

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

UNSTARRED QUESTION NO:4240  
ANSWERED ON:19.08.2010  
JATROPHA MIXED DIESEL  
Hegde Shri Anant Kumar;Vardhan Shri Harsh

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

- (a) whether the Government has assessed the likely impact on production cost of diesel after mixing Jatropha;
- (b) if so, the details thereof;
- (c) the estimated reduction in terms of percentage in the sale price of diesel on the basis of its production cost;and
- (d) the average annual requirement of Jatropha in the country for mixing five per cent of it in the diesel and the plan for making available the above requirement?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

- (a) to (c) Jatropha seeds are used for extracting oil which is converted to Bio-diesel after a process of transesterification. Bio-diesel so produced is taxed at a rate lower than diesel. However once the product is blended with diesel, it is liable for VAT at the same rate as diesel. In view of this, purchase price of Bio-diesel is linked with the landed cost of Bio-diesel by the Oil Marketing Companies (OMCs). So far, no Bio-diesel manufacturer has supplied bio-diesel at the price fixed by OMC's, as such there is no likelihood of reduction in cost of production of diesel by mixing bio-diesel, extracted from Jatropha.
- (d) The requirement of Bio-diesel for 5% blending with Diesel works out to 3706 Thousand Kilolitres for the year 2010-11.