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## Government likely to intervene in reduction of GST rates on biodiesel

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The Ministry of Petroleum and Natural Gas on Friday assured the Biodiesel industry over reduction of prices for biodiesel and other green energy products under the Goods and Service Tax (GST) taxation regime.

Union Minister for Petroleum and Natural Gas (Independent Charge) Dharmendra Pradhan at an event in Pune ensured the industry for making efforts to ensure reduction of high GST rates on green fuels.

Under the GST rates announced recently, biodiesel, ethanol and other mixing products would be charged 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 percent 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.

?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,? said Pradhan at the Bioenergy Urja Utsav event.

?Prime Minister Narendra Modi is pushing for Swachh Bharat with a cess and cutting consumption of crude oil to push green bio-fuels. Higher



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GST rate on biodiesel contradicts the government's efforts to push this clean and green fuel, said president Biodiesel Association of India (BDAI), Sandeep Chaturvedi.

Now with assurance coming from the Ministry, we were hopeful that the government's intentions are clear and it would revive this green industry, added Chaturvedi.

According to BDAI, India needs promotional policy and initially no tax for green fuel biodiesel. Promoting green fuel biodiesel 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.

The industry produced and supplied close to 0.5 million tons to date and is gearing up to deliver up to one million tons of Biodiesel by 2019 and this will provide half a million direct jobs and one million jobs to ancillaries. High taxation would not only put capacity building under pressure, but also pose a threat to jobs and the industry as a whole.

(This article has not been edited by DNA's editorial team and is auto-generated from an agency feed.)

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