

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

UNSTARRED QUESTION NO:2003
ANSWERED ON:10.08.2006
TAX REBATE ON BIO- DIESEL
Ahir Shri Hansraj Gangaram

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

- (a) whether the Government has received any demands for concession/exemption in the taxes on bio-diesel; and
(b) if so, the steps taken or proposed to be taken by the Government in this regard?

Answer

Minister of State in the MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b) State levies on ethanol in the States/U.Ts notified for covering under the ethanol-blended petrol programme under the Government notification of 27.10.04 are at Annexure.

The State Excise Department of Haryana vide their communication dated 10.01.06 has advised that the Oil Companies importing denatured ethanol are liable to pay import fee of Rs. 2000/kilo litre (KL) in addition to permit fee of Rs. 3000/KL. Further, the Department raised demand on account of permit fee for the supplies of ethanol from UP during 2003-04 & 2004-05. Oil Marketing Companies had filed writ petition in the Punjab & Haryana High Court against the demand of permit fee raised by the State Excise Department of Haryana for the supplies of ethanol during 2003-04 & 2004-05. The Court has allowed the writ petition and quashed the demand.

MoP&NG has recently, inter-alia, impressed upon the concerned States not to levy any imposts-excise, entry tax, export or import fee or any other kind of levy which does not fall within the jurisdiction of the State Governments on ethanol meant for blending with petrol.