

Balco re-starts Sheet Rolling Shop at Korba



Vedanta-controlled Bharat Aluminium Company Limited (Balco) had re-started the Sheet Rolling Shop (SRS) at the Korba facility, facilitating metal major to be back in rolling products business that was suspended about a year ago.

In August last year, the SRS was shut down as it was running in huge loss following global steep fall in the price of aluminium and low demand due to dumping from China. After the required

maintenance and minor modernization, the machines were taken into operations.

"The SRS resumed production with the initial output of 5,000 tonnes," Deepak Prasad, Balco's head of metal business, said. The production would be gradually increased and the company had planned to produce 36,000 tonnes rolled products in the remaining period of the current financial year, he added.

The products include hot rolled coils, hot rolled plates, cold rolled coils and strips, cold rolled sheets and chequered sheets. The capacity of the SRS would be increased to 100,000 tpa later, Prasad said, adding the SRS would be rolling out all the existing products besides new product. About 300 workers who lost the job when the SRS was shut down had been taken back.

Balco, in which mining conglomerate Vedanta Ltd, earlier Sesa Sterlite, holds 51 per cent stake, is on a major expansion programme. The company would be investing Rs 10,000 crore to enhance the capacity to 1 million tonnes per annum. At present, Balco is equipped to produce 575,000 tonne per annum aluminium.

Because of power constrains, the plant is unable to run to the full capacity. The 1200-Mw power plant had been commissioned while the company had bagged the Chotia coal mine in the auction to feed it. The power plant was a major milestone as it would help feeding the proposed plant under the expansion programme.

Indian aluminium industry aligns with global downstream integration

Indian aluminium industry is finally aligning itself with the global trend of downstream integration. For the 4.129 million tpy-capacity primary aluminium industry which happens to be blessed with the proximity to one of the world's richest bauxite reserves- the principle ore for aluminium extraction, downstream aluminium production has always remained a lesser priority. But now in the face of challenges arising from various fronts like power and logistics cost escalation, losing out to cheap exports in terms of market share, and not-so-conducive government duty structure, it is realizing the importance of spreading its wings farther.

Major primary aluminium producers are showing interest in setting up industrial parks for aluminium-processing units either within their existing smelter complexes or on lands adjacent to their smelters.

Vedanta Aluminium, which owns an aluminium smelter with a capacity of 1.75 million-tpy at Jharsuguda in Orissa and 600,000-tpy at Korba in Chhattisgarh, is



investing heavily to build industrial parks for hosting small- and medium-sized units manufacturing aluminium extrusions and fabricated aluminium products.

The State-owned National Aluminium Company (Nalco), too, is giving high priority to building such industrial parks comprising SMEs that will add value to the primary metal it produces. Nalco has already gotten the ball rolling at Angul in Odisha for the first phase of an industrial park.

The company has roped in Orissa state agency Industrial Infrastructure Development Corporation (IIDCO) as a majority partner. The partnership in the special purpose

vehicle (SPV) is created to ensure that the project does not suffer from unnecessary procedural delays in securing clearances from the state government.

While addressing an industry congregation at the national seminar - 'Aluminium - The Strategic Metal', Satish Pai, Deputy Managing Director of Hindalco Industries Ltd. had said that, "Indian aluminium industry should start making more investments in the downstream sector now, as increase in the downstream production was critical for meeting India's growing aluminium demand, which is presently met through mainly imports."