

Wednesday, November 26, 2008

Tata Chemicals Signs Agreement with JOil

INDIA - Tata Chemicals' wholly owned subsidiary, Tata Chemicals Asia Pacific Pte Ltd, is to invest S\$25 million in JOil (Singapore) Pte Ltd.

JOil, a Jatropha seedling company based in Singapore, has been set up by the Temasek Life Sciences Laboratory Ltd (TLL), along with other investors in Singapore.

Homi Khusrokhan, Managing Director, Tata Chemicals, said: "Jatropha has been identified as an ideal starting material for biodiesel production for countries like India, because it can be grown on wasteland.

"However, the non-availability of good quality planting material has resulted in highly variable yields from the cultivation carried out so far.

"Through this JV we would like to access some of the excellent work done by Temasek Life Sciences Laboratory on this plant and make the superior varieties of Jatropha available to those interested in its cultivation. It also holds great promise for our own biofuels programme."

P K. Ghose, Executive Vice President and Chief Financial Officer, Tata Chemicals, who executed the agreements on behalf of Tata Chemicals Asia Pacific Pte Ltd said: "We are delighted to partner in a venture which could in future have a significant benefit for the production of bio-diesel from Jatropha both in terms of yields and cost."

Mr. Peter Chia, Chief Operating Officer of TLL and Director of JOil (S) Pte Ltd said: "We are very pleased to be partners with Tata Chemicals in this venture and are confident that this partnership will create sustainable and competitive technological solutions for the biofuel industry."

By virtue of this agreement, Tata Chemicals will get exclusive marketing rights for JOil's Jatropha seedlings in India and East Africa and a preferential price for seedlings it requires for its own cultivation of Jatropha.

JOil will set up tissue culture labs in various locations, and market Jatropha seedlings produced by using the micro-propagation technology developed by TLL. TLL has done a considerable amount of original work on developing superior elite varieties of Jatropha, which becomes productive sooner than other known varieties and gives improved and more consistent yields.

This plant, which grows on semi-arid wasteland, is seen as an appropriate starting material for the manufacture of biodiesel for countries such as India, with scarce land resources.

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