



Institute for Solid Waste Research & Ecological Balance (INSWAREB)

May 10, 2006

The Editor
Economic Times
New Delhi

Dear Editor,

This has reference to the feature covered by you under Guest Column entitled, 'Free Fly ash at Whose Cost', authored by SK Chand (ET-Chennai Dt 9th May 2006).

While appreciating the efforts of Dr Chand to cover one dimension of the subject, our institute, accredited world over for our marketing and applicational research on the use of fly ash, have the following comments to offer:

- Against the generation of over 120 million tons, the use of fly ash is not more than 25-30 million tons. Thus it needs a great deal of efforts to promote 100% utilization. This is more so, keeping in view the projected generation of over 200 million tons every year by 2012.
- When the user consumes one ton of fly ash, may it be free, the thermal plants (ash generators) save over Rs. 150/ per ton in direct and indirect costs. So utilization of fly ash is a win-win situation for both the users and generators.
- It is not totally right to mention that cement plants were profited by Rs. 3200 crores in 2004-05. Comparing to wholesale price index of 70's till 2000, cement prices have not gained commensurate rise. Thus, most of the cement plants have come into red by fall of 90s. At that time, Portland Pozzolan Cement (PPC) was perceived as a value added product at no extra cost. Thus by blending fly ash, the cement industry could protect their profit line, at the same time giving a value-added product to the consumers. Had there been no switching over to PPC, the cement industry would have gone into red, forcing some plants to close their operations.
- It is not true that cement industry is getting fly ash free of cost. Many of the industry are paying the cost in one name or the other to keep the thermal plants happy. Many of the cement plants invested crores of rupees at each thermal plant to install dry fly ash collection system.
- If one looks at the fly ash consumption patten at thermal plants all over India, except a couple of plants such as that of Raichur, most of the plants have not touched even 35% of generation.



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- On brick front, clay brick industry is positioned in unorganized sector, ignoring to comply with land cess, taxes and labour laws. Thus they have a very competitive price logistics. Whereas, fly ash brick has to comply with all tax regimes and still need to compete with clay brick price, lest the penetration would be next to impossible. Hence the fly ash brick industry need to get fly ash with less hassles and costs, which is not happening in reality because of various untold pressures. In one of the Southern states, it is a common feature to call on the Minister before getting sanction for fly ash.

The article has covered only one aspect of the subject ignoring many facets of the issues. Thus it is not holistic and liable to misguide the stakeholders. There is a saying, “Don’t misconstrue swelling for muscle power”. The article of Dr Chand is projecting an euphoric state in fly ash utilization and instigating for undue exploitation, which would hamper the 100% utilization aimed and targeted by the government and the judiciary.

It is not fair to underestimate promotional ordeals of fly ash just by looking at 20-30% utilization pattern. We have a very long innings to play.

Thanking you,

Sincerely yours,

Dr N Bhanumathidas & N Kalidas