

# Balco Working on Blueprint to Expand its Capacity to 3 MT

Decision prompted by favourable LME prices and in anticipation of increased demand for aluminium

Vatsala.Gaur@timesgroup.com

**Mumbai:** Encouraged by favourable LME prices and in anticipation of increased demand for aluminium this fiscal year, Vedanta-controlled Bharat Aluminium Company (Balco) is working on a blueprint to expand capacity to 3 million tonnes a year. However, the plan will hinge on the company being able to produce its own bauxite for which it is working with the government, chief executive Vikas Sharma said.

The company, in which Vedanta owns a 51% stake, is in a consolidation phase and is working on specific consumption, cost of production, overall productivity, etc.

"The potlines which were under stabilisation are now stabilised and we are consolidating our key numbers right now. Meanwhile, we are also drawing a draft of how and where we want to reach 3 MT," Sharma told ET. He said the management had an interaction with the chairman and he had given his vision.

"We should be able to freeze things in the next 1-2 months."

Balco produced 1.2 MT aluminium in 2016-17 and with the plant being fully capitalised in the first quarter of the fiscal year that started in April, it expects to produce around 1.5-1.6 MT in FY18 and mine around 1.8-2 MT bauxite. Meanwhile, a post-earnings press release from parent

Vedanta said the aluminium maker will continue to work with the state government of Odisha for allocation of new bauxite "which would see driving expansion of Lanjigarh refinery". Balco has two captive mines in Chhattisgarh. It has been trying to

increase its share of raw material as well as highlight the resource richness of the areas of Madhya Pradesh, Chhattisgarh, Jharkhand and Odisha to authorities.

"We call it the resource curse that such abundance of resources cannot

be converted into value-added products because they are hotbeds of Naxalism," said Sharma.

While the company commissioned a 1200 MW thermal power plant last ye-

## Laying Ground for Expansion

| The Blueprint                                                           | Production                                          |
|-------------------------------------------------------------------------|-----------------------------------------------------|
| <b>Expanding Capacity to 3 MT/year</b>                                  | 1.2 MT aluminium in 2016-17                         |
| <b>Consolidation, working on production costs, overall productivity</b> | 1.5-1.6 MT aluminium output expected in FY18        |
|                                                                         | Co expected to mine around 1.8-2 MT bauxite in FY18 |



**Bharat Aluminium Company to continue to work with the Odisha govt for allocation of new bauxite**

**This would drive expansion of Lanjigarh refinery**



### Other Alternatives

**Solar energy, experimenting with cleaner methods like Pot Control System**



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**VIKAS SHARMA**  
Chief Executive, Balco

ar as part of efforts to bring down its cost of production, it is also looking at alternatives like solar energy and is experimenting with cleaner methods like Pot Control System to shed the tag of being a conventionally energy-intensive production company.

Ratings firm Crisil said in a report that, "Balco's cash flow will remain steady post improvement in cost of production amid stable realisations and ramp up of power and aluminium capacities." Aluminium consumption in India is poised to grow from 3.3 MT in 2015-16 to 5.3 MT in 2020-21 on the back of initiatives towards Make in India, smart cities, rural electrification, housing for all and freight corridors, an earlier study had suggested.