

**LOK SABHA**  
**UNSTARRED QUESTION No. 5028**  
**TO BE ANSWERED ON 26<sup>th</sup> MARCH, 2018**

**BIO-FUEL POLICY**

**5028. SHRI LAKHAN LAL SAHU:**  
**SHRI PRATHAP SIMHA:**  
**SHRI M. CHANDRAKASI:**  
**KUMARI SHOBHA KARANDLAJE:**

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

- (a) whether the Government proposes to formulate a new Biofuels Policy that would provide for investment climate, incentives, Government role and commercial returns for developers, if so, the details thereof;
- (b) whether the Policy would help develop a Biofuel economy worth Rs. 1 lakh crore in the next two years and if so, the details thereof;
- (c) whether ways are being explored on conversion of Urban, Rural waste to fuel and use of waste/barren lands for cultivation of feedstock for 2G Biofuels and if so, the details thereof;
- (d) whether India imports 80 percent of its crude oil needs and use of Biofuel extracted from Non-edible Oils would help to meet the target of reducing imports by 10 percent by 2022 and if so, the details thereof;
- (e) whether the Government has set up the National Biofuel Coordination Committee and if so, the details thereof along with its aims and objectives;
- (f) whether the meetings of said committee are being conducted as per rules and if so, the details thereof along with the success achieved by the Government after implementing the suggestions of the said committee; and
- (g) the impact of GST and State levies on ethanol and ethanol blending programme of the Government during 2017-18 as compared to previous two years?

**ANSWER**

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**MINISTER OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)**

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(a) to (c) : Ministry of Petroleum and Natural Gas has circulated a draft “National Policy on Biofuels-2018” for inter-Ministerial consultation.

(d): During 2016-17, India imported 81.7 per cent of the total requirement of its crude oil. As per roadmap prepared by MoP&NG to reduce dependency on Import of Oil and Gas, one of the elements for reducing import is promotion of biofuels.

(e) & (f) : National Policy on Biofuels, 2009 provided for setting up of National Biofuel Coordination Committee and Biofuel Steering Committee. Till now, five meetings of the Biofuel Steering Committee have been held.

Since 2014, the Government has taken measures such as introduction of administered price mechanism for procurement of ethanol, opening alternate route for production of ethanol, allowing direct sale of Biodiesel (B-100) to all consumers for blending with High Speed Diesel.

All the above steps have helped in improving ethanol supply under EBP Programme. Also, blending in diesel and supply of bio-diesel has started in the Country from 2015.

(g): With effect from 10.8.2016, excise duty on ethanol was 12.5% and VAT in different States was 0-8%.

With effect from 1<sup>st</sup> July, 2017, the applicable GST rate on ethanol is 18%.

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