

# Naveen Jindal group considers aluminium foray

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The Naveen Jindal group is exploring opportunities in aluminium, but its plans depend on getting a bauxite mine in a business dominated by three large companies.

The group wants to be an integrated player: from bauxite to alumina and aluminium. “Bauxite is a critical resource. Without control on raw material it is not possible to put up a large plant,” said a source on the condition of anonymity. *Business Standard’s* e-mail to the group was unanswered.

Land and electricity are factors in setting up an aluminium project, but it’s bauxite that is likely to shape the group’s decision. Three bauxite blocks in Odisha will be auctioned this year and the group is expected to bid depending on the mine’s size.

Jindal Steel & Power Ltd. (JSPL) last year applied for the Karlapat bauxite mine in Odisha but ran into legal hurdles due to a tender dispute. The plans for aluminium may not necessarily be under the aegis of JSPL. “It is still at a preliminary stage,” indicated the source.

The group wants to enter aluminium for it believes that consumption will increase as the country makes an energy transition, electric vehicles become popular and light metals become more important.

The source said there is a global deficit in aluminium on the back of production cuts in Europe and China. In India, aluminium-bodied Vande Bharat trains—a tender for the first set has been floated by Railways—are likely to spur demand for the metal.

The group’s plan rests on having a captive mine and getting it is not easy. The aluminium space is dominated by three large players: Vedanta, Hindalco and Nalco. Hindalco and Nalco are completely integrated from bauxite-to-alumina to aluminium.

Vedanta depends mostly on the Odisha Mining Corporation (OMC) for most of its bauxite requirements and some imports to feed its 2 million tonne (mt) Lanjigarh alumina refinery after its mining plan in the Niyamgiri Hills stumbled in 2013.

Most quality bauxite mines are in Odisha, which accounts for bulk of the aluminium production. In 2020-21, India produced 20.379 mt of bauxite. Odisha was the leading producer at 76.3 per cent followed by Gujarat (7.3 per cent), Chhattisgarh (3.5 per cent), Jharkhand (7.3 per cent), Madhya Pradesh (3.1 per cent), and Maharashtra (2.3 per cent).

The source said the bauxite in Chhattisgarh or Madhya Pradesh was not of the same quality as in Guinea, Australia or even in Odisha. “If the impurity level is too high then the cost of beneficiation would be more.”

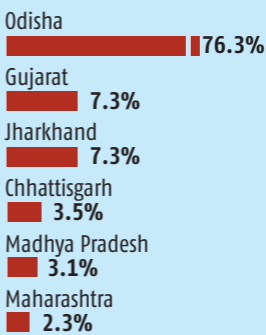
Typically, about 3 tonnes of bauxite is required for one tonne of alumina, which is an intermediate product in the aluminium production process.



## NEW BEGINNINGS

Bauxite production (FY21):  
**20.379** million tonnes

### STATE-WISE CONTRIBUTION



Source: Ministry of Mines annual report 2021-22

