

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:3356  
ANSWERED ON:24.08.2006  
USE OF BIO -FUEL ON COMMERCIAL SCALE  
Mohite Shri Subodh

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether the Government has formulated any plan to make bio-fuel use on commercial scale;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) whether any feasibility study of using bio-diesel by Railways and other industries has been undertaken;
- (e) if so, the results thereof; and
- (f) the pilot plants for production of bio-diesel set up by the Government so far?

**Answer**

Minister of State in the MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (f) The Ministry of Rural Development is the Nodal Ministry for the proposed National Mission on Bio-diesel, being set up with a focus on large-scale cultivation of Jatropha. A Detailed Project Report (DPR) on the National Mission on Bio-diesel has been submitted to the Planning Commission, which, inter-alia, envisages a Demonstration Project involving plantation of Jatropha in 4 lakh hectares of degraded forest and non-forest lands for production of bio-diesel. The Planning Commission has given 'in principle' approval to the DPR for the demonstration phase, estimated to cost Rs. 1286 crores over a period of 5 years. The Planning Commission has approved the utilization of Rs 50 crore available in the budget of 2005-06. The Ministry of Rural Development has released Rs. 49 Crores to the specified nine States, namely Andhra Pradesh, Assam, Chattisgarh, Gujarat, Himachal Pradesh, Sikkim, Tripura, Tamil Nadu and Rajasthan for raising Jatropha seedlings in nurseries.

With a view to encourage production of bio-diesel in the country, the Ministry of Petroleum and Natural Gas announced a Bio-diesel Purchase Policy, in October 2005, effective 1.1.2006. The policy has identified 20 purchase centres of the public sector oil marketing companies (OMCs) all over the country where these companies would purchase bio-diesel which meets the standards prescribed by the Bureau of Indian Standards (BIS), from those bio-diesel manufacturers who register with them after satisfying the technical specifications, at a specified delivered price.

The feasibility study on using Bio-diesel is going on by Railways Roadways and by Original Equipments Manufacturers (OEM's) like Tata Motors, Mahindra & Mahindra etc. Indian Oil Corporation has informed that 10-15% reduction in smoke has been noticed during their trials on Haryana Roadways Buses.