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Govt to ask GST Council to cut rates for biodiesel

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THE MINISTRY of Petroleum and Natural Gas on Friday assured the biodiesel industry that the government is keen to promote green energy and it will intervene with the Goods and Services Tax Council to ensure that the rates on biodiesel and other green energy products are reduced.

The assurance from the government came here at Bioenergy Urja Utsava by oil minister Dharmendra Pradhan. He assured the industry that the government would make all efforts to ensure reduction of high GST rates on green fuels.

Under the GST rates an-

nounced recently, biodiesel, ethanol and other mixing products would be charged at 18 per cent. For the last 10 years, biodiesel attracted zero excise duty. The green fuel – biodiesel – is required by the government which wants to cut its crude import by 10 per cent and more so with an environment friendly fuel.

However, the high incidence of tax on biodiesel will make it costlier than diesel and ultimately make it uncompetitive, industry members pointed out. "MoP&NG and ministry of power would together intervene with the Council to ensure that the GST rates on biodiesel and other green energy products are reduced," Pradhan assured on the occasion. **FE**