

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

UNSTARRED QUESTION NO:4550
ANSWERED ON:17.12.2009
BIO DIESEL PROCUREMENT POLICY
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) Whether no progress has been made inspite of the Government's announcement in 2005 to establish bio-diesel procurement centres in 20 cities across the country ;
- (b) if so, whether the Government has identified the reasons for non-implementation of the bio-diesel procurement policy so far;
- (c) if so , the details thereof; and
- (d) the steps being taken by the Government for effective implementation of the said scheme to promote environment friendly vehicle fuel?

Answer

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

(a) to (c) To encourage production of bio-diesel in the country, the Ministry of Petroleum and Natural Gas has announced a Bio-diesel Purchase Policy, in October, 2005, which became effective from 1.1.2006. Under this scheme, Oil 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 which is valid up to 31.03.2010.

However, Public Sector Oil Marketing Companies have not been able to purchase any bio-diesel at the identified purchase Centres so far, as the parties who have expressed interest are not willing to supply at the declared price. As such the bio-diesel programme has not yet taken off.

(d) The steps taken by MoPNG for effective Implementation of the above scheme are as under:-

20 purchases centres have been opened by OMCs all over the country. The OMCs would purchase bio-diesel meeting the standards prescribed by the Bureau of Indian Standards (BIS), from those bio-diesel manufacturers who register with them after satisfying the technical specifications, at a specified delivered price. Depending upon felt need and preparedness, the OMCs could also open more purchase centres.