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Will ensure that GST rates on bio diesel are reduced, says Dharmendra Pradhan

Under the GST rates announced recently, bio diesel, ethanol and other mixing products would be charged 18 per cent. For the last 10 years, bio diesel attracted zero excise duty. PTI | July 08, 2017, 06:18 IST



PUNE: Union minister [Dharmendra Pradhan](#) today said the government is keen to promote green energy and it will intervene with the Goods and Services Tax ([GST](#)) Council to ensure that the [GST rates on bio diesel](#) and other green energy



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products are reduced.

Pradhan, Union Minister for for Petroleum and Natural Gas was speaking at the inaugural session of Bioenergy Urja Utsava here. Union Minister of State for Energy and Coal Piyush Goyal too was present at the session.

The event, aimed at bringing into focus the various initiatives in the country in the bio energy sector and towards developing an inclusive national policy framework and sustainable mainstreaming of such technologies, was organised by Ministry of Petroleum and Natural Gas in association with Mahratta Chamber of Commerce, Industries and Agriculture and National Yuva Cooperative Society.

"I and Piyush Goyalji are working together on the bio fuel and green energy and I can assure you that we will intervene with the GST council to ensure the GST rates on bio diesel and other green products are reduced," he assured the industry stakeholders.

Under the GST rates announced recently, bio diesel, ethanol and other mixing products would be charged 18 per cent. For the last 10 years, bio diesel attracted zero excise duty.

The government has been promoting bio diesel it wants to cut its crude import by 10 per cent with this environment friendly fuel. However, the high incidence of tax on bio diesel will make it costlier than diesel and ultimately make it uncompetitive.

Pradhan who welcomed the farm loan waiver by the Maharashtra government, however said that it is not the ultimate solution and that farmers' community



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needs to be supported with the promotion of green energy and bio-fuel projects so that they get additional and sustainable income.

He also assured the stakeholders in green energy and [bio-fuel sector](#) that the ministry will provide market to the green energy products and exhorted experts, entrepreneurs, students to explore the bio-energy sector and make it a mass movement.

Echoing Pradhan's views, Goyal too stressed on the promotion of bio fuel and green energy and accused the Congress for not promoting the green energy during their regime.

"Our first Prime Minister Jawaharlal Nehru had stated the importance of power alcohol (ethanol) in his book 'Discovery of India' in 1945, but till 2002 no government had thought of full pledged policy on green energy and it was under the AB Vajpayee regime, the policy to promote bio fuel was formulated and received a push," he said.

Goyal added that it was after 2014, when Narendra Modi led government assumed office that the green energy and bio fuel received wings.

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