

Title : Regarding need to take suitable measures for promoting production of bio-diesel in the Country.

**(v) Need to take suitable measures for promoting production of bio-diesel in the country**

SHRI N.S.V. CHITTHAN : India is spending about Rs. 1,17,000 crore for import of crude oil every year. With a view to cut-down this heavy expenditure on the import of crude oil, the Government is considering various ways to support itself to meet the escalating need of crude oil. After a sustained thinking, the Government discovered a way to counter the crude oil import and decided to promote bio-diesel production in its place. As a good start, our hon. Minister of Petroleum has announced setting up of a high-level Committee to evolve the ways for promotion of bio-diesel production in the country by cultivation of jetropha, pongamia plant seeds which could be used for extraction of bio-diesel. Jetropha plant is suitable for cultivation in any kind of soil and needs a little water to grow. It is a cash crop and any agriculturist who grows this crop is certain to become wealthy. As bio-diesel is pollution-free fuel, environment will also be not affected. If produced in good quantities, the Government has also agreed to purchase at Rs. 25/- per litre which is more economical to consumers as compared to crude oil.

At present our country is not producing sufficient quantities of jetropha and pongamia seeds. For cultivation of quality seeds and setting up of processing units, we have to import quality seeds of jetropha and pongamia.

I, therefore, urge upon the Government to take immediate steps for exemption of customs duty on the import of quality seeds, excise duty and VAT exemptions and Income Tax exemption on the income derived from the production of bio-diesel treating it as an agricultural income. In view of this, necessary directions may be issued to NABARD for extending credit facility to the farmers and entrepreneurs who are engaged in the cultivation of jetropha.

MR. CHAIRMAN : Shri Raghuvir Singh Kaushal – not present; Shri G. Karunakara Reddy – not present; Shrimati Jayaben B. Thakkar – not present.