towards subsidy on LPG. Convenience sampling technique was used for the purpose of the study. The sample size was taken from 50 respondents. The statistical tools chosen for data analysis were chi-square test, one-way ANOVA. Descriptive statistical measures used to describe the characteristics of the sample or population in totality. They concluded that the DBTL scheme

was performed in a better way, providing normal satisfaction to consumers and also define that the consumers were highly satisfied with the LPG's current situation without subsidy even if there were some exceptions (Joy J, 2018).

Kumar and Vishwa Jeet examined the awareness and attitude towards BPCL households of 100 LPG consumers in Bidar district and conclude that Vasavi Bharat Gas Agency is an exclusive showroom and it is a well-known service provider for Bharat Gas and they well established in providing satisfactory after-sales service to its customers. The researcher suggested that the delivery man should confirm the weight of the cylinder.

Jain, Agarwal and Singh highlighted that DBTL was started to reduce the use of subsidized rate LPG in commercial uses. They highlight that at the end of March 2015, India had 181.9 million registered LPG consumers and 148.5 million active consumers implying a gap of 33.4 million consumers which were either duplicate or fake or inactive accounts blocked under the PAHAL scheme. They highlighted the limitation of the DBTL in the absence of physical inspection many of the households were still availing more than one connection in one kitchen. In that condition, those families misuse the subsidy. They concluded that the overall financial network of the country was not adequate to support DBTL.

## Results and Discussion

### Formulation of hypotheses x

In synchronization with the above-mentioned objectives, the study intends to test the following null hypotheses on demographic characteristics and dimensions of DBT (H0s);

**H01:** There is no significant difference among the respondents for opening a bank account.

**H02:** There is no significant difference between the awareness level and impact of direct benefit transfer of LPG subsidy among respondents. Direct benefit transfer scheme for LPG are to be applicable in India as follow (Table 1) (Dave JD and Rupani MP, 2022).

Phases	Start date	No. of districts	No. of consumers	Amount transferred (Rs. In Crore)
Phase-I	01.06. 2013	20	7593442	1609
Phase-II	01.09.2013	34	15100390	1577
Phase-III	01.10.2013	43	16637026	900
Phase-IV	01.11.2013	38	13113114	513
Phase-V	01.12.2013	49	14182057	268
Phase-VI	01.01.2014	107	29697738	524
Total		291	96323767	5391

**Table 1:** Coverage status of DBTL in India.

Impact of direct benefit transfer of LPG subsidy among respondents. The payment mode is to follow:



**Fig 1.** The mode of payment

Methodology to investigate the opinion regarding awareness and impact of Direct Benefit Transfer of LPG subsidy of the respondents demographically. In this proposed study, responses collected through questionnaire will be coded, tabulated and will be analysed with the help of statistical and analytical packages like SPSS and Microsoft Excel. In some cases, a simple statistic like average and percentage were applied. Further, cross tabulation and Chi square test were applied to test the difference in the opinion of the respondents demographically.

The test values which are insignificant of gender, age and monthly income groups accept the null hypothesis and find that there is not any significant difference of the respondents having which type of account if categories on the basis of gender, age and monthly income. This represent the data for how long the respondents have the bank account. Out of 365 respondents, 92 male respondents and 33 female respondents have a bank account for 2 yrs-3 yrs. Further, the majority of the respondents belong the age of 30 yrs-45 yrs have saving accounts. When categories on the basis of the monthly income then find out those 235 respondents (64.38 percent) have the monthly income is less than 20,000, have a saving, current account and recurring deposit account.

The data of the bank accounts of the respondents. Out of 365 respondents, 291 male (79.73 percent) respondents and 73 female (20 percent) respondents have a bank account. Only one male respondent do not have a bank account. The further table presents the marital status of the respondents and finds that majority of respondents are married have a bank account (Table 2) (Gupta R, and Pal SK, 2020).

Categories		Yes	No
Gender	Male	291	1
	Female	73	0
	Chi-square test	$x^2 = 0.251, do = 1, p - value = 0.617$	
Marital Status	Married	315	1
	Unmarried	20	0
	Widow/Widower	28	0
	Divorce (legally/willfully)	1	0
	Chi-square test	$x^2 = 0.155, do = 3, p - value = 0.984$	
Age (Years)	Below 30	56	0
	30-45 Years	160	1
	45-60 Years	85	0
	Above 60	63	0
	Chi-square test	$x^2 = 1.271, do = 3, p - value = 0.736$	
Qualification	Less than 10 <sup>th</sup>	185	0
	10 <sup>th</sup>	93	1
	12 <sup>th</sup>	53	0
	Graduate	23	0
	Post Graduate	9	0
	Other Professionals	1	0
	Chi-square test	$x^2 = 2.891, do = 5, p - value = 0.717$	
Occupation	Student	8	0
	Employee in private sector	25	0
	An employee in Govt. Sector	36	0
	Business	8	0
	Agriculture	137	0
	Professional	1	0
	Other work	149	1
	Chi-square test	$x^2 = 1.437, do = 6, p - value = 0.964$	
Family Size	2 to 3	50	0
	3 to 6	239	1
	Above 6	75	0
	Chi-square test	$x^2 = 0.522, do = 2, p - value = 0.770$	
Monthly income (Rs)	Less than 20,000	317	1
	20,000-50,000	43	0
	50,000-80,000	4	0
	Chi-square test	$x^2 = 0.148, do = 2, p - value = 0.929$	

**Table 2:** Protocols to open an account in bank.

This represents the data of LPG subscribers having the type of bank account. 59.18 percent male respondents and 15.89 percent female respondents have a saving account. Only five male respondents have a current account. 19.18 percent male respondents and 4.11 percent female respondents only having a recurring deposit account.

The  $\chi^2$  test values which are insignificant of gender then accept the null hypothesis. The further table presents the age of the respondents and finds that majority of respondents have an age of 30 yrs to 45 yrs have an account 2 yrs-3 yrs. No account is to be in more than ten years for those respondents have the age of less than 30 yrs (Table 3).

Categories		Saving Account	Current Account	Recurring Deposit Account
Gender	Male	216	5	70
	Female	58	0	15
	Chi-square test	$\chi^2 = 2.028, do = 3, p - value = 0.567$		
Age (Years)	Below 30	44	2	10
	30-45 Years	125	2	33
	45-60 Years	60	1	24
	Above 60	45	0	18
	Chi-square test	$\chi^2 = 7.622, do = 9, p - value = 0.573$		
Monthly Income (Rs.)	Less than 20,000	235	4	78
	20,000-50,000	35	1	7
	50,000-80,000	4	0	0
	Chi-square test	$\chi^2 = 3.186, do = 6, p - value = 0.785$		

**Table 3:** Different types of bank accounts.

The person belongs the age of 45 yrs to 60 yrs more account are to be open in the year back two to three year and the respondents belong the age of above 60 yrs no account are to be opened in the previous one year. The  $\chi^2$  test values which are significant of age group then reject the null hypothesis. Further, on the basis of occupation then find out that 41 respondents of agriculture and 69 respondents of other work have a bank account 2 yrs-3 yrs. Students and businessmen have equal priority for opening a bank account, no enough account are to be opened at a particular time. The respondents belong to the private sector, agriculture and another work maturity of the accountholders in the year two to three year back. The respondents belong to the Govt. sector majority of account is to be opened in more than ten years.

The  $\chi^2$  test values which are significant of occupation then reject the null hypothesis. When categories on the basis of the monthly income then find out those 19 respondents have a monthly income is less than 20,000 and two respondents have a monthly income 20,000 to 50,000 have a bank account is less than one year. The majority of the respondents i.e. 121 respondents have a monthly income is less than 20,000 have a bank account 2 yrs-3 yrs. The  $\chi^2$  test values which are significant of monthly income then reject the null hypothesis (Table 4) (Paramasivan C and Arunkumar G, 2018).

Categories		<1 Year	2-3 Years	3-5 Years	5-10 Years	>10 Years
Gender	Male	15	92	69	57	58
	Female	6	33	10	13	11
	Chi-square test	$x^2 = 7.875, do = 5, p - value = 0.163$				
Age (Years)	Below 30	7	23	18	8	0
	30-45 Years	14	57	38	30	21
	45-60 Years	0	27	16	17	25
	Above 60	0	18	7	15	23
	Chi-square test	$x^2 = 55.146, do = 15, p - value = 0.000$				
Occupation	Student	1	2	2	3	0
	Employee in private sector	4	10	4	6	1
	Employee in Govt. Sector	0	2	5	2	27
	Business	1	1	2	2	2
	Agriculture	7	41	38	32	19
	Professional	0	0	0	1	0
	Other work	8	69	28	24	20
	Chi-square test	$x^2 = 111.300, do = 30, p - value = 0.000$				
Monthly income (Rs.)	Less than 20,000	19	121	71	63	43
	20,000-50,000	2	4	7	7	23
	50,000-80,000	0	0	1	0	3
	Chi-square test	$x^2 = 51.442, do = 10, p - value = 0.000$				

**Table 4:** Data of respondents in bank.

This represents the data of respondents have aware the scheme of direct benefit transfers. Out of 365 respondents 272 male (74.52 percent) respondents and 61 female (16.71 percent), respondents have aware this scheme and further reveal that 20 male (5.48 percent) respondents and 12 female (3.29 percent) respondents do not know about this scheme. Find out that male respondents are more aware in this scheme.

The  $x^2$  test values which are significant of gender then reject the null hypothesis. The further table presents the marital status then find out that majority of the respondents are married. The  $x^2$  test values which are insignificant of marital status then accept the null hypothesis.

When categories on the basis of age group then find out that majority of the respondents have the age of 30 yrs-45 yrs and the respondents belong the age of above 60 years are less aware this scheme. The  $x^2$  test values which are insignificant of age groups then accept the null hypothesis. When categories on the basis of qualification then find out that majority of the respondents have the qualification is less than matriculation. The  $x^2$  test values which are significant of qualification then reject the null hypothesis. When categories on the basis of occupation then find out that majority of the respondents have an occupation of agriculture. The  $x^2$  test values which are significant of qualification then reject the null hypothesis. Further, table reveals that 215 respondents (58.90 percent) have a family size of 3 to 6 members are more aware of this scheme. The  $x^2$  test values which are insignificant of family size then accept the null hypothesis. When categories on the basis of monthly income then find out that those respondents have the monthly income is very less than 20,000 have an higher majority of the knowing status of this scheme. The  $x^2$  test values which are insignificant of monthly income then accept the null hypothesis (Table 5).



Categories		Yes	No
Gender	Male	272	20
	Female	61	12
	Chi-square test	$x^2 = 6.714, do = 1, p - value = 0.010$	
Marital Status	Married	288	28
	Unmarried	20	0
	Widow/Widower	24	4
	Divorce (legally/willfully)	1	0
	Chi-square test	$x^2 = 3.088, do = 3, p - value = 0.378$	
Age (Years)	Below 30	51	5
	30-45 Years	144	17
	45-60 Years	78	7
	Above 60	60	3
	Chi-square test	$x^2 = 1.942, do = 3, p - value = 0.585$	
Qualification	Less than 10 <sup>th</sup>	160	25
	10 <sup>th</sup>	87	7
	12 <sup>th</sup>	53	0
	Graduate	23	0
	Post Graduate	9	0
	Other Professionals	1	0
	Chi-square test	$x^2 = 13.680, do = 5, p - value = 0.018$	
Occupation	Student	8	0
	Employee in private sector	25	0
	An employee in Govt. Sector	36	0
	Business	7	1
	Agriculture	129	8
	Professional	1	0
	Other work	127	23
	Chi-square test	$x^2 = 16.420, do = 6, p - value = 0.012$	
Family Size	2 to 3	49	1
	3 to 6	215	25
	Above 6	69	6
	Chi-square test	$x^2 = 3.734, do = 2, p - value = 0.155$	
Monthly income (Rs.)	Less than 20,000	288	30
	20,000-50,000	41	2
	50,000-80,000	4	0
	Chi-square test	$x^2 = 1.472, do = 2, p - value = 0.479$	

**Table 5:** Direct benefit transfer scheme.

This represent the data how the respondents come to know about direct benefit transfer scheme of LPG subsidy. When categories on the basis of gender then find out that majority of the male and female respondents know through agents. No, any female respondents know about this scheme through websites.

Only one female respondent know about this scheme through literature. The  $\chi^2$  test values

which are significant of gender then reject the null hypothesis. The majority of the respondents have the qualification is less than matriculation knows about this scheme through agents. Only four respondents have the qualification is post graduate know about this scheme through websites. 25 respondents have the qualification is less than matriculation and seven respondents have the qualification is matriculation are not aware of this scheme.

The  $\chi^2$  test values which are significant of qualification then reject the null hypothesis. When categories on the basis of occupation then find out that majority of the respondents know through agents. No any students and professional respondents are aware of this scheme through literature.

The  $\chi^2$  test values which are significant of occupation then reject the null hypothesis (Table 6) (Bhardwaj A and Cyphert D, 2020).

Categories		Through literature	Through reference groups	Through websites	Through television	Through agents	Not aware
Gender	Male	16	73	5	27	151	20
	Female	1	21	0	9	30	12
	Chi-square test	$\chi^2 = 11.704, df = 5, p - value = 0.039$					
Qualification	Less than 10 <sup>th</sup>	8	42	0	17	93	25
	10 <sup>th</sup>	5	25	0	7	50	7
	12 <sup>th</sup>	1	19	1	7	25	0
	Graduate	2	7	0	3	11	0
	Post Graduate	1	1	4	2	1	0
	Other Professionals	0	0	0	0	1	0
	Chi-square test	$\chi^2 = 151.804, df = 25, p - value = 0.000$					
Occupation	Student	0	2	1	2	3	0
	Employee in private sector	2	7	1	2	13	0
	Employee in Govt. Sector	2	12	2	3	17	0
	Business	1	2	1	1	2	1
	Agriculture	6	28	0	10	85	8
	Professional	0	0	0	0	1	0
	Other work	6	43	0	18	60	23
	Chi-square test	$\chi^2 = 57.326, df = 30, p - value = 0.002$					

**Table 6:** Direct benefit transfer scheme of LPG subsidy.

## Conclusion

Under this chapter main focused are to be given on the awareness and impact of Direct Benefit Transfer (DBT) of LPG subsidy. Through a research study the researcher know about that how many respondents have a bank account then find out that out of 365 respondents' 364 respondents have a bank account. Further, know about that which type of account have by the LPG respondents then find out that majority of the respondents have a saving account. When the researcher categories on the basis of how long the respondents have a bank account then it comprises into less than one year, 2 yrs-3 yrs, 3 yrs-5 yrs, 5 yrs-10 yrs and more than 10 years. Then find out that most of the respondents have the bank account 2yrs-3 yrs. Most of the account is to be open through a scheme of PMJDY (Pradhan Mantri Jan Dhan Yojana). Further, reveals that how many respondents know about direct benefit transfer scheme and through which channel they are aware of this scheme then find out that majority of the respondents know about this scheme is known through agents.

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