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BIO-FUEL PRODUCTION

Government to push for cut on bio-diesel tax with GST council

Jui Dharwadkar
jui.ravindra@htlive.com

PUNE: With a view to encourage and promote the bio-diesel industry, the ministry of petroleum and natural gas assured that it will ensure the Goods and Service Tax (GST) rates on biodiesel and other green energy products are reduced. The minister for petroleum and natural gas (independent charge), Dharmendra Pradhan emphasised on this during the inauguration of the Bioenergy Urja Utsav in the city on Friday.

The event was inaugurated at the hands of power, coal renewable energy minister, Piyush Goyal.

Also present on the occasion were state revenue minister, Chandrakant Patil, Pune district guardian minister, Girish Bapat, MP Anil Shirosh among others.

On the occasion Goyal said, "There is a need to create wealth from waste. For this



Union minister Piyush Goyal, Dharmendra Pradhan during inauguration of Bioenergy Urja Utsav at Balewadi. HT PHOTO

the bio energy sector and ethanol industries must be encouraged. If agriculture waste can be effectively converted to energy then the farmers will also get huge returns on their farm waste."

Sources informed that under the GST rates announced recently, bio-diesel, ethanol and other mixing products would be charged 18

per cent and for the last 10 years, bio-diesel attracted zero excise duty.

They stated that bio-diesel can help cut governments crude import by 10 per cent and is environment friendly fuel. However, the high incidence of tax on biodiesel will make it costlier than diesel and ultimately make it uncompetitive.

'USED COOKING OIL' TO PRODUCE BIO-DIESEL
Members of the Biodiesel Association of India (BDAI) have urged for a suitable mechanism and legislation to promote the use of "used cooking oil" in biodiesel production. As part of the Bioenergy Urja Utsav inaugurated on Friday, sessions were conducted at Balewadi stadium emphasising on the importance of bio-diesel.

Bio-diesel is an eco-friendly substitute of diesel which is blended with diesel up to 20 per cent. Members of biodiesel association of India said that biodiesel assists in cleaner air thus saving the environment from degradation and would also save foreign exchange of the country as bio-diesel is domestically produced.

Officials informed that 'used cooking oil' is one of the economical sources for biodiesel production.

During a session held on how 'used cooking oil' can be

used to develop biodiesel, it was informed, "The process is called esterification where the oil is reacted with a solvent in presence of a catalyst and then biodiesel is manufactured."

They stated that using used cooking oil is very viable. "Oil consumption in India is 23 MMT of which at least 3 to 4 MMT will be generated as 'used cooking oil'. This sector can create direct employment opportunities to close to 1 lakh people in 4-5 years," said the officials. According to Biodiesel Association of India (BDAI), India needs promotional policy and initially no tax for green fuel biodiesel.

Promoting green fuel bio-diesel would go long way in curbing vehicular emission and to protect the environment. Any tax on biodiesel will discourage the users and kill this sunrise industry, said the members. They stated that the government support is encouraging, however needs to be sustainable.