

# Few takers for alternative fuels

MARGARET WILLIAMS &  
NIVEDITA BHADURI  
Kolkata, 8 March

**D**espite West Bengal's focus on alternative fuels in order to address the problems of rising pollution levels and crude shortage, the usage has failed to pick up, primarily due to fundamental bottlenecks like lack of pricing and regulatory mechanism, no demand and high import cost.

Business Standard spoke to some of the bio-diesel companies and found that there was practically a no-demand situation. Moreover companies had incurred high cost on account of raw materials imported from other states.

Bio-diesel, a diesel-equivalent, is actually processed fuel derived from biological sources (such as vegetable oils), which can be used in unmodified diesel-engined vehicles. Priced at a lower price compared to normal diesel at Rs 26.50 according to the ministry of petroleum mandate, it can be blended manually.

Despite these benefits there are no takers whatsoever in the state.

S P Gon Choudhury, managing director, West Bengal Green Energy Development Corporation Limited (WBGEDCL) said, "Bio-diesel usage has just been initiated, it will take some time to gather momentum, we are looking at captive plantation of the seeds required to ensure easy availability of raw material."

Aditya Agarwal, director of Emami group of companies, which recently started bio-diesel production said, "There is hard-

ly any demand in the state, which is due to general lack of awareness and also unwillingness. Till date, there has been no significant order from the government side apart from the Calcutta Tramways Corporation, the state oil companies have also not shown much interest."

Emami Biotech has set up a 300 ton per day bio-diesel production facility at Haldia in West Bengal, at a cost of Rs 150 crore. The company signed on Calcutta Tramways Corporation (CTC) as its first client to supply 90 tons of bio-diesel a month last month.

The company had even approached Indian Oil Corporation and Bharat Petroleum Corporation Limited for supplying bio-diesel, but was still awaiting response.

Soumen Ganguly of IOC, informed "Two companies - Emami Biotech and Coastal Energy Limited - have approached IOC, we have done physical inspection, products are under testing with the reports expected in another week or so."

"What we are asking from the government is some kind of regulation in terms of pricing, distribution, some kind of regulation to fuel demand," said Agarwal.

Airbridge Greens, another bio-diesel company with a production capacity of 30,000 litres a day faced a problem of high input cost incurred by imports of raw material.

Since there were no captive plantation of jatropha seeds in the state, the local bio-diesel companies, dependant on imports had to bear the high import cost,

informed Taposh Porel, chief executive officer of Airbridge Greens.

This apart, lack of availability of required manpower to cultivate and pick up seeds during the peak season is another problem. At present, seeds of jatropha, karanjal or sal have to be imported from Bihar, Jharkhand and Orissa, costing Rs 10-12 more per kilogram.

To produce 30,000 litres of bio diesel, 90,000 kilograms of seeds are required on an average.

"We have started experimenting with static applications like generator set, irrigation pumps, power tiller locally, but we hope to get bulk orders for supplying the large fleet of autos and public transport vehicles, which are running on diesel or 'kata tel' now in Kolkata," he mentioned.

"Usage of Gashol (petrol blended with five per cent ethanol) does not happen here since it has not been notified," informed Gon Choudhury. It had been notified in four states, but that also have been scrapped because the prices of crude have come down now compared to \$140 dollars in October. Another reason for no ethanol blending might be high import duty levied on ethanol imported from other states.

"Sale of ethanol blended petrol or gashol has not commenced in the state as yet, the oil industry had requested the government of West Bengal for waiver of certain excise related terms and conditions, constant follow-up is maintained with the government, decision has not been taken, however," said S Jeyakrishnan of Hindusthan Petroleum Corporation Limited.