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Vedanta Aluminium eyes dominant position in India market

Capacity expansion, value added portfolio and cost control strategy position the company for higher domestic share.

Vedanta Aluminium is positioning itself to secure up to 50 per cent share of India's primary aluminium market, supported by rising domestic demand and an ongoing capacity ramp up.

India's aluminium consumption is expanding at around 6 per cent annually, outpacing global averages. Demand is being driven by infrastructure, automotive, power transmission, defence and clean energy sectors. With aluminium used in more than 3,000 applications globally but only around 300 in India, the scope for domestic consumption growth remains significant.

Expansion and integration to support scale

Vedanta is expanding smelting capacity and strengthening raw material security through captive mines and coal blocks. The expansion of Bharat Aluminium Company smelter by 435 kilo tonnes will take its capacity to one million tonnes per annum, improving the company's ability to serve domestic buyers.

A larger share of domestic sales is expected to support margins due to stronger realisations compared to export markets. The company is also developing a greenfield aluminium smelter in Dhenkanal, Odisha, with a proposed capacity of 3 MTPA and a 4,900 MW captive power plant.

Shift towards value added products

Vedanta Aluminium is increasing its focus on higher margin, value added products such as billets, rolled products and primary foundry alloys. These cater to construction, railways, automotive, packaging and electrical applications. The company aims to raise the share of value added products in overall sales to over 90 per cent.

Its portfolio includes wire rods, ingots, alloy ingots, slabs, aluminium silicon T ingots and low carbon variants marketed as Restora and Restora Ultra. Products are distributed through Vedanta MetalBazaar, its digital metals marketplace.

Cost leadership and harvest phase

Backward integration is central to Vedanta's cost strategy. In Q3FY26, hot metal production cost stood at 1,674 dollars per tonne, the lowest in seventeen quarters. The company is targeting a long term cost of 1,500 dollars per tonne, which would place it among the lowest cost global producers.

With most of its capital expenditure of nearly ₹30,000 crore already deployed, Vedanta Aluminium is entering a returns focused phase. The planned demerger from Vedanta Ltd. is expected to create an independent listed entity, marking a new chapter in its growth cycle.