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## Minister pledges cut in 'high' biodiesel GST rate

[Abhishek Samuel](#) | TNN | Jul 8, 2017, 12.26 AM IST

Pune: Minister of state for petroleum and natural gas [Dharmendra Pradhan](#) on Friday said the government will ensure reduction of the [GST](#) rate imposed on [biodiesel](#) and other green energy products.

Pradhan, who was here to inaugurate the Bioenergy Urja Utsava, said the government was keen on promoting green energy and would take necessary measures to bring down the tax rates imposed on biodiesel.

Though the fuel attracted zero excise duty over the past decade, biodiesel, ethanol and other mixing products were recently slotted in the 18% Goods and Service Tax (GST) slab.

"The ministry of state for petroleum and natural gas and its power counterpart would together intervene with the GST Council to ensure that the rates on biodiesel and other green energy products are reduced," the minister said while addressing the industry.

Biodiesel Association of India (BDAI) president Sandeep Chaturvedi said, "Prime Minister Narendra Modi is pushing for Swachh Bharat with a cess

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and reducing consumption of crude oil to promote biofuel. However, a higher GST rate on biodiesel contradicts the government's efforts."

He added, "After today's (Friday) assurance from the minister, we hope that the government's intentions are clear and it will revive the green industry."

BDAI officials said India needed a promotional policy and, initially, no tax for biodiesel — a green fuel . Promoting green fuel biodiesel would go a long way in curbing vehicular emission and protecting the environment.

Any tax on biodiesel will discourage its users and affect the fledgling industry, they said.

Biodiesel blending is in its early stages with about 1-2% of blending happening in certain states (West Bengal, Andhra Pradesh, Telangana and Odisha).

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