

Emami to supply 90 ton bio-diesel per month to CTC



(From left) Rajdeo Goala, Chairman, CTC, Manish Goenka, director, Aditya Agarwal, director, Emami Group

Emami to supply 90 ton bio-diesel per month to CTC

Publication: Business Standard, Edition: Kolkata, Reporter: Bureau, Published Dt.: 02/18/2009, Page No.: 7

BS REPORTER

Kolkata, 17 February

Emami Biotech has signed on Calcutta Tramways Corporation (CTC) as its first client to supply 90 ton of bio-diesel per month.

According to Manish Goenka, director, Emami Group of Companies, "We are talking to all the other state corporations for similar tie-ups."

"We are also planning to set up bio diesel dispensing units for individual customers, one each at Balasore in Orissa and at Haldia in West Bengal. The cost of setting up each dispensing unit will be close to Rs 3 lakh, plus the land cost. We recommend vehicles to use 30-35 per cent bio diesel initially till they get used to it," said Aditya Agarwal, director of Emami Group of companies.

"We are also in talks with petroleum stations like Indian Oil, Bharat Petroleum, and others, for using bio diesel. We will supply in bulk and the mixing will be done by the petroleum companies themselves," Agarwal said.

Bio diesel is a diesel-equivalent, processed fuel derived from biological sources (such as vegetable oils), which can be used in unmodified diesel-engine vehicles. Diesel engines require no modification to have a 20 per cent bio-diesel blend with normal diesel just like water blends with water.

According to P.K. Chattopadhyay, managing director of CTC, "We started running a few of our vehicles on trial with bio diesel from early February and have noticed 35 per cent improvement in smoke value. We are therefore looking at uninterrupted supply of bio diesel from Emami. There are other companies also selling bio diesel but Emami is selling it at the cheapest."

"Emami's bio diesel is priced at Re 1 - 1.50 more than diesel. So one litre of bio diesel will cost close to Rs 31.50. The price varies depending on increase in fuel price hike," said Goenka.

"We have 300 buses of which close to 250-260 buses ply on the road every day. We require 18,000 litres of diesel every day. We will need more bio diesel from Emami soon," Chattopadhyay added.

Emami's bio diesel plant at Haldia has an installed capacity of 300 ton per day of which the

company is currently supplying 90 ton per month to CTC. "After CTC finished its trial runs, West Bengal State Transport Corporation (WBSTC) is also test running our bio diesel currently," said Goenka.

Emami Biotech's bio-diesel production facility at Haldia was set up at a cost of Rs 150 crore.

Bulk of the production equipment has been supplied by Desmat Belstra, an Italian Belgian joint venture company.

An additional amount of Rs 100 crore has been invested at the same facility for producing edible oil. The production residue of edible oil will be used for preparing bio-diesel. According to Agarwal, Emami Biotech is currently selling bio diesel at a lower price compared to normal diesel. This is contrary to international practice where consumers buy bio-diesel at a premium to use it in their vehicles. He said, unless the government modified its price mechanism on selling bio diesel, its production would become unviable. Emami Biotech has also appealed to state run organisations like WBSTC, Kolkata Municipal Corporation, Kolkata Police among others, to procure bio-diesel from the company for running their respective fleet.