

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:286

ANSWERED ON:24.11.2005

BIO- DIESEL PURCHASE POLICY

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

- (a) whether the Government has formulated bio-diesel purchase policy;
- (b) if so, the details thereof;
- (c) whether Public Sector Oil Marketing Companies are legally bound to purchase bio-diesel at a specified cost;
- (d) if so, the details thereof;
- (e) whether quality control mechanism is in place to monitor the blending of bio-diesel; and
- (f) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) and (b) : Yes, Sir. The bio-diesel purchase policy, inter alia, identifies 20 purchase centres to be set up by public sector oil marketing companies at which the companies would purchase bio-diesel which satisfies the prescribed specifications under the Bureau of Indian Standards (BIS). The initial price at which the oil marketing companies would purchase bio-diesel is Rs. 25 per litre which may be reviewed by them every six months. Depending upon the felt need and preparedness, the oil companies could open more purchase centres. The policy will come into force on 1.1.2006, by which time it is expected that potential bio-diesel manufacturers would take steps to get themselves registered as authorized suppliers in terms of the parameters of the bio-diesel purchase policy.

(c) & (d) : The Bio-diesel purchase policy is a statement of intent towards purchase of bio-diesel by the oil marketing companies. The oil companies have agreed to purchase bio-diesel that meets the specified BIS specifications at a specified price through the identified purchase centres.

(e) & (f) : The purchase centres have been identified on the basis of availability of minimum testing facilities for bio-diesel and for blending in diesel to the extent of 5 percent. Every consignment of bio-diesel would be tested for the following specifications:

Density @ 15 deg. C

Kinematic Viscosity at 40 deg. C

Flash Point

Water Content

Copper Corrosion

Acid Value