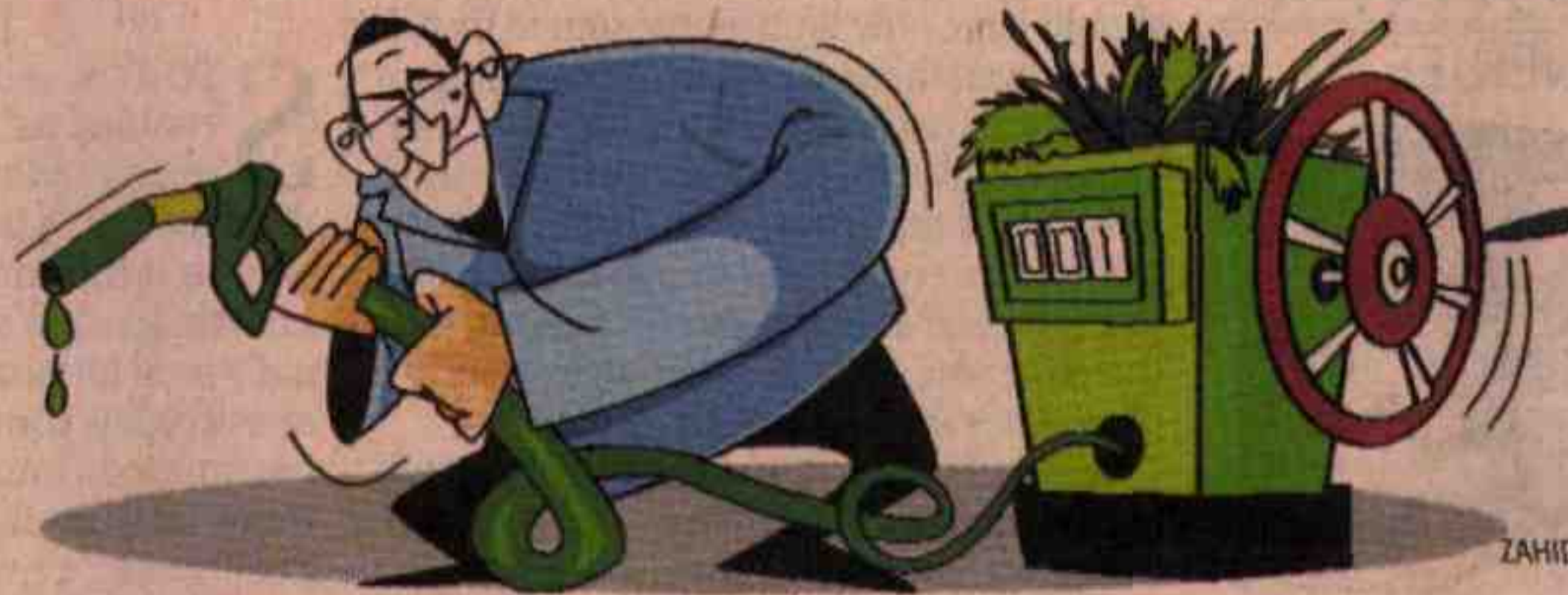


Biodiesel demand, ban come together



Our Bureau
KOLKATA

BIO-DIESEL producers across the country are in a fix. While the circular issued by the petroleum ministry virtually bans sale of bio-diesel, the railways and The Brihan-Mumbai Electric Supply & Transport Undertaking have floated tenders for purchase of bio-diesel.

In fact, the circular issued by the ministry requesting state governments to 'ensure that unauthorised sale and possession of bio-diesel in the market is checked and eliminated' irked bio-diesel producers compelling some of them to contemplate downing shutters.

"With the ministry floating tenders for purchase of biodiesel, producers are not sure whether the government wants to promote use of biodiesel (also known as biofuel) or dissuade them from producing it. Absence of a biofuel policy has also left wide grey areas in the whole issue," a top official of a leading biodiesel producer said on conditions of anonymity.

Elaborating, the source said: "The ministry may have issued the circular to prevent adulteration. But, I feel, unhindered sale of bio-diesel should be allowed to promote it. The government should take initiatives to encourage use of biofuel, which is eco friendly and

enhances the function of a car's mechanism. Besides, biofuel also helps reduce the dangerous elements of emission substantially."

Notwithstanding the ministry circular or their unsupportive attitude, at least four companies, including the likes of Mumbai-based Royal Energy, Kolkata-based Emami group, and Hyderabad-based biodiesel producers, Naturol Bioenergy and Universal Biofuels have participated in the two tenders floated by the government.

When contacted, Emami director Aditya Agarwal said: "The union petroleum ministry as well as the ministry for new and alternative energy must work out a solution to make all bio-diesel projects in India viable. Or else, all investments will go waste." Last year, Emami commissioned a 1,000 tonnes per day edible oil plant at Haldia with a capacity to produce 300 tonnes per day of bio-diesel from palm oil.

"Lack of clarity makes us suffer the most. We wanted to set up at least six biofuel dispensing stations. But fire brigade could not issue us the clearance certificates as bio-diesel finds no mention in their manual. The Fire Brigade's clearance is mandatory to set up such stations. The centre has also left the definition of bio-diesel rather vague," Mr Agarwal added.