

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:3429
ANSWERED ON:13.08.2010
COMMERCIAL PRODUCTION OF BIO-DIESEL
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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether bio-diesel is being produced commercially in the country;
- (b) if so, the details thereof and if not, the reasons therefor; and
- (c) the steps taken by the Government for the commercial production and development of bio-diesel in the country?

Answer

THE MINISTER OF NEW AND RENEWABLE ENERGY(DR. FAROOQ ABDULLAH)

- (a)&(b): Bio-diesel is not being produced commercially for blending with diesel in the country due to non-availability of feed-stock.
- (c): In order to promote and use biofuels, which primarily include bio-diesel and bioethanol, a National Policy on Biofuels has been brought out. The Policy aims at bringing about accelerated development and promotion of the cultivation, production and use of biofuels to increasingly substitute petrol and diesel for transport and be used in stationary and other applications.

To encourage production of bio-diesel in the country, the Ministry of Petroleum and Natural Gas in October, 2005 announced a Biodiesel Purchase Policy, which became effective from 1.1.2006. Under this scheme, all marketing companies (OMCs) will purchase bio-diesel at a uniform landed price which is to be reviewed every six months. At present the purchase price of bio-diesel is Rs.24.50 per litre. The Government has exempted high speed diesel oil blended with biodiesel, upto 20% by volume from basic excise duty, additional duty of excise and special additional duty of excise, subject to the condition that appropriate duties have been paid both on high speed diesel and biodiesel. Biodiesel has been exempted from excise duty.

An intensive R&D work has been initiated by the Scientific Agencies to develop quality planting material of non-edible oil seed bearing plants for use as feed-stock for production of bio-diesel. R&D initiatives have also been taken to explore the possibility of developing Second Generation Technologies for production of bio-diesel from algae. About 9.28 lakh ha of wastelands has been cultivated with Jatropha in nine states upto July, 2009 for production of bio-diesel feed-stock.