

LOK SABHA
UNSTARRED QUESTION No. 2252
TO BE ANSWERED ON 12th February, 2026

National Biofuel Policy 2018

†2252. SHRI CHANDRA PRAKASH JOSHI:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether biodiesel is being considered as a green/biofuel;
- (b) the steps being taken to achieve the target of blending five per cent biodiesel by the year 2030 set by oil marketing companies under the National Biofuel Policy 2018 considering the air pollution in the country along with the challenges being faced in the procurement of the same;
- (c) the basis on which the admitted price of biodiesel is determined;
- (d) the quantum of biodiesel purchased so far in the years 2025 and 2026 along with the actual installed production capacity and available feedstock; and
- (e) the basis on which the admitted price of biodiesel is being determined since June 2021 to 2024 and the basis on which the newly admitted price is currently being determined?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्यमंत्री
(श्री सुरेश गोपी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI SURESH GOPI)

(a): National Policy on Biofuels, 2018, as amended in 2022, explicitly defines biofuels as fuel produced from renewable resources and used in place of or blended with, diesel, petrol or other fossil fuels for transport, stationary, portable and other applications. Renewable sources are the biodegradable fraction of products, wastes and residues from agriculture, forestry, tree based oil other non-edible oils and related industries as well as the biodegradable fraction of industrial and municipal wastes.

Biodiesel is methyl or ethyl ester of fatty acid produced from non-edible vegetable oils, acid oil, used cooking oil or animal fat and bio-oil. As such, biodiesel is a biofuel.

(b) Government has taken several measures for promotion of biodiesel production to achieve the indicative target of blending 5% biodiesel in diesel/direct sale of biodiesel by the year 2030, which inter-alia include prescribing indicative target of blending of biodiesel in diesel / direct sale of biodiesel under the National Policy on Biofuels, notifying of "Guidelines for sale of biodiesel for blending with high speed diesel for transportation purposes-2019", reduction of GST rate for procurement of biodiesel for blending programme from 12% to 5%, etc.

(c) to (e): Since June 2021 to 2024, the price of Biodiesel was determined by Oil Marketing Companies (OMCs) considering domestically available feedstocks as well as imported feedstock prices, production cost, profit etc. Currently, Price of biodiesel are fixed by Oil Marketing Companies (OMCs) considering domestic feedstock prices.

Oil Marketing Companies (OMCs) procured 36.7 crore litre of Biodiesel during Financial Year (FY) 2024-25. In the current FY 2025–26, as on 31.01.2026, procurement of biodiesel has reached 14.72 crore litre. Based on biodiesel vendors registered with OMCs, the aggregate installed production capacity, as per Consent to Operate (CTO) issued by the respective State Pollution Control Boards, is approximately 450 crore litre per annum using available feedstock based on Non Used Cooking Oil (NUCO)/Used Cooking Oil (UCO).
