

Vedanta to invest ₹13k cr to boost aluminium capacity

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feedback@livemint.com

NEW DELHI: Anil Agarwal-led Vedanta Ltd plans to pump in ₹13,226 crore to ramp up its aluminium capacity to 3.1 million tonnes per annum (MTPA) by FY28, sources said.

The current capacity of the company is 2.4 MTPA.

Vedanta Ltd is anchoring aluminium at the centre of its growth strategy, with an expansion plan that will take capacity to 3.1 million tonnes per annum (MTPA) by FY28, sources said.

The company is planning to

invest ₹13,226 crore over the next few years for this expansion, they said. Aluminium, the world's second-most consumed metal after steel, is becoming increasingly critical to electric mobility, renewable energy, urban infrastructure, and aerospace.

Vedanta, the country's leading aluminium producer with over 50% share in domestic market, is also set to ensure aluminium remains the single biggest contributor to its target of 8-10 billion dollar EBITDA at group level by FY28, as per its recent exchange filing.

ALUMINIUM DEMAND IN INDIA IS EXPECTED TO BE HIGHER DUE TO PROJECTED HIGH GDP GROWTH IN COMING YEARS

Vedanta's aluminium capacity will expand to 2.75 MTPA by FY26, and further to 3.1 MTPA by FY28, sources said.

BALCO, in which Vedanta holds a majority stake, is also set to enter the one million tonne

(production capacity) club, the company sources said.

The mining major has been focusing on cost optimisation, bringing down its aluminium production cost by nearly 24%, or 641 dollar per tonne, over the past 11 quarters, aided by backward integration across alumina with Lanjigarh Refinery expansion and coal mines, they said.

Vedanta's aluminium business is supported by fully captive operations. This captive integration is not the global norm and provides Vedanta resilience in a volatile geopolitical environment, while underpinning low

cost manufacturing.

The demand of aluminium in India is expected to be substantially higher due to projected high GDP growth in the coming years. Multiple initiatives of government like the 'Make in India', '100% rural electrification', 'Housing for All', and 'Smart Cities' will boost the consumption of the metal in the country. "Aluminium is increasingly the backbone of the energy transition. With scale and integration, Vedanta has the ability to secure India's demand while becoming competitive internationally," an industry expert said.