**Abstract**

India is one of the countries in the world with billions of population and faces problems in this regard to the fuel requirement for increased transportation demand and now imports about 70% of its petroleum requirement. The current year consumption of diesel in India is approximately 40 million tons forming 40% of the total petroleum products consumption. The potential demand for biodiesel at 20% blend is estimated at 13.38 million tons by 2012. Indian oil corporation and Indian railways intend to use biodiesel in large quantities. The government is encouraging corporate and entrepreneurs to set-up biodiesel plants. Formers can develop and utilize waste lands and improve incomes, rural women labour will have more employment opportunities and soil fertility and the conditions will improve