

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

UNSTARRED QUESTION NO:1637
ANSWERED ON:16.08.2013
BIO DIESEL PURCHASE POLICY
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government had announced bio-diesel purchase policy in October 2005;
- (b) if so, the details of aims and objectives of this policy;
- (c) the progress made under this policy so far along with the present status;
- (d) whether any problem is being faced in the implementation of the said policy; and
- (e) if so, the details thereof and the corrective measures taken by the Government in this regard?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS (SHRIMATI PANABAAKA LAKSHMI)

(a) & (b) Yes Madam. The Ministry of Petroleum and Natural Gas had announced a Bio-diesel Purchase Policy in October 2005, which became effective from 1.1.2006.

Under this policy, Oil Marketing Companies (OMCs) would purchase bio-diesel, meeting the prescribed BIS standard, at a uniform price as may be decided by the OMCs from time to time, for blending with High Speed Diesel (HSD) to the extent of 5% at identified 20 purchase centres across the country.

(c) OMCs have reviewed the procurement price of bio-diesel at the various purchase centres accordingly and declared the same at Rs.39.00/litre w.e.f. 27th April, 2013. OMCs have not received any Bio-diesel at these Purchase Centres, so far.

(d)&(e) A National Policy on Bio-fuels has been notified by the Government in December 2009. As per the policy, the responsibility of storage, distribution & marketing of Bio-fuels rest with OMCs and the minimum purchase price for bio-diesel will be determined by the National Biofuel Steering Committee (NBSC) and decided by National Bio-fuel Coordination Committee (NBCC), headed by Hon'ble PM. During its Second meeting held on 19.9.2011, NBSC has recommended the methodology suggested by OMCs for computation of benchmark price of Bio-diesel based on the price of High Speed Diesel.