STEEL

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Executive summary

Strong growth opportunities

- The World Steel Association's 'World Steel in Figures 2025' profiles India as the world's second-largest crude steel producer.
- Consumption of steel by India's infrastructure segment is expected to increase to 11% by FY26.
- Steel demand from the automotive sector is expected to increase due to rise in the demand for automobiles.
- The new Vehicle Scrappage policy will help in reducing steel prices as the policy enables recycling of materials used in old vehicles.
- On the healthcare front, key steel producers are now exceeding their capacities to produce oxygen cylinders for COVID patients.
- The Smart Cities' Affordable Housing and industrial corridors are a few government intitivates to boost the steel industry
- Steel demand is expected to increase by around 9% in FY26, driven by infrastructure development, construction activity, and industrial growth. As of July 30, 2025, India's green steel demand is forecasted to climb from negligible levels today to 4.49 million tonnes (MT) by FY30, driven by the construction sector, infrastructure and automobiles with projections rising to 24 MT by FY35, 73 MT by FY40 and peaking at 179 MT by FY50.

FDI in steel industry

- Policy allowing 100% FDI (via the automatic route) in the steel industry has boosted investments.
- Between April 2000-December 2025, Indian metallurgical industries attracted FDI inflows of Rs. 1,19,407.30 crore (US$ 19.14 billion).

Production Statistics & Trends

- In FY26 (April–February), crude steel production in India stood at 153.6 MT.
- In FY26 (April–February), finished steel production reached 146.8 MT.
- On July 31, 2025, Steel Authority of India Limited (SAIL) has approved a Rs. 7,500 crore (US$ 875 million) capex for FY26, marking a 25% increase over the previous year, to expand capacity across its integrated plants, aiming to scale up to 35 MT per annum by 2030.
- Steel Authority of India Limited (SAIL) recorded crude steel production of 176.18 LMT during April–February FY26, reflecting a growth of 1.28% over 173.95 LMT in the corresponding period of the previous year.
- During the same period, sales of saleable steel stood at 182.44 LMT, registering a strong increase of 27.16% over 143.47 LMT in April–February FY25.
- Moreover, steel production capacity increased to 200.33 MT in FY25, and the figure is anticipated to rise to 300 MT by FY30.

Notes: *MT- million tonnes, LMT- Lakh metric tonnes*
Source: *World Steel Association, Ministry of Steel, News Articles, DPIIT, Deloitte*

Advantage India

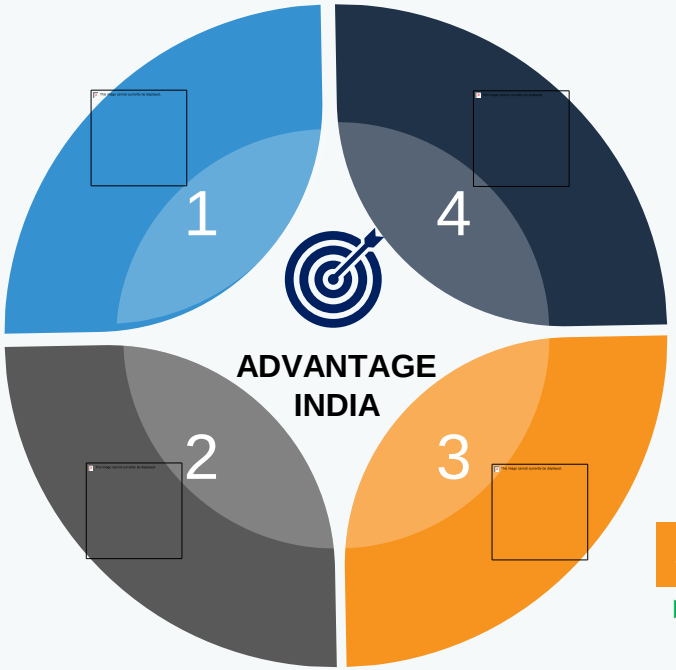
Advantage India

1. Robust Demand

- In FY26 (April–February), finished steel production stood at 146.8 MT.
- India's domestic steel demand is estimated to grow by 9-10% in 2025 as per ICRA.

2. Competitive Advantage

- In FY26 (April–February), crude steel production in India stood at 153.6 MT.
- Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up.
- As of April 2025, India has huge iron ore reserves and can produce 700 MT per year and has the potential to be the second largest producer of iron ore globally.



4. Increasing Investment

- To achieve steel capacity build-up of 300 MT per annum by 2030, India would need to invest US$ 156.08 billion by 2030-31.
- On July 31, 2025, Steel Authority of India Limited (SAIL) has approved a Rs. 7,500 crore (US$ 875 million) capex for FY26, marking a 25% increase over the previous year, to expand capacity across its integrated plants, aiming to scale up to 35 MT per annum by 2030.
- The industry is witnessing consolidation of players, which has led to investment by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian market.

3. Policy Support

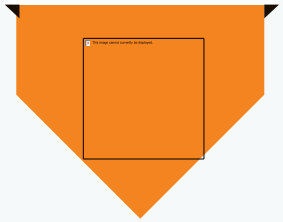
- In February 2024, the government has implemented various measures to promote self-reliance in the steel industry.
- Export duty of 30% has been levied on iron ore* (lumps and fines) to ensure supply to the domestic steel industry.
- Under the Union Budget 2026-27, the government allocated Rs. 443.18 crore (US$ 50.1 million) to the Ministry of Steel.

Notes: *MT - Million Tonnes, *except low grade (below 58%)*
Source: *Metallurgical and Materials Engineering Division Board, Ministry of Steel, News Articles, Media Reports*

Market Overview

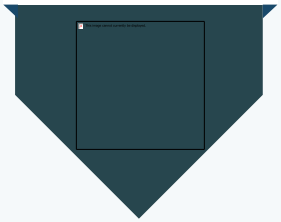
Evolution of the Indian steel sector

1907-18



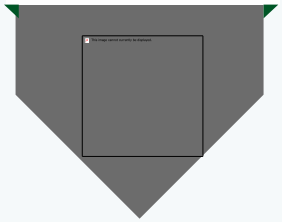
- Production of steel started in India (TISCO was setup in 1907)
- IISC was set up in 1918 to compete with TISCO.

1923-48



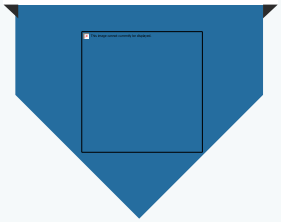
- Mysore Iron and Steel Company was set up in 1923.
- According to the new Industrial Policy Statement (1948), new ventures were only undertaken by the central Government.

1954-64



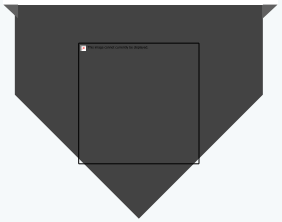
- Hindustan Steel Ltd and Bokaro Steel Ltd. were setup in 1954 and 1964, respectively.
- In the early 1990s, the public sector dominated steel production.
- Private players were in downstream production mainly producing finished steel using crude steel products.

1973-92



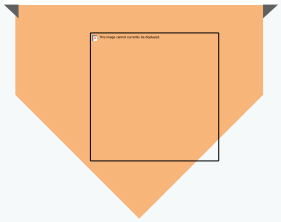
- SAIL was created in 1973 as a holding company to oversee most of India's iron and steel production.
- In 1989, SAIL acquired Vivesvata Iron and Steel Ltd.
- In 1993, the Government set plans in motion to partially privatise SAIL.

1993-2014



- Foreign players began entering the Indian steel market
- No license requirement for capacity creation
- Imposition of export duty on iron ore, to focus more on catering growing domestic demand
- Decontrol of domestic steel prices
- Launch of Scheme for promotion of Research and Development in Iron and Steel sector.

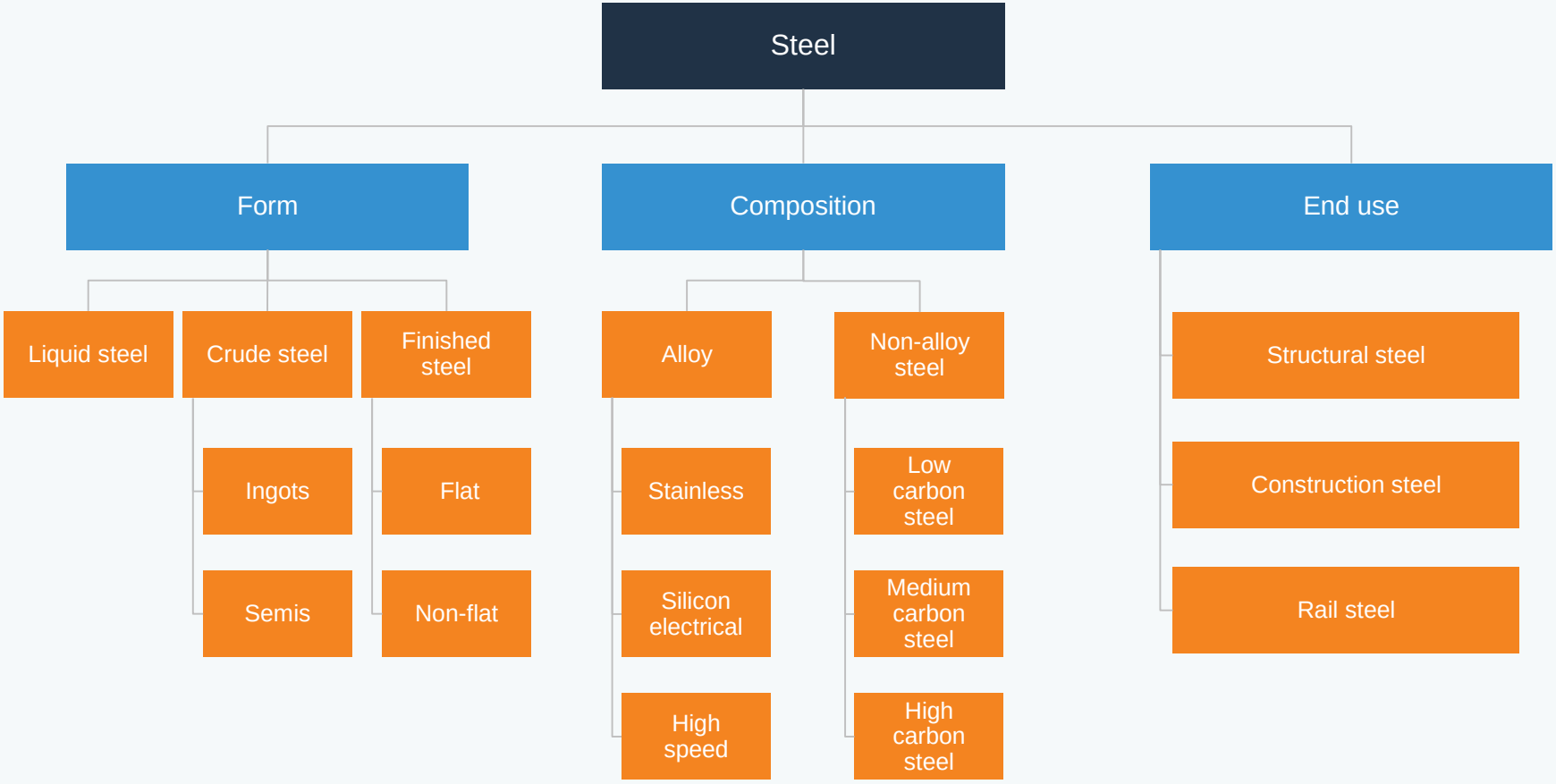
2015-26



- In 2025, India ranked as the second-largest crude steel producer in the world.
- In FY26 (April–February), finished steel production is estimated at 146.8 MT.
- In FY26 (April–February), crude steel production in India stood at 153.6 MT.

Notes: *(1)TISCO - Tata Iron and Steel Company; IISC - Indian Iron and Steel Company; SAIL -Steel Authority of India Ltd; MT- million tonnes*
Source: *Ministry of Steel*

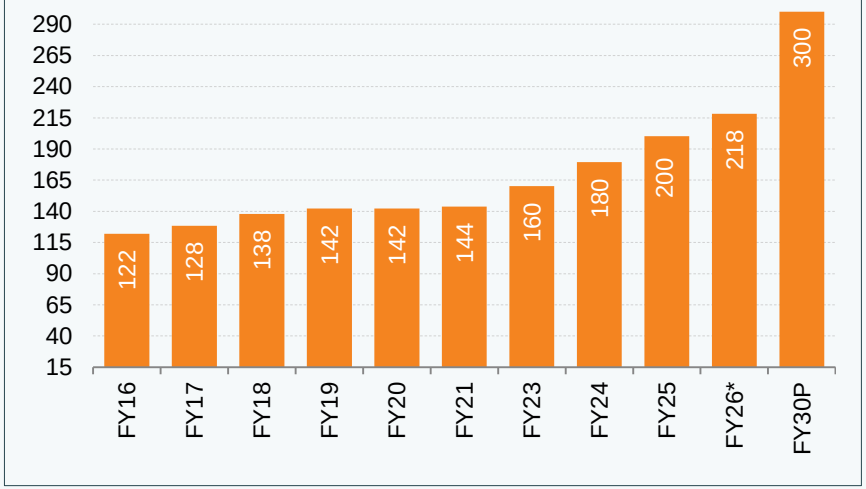
Structure of the steel sector



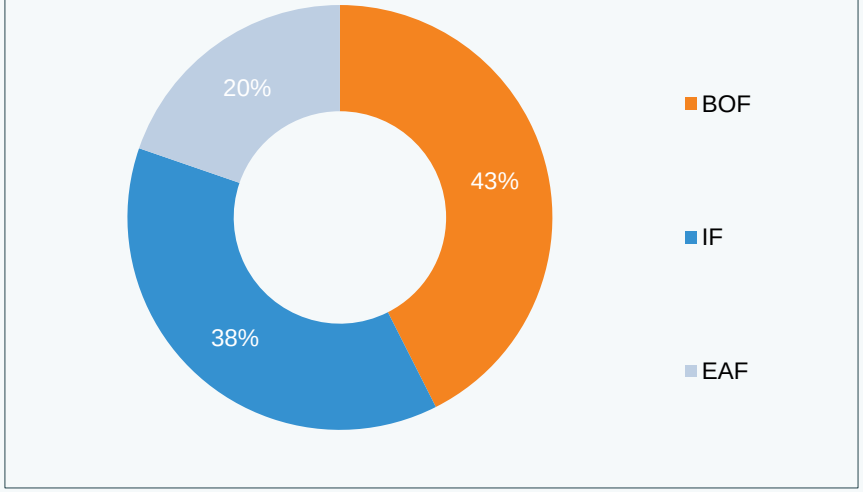
Source: *Report on Indian steel industry by Competition Commission of India*

Steel production capacity has expanded rapidly

Crude Steel Production Capacity (in million tonnes)



Crude Steel Production Capacity in FY26* - By Route (in %)



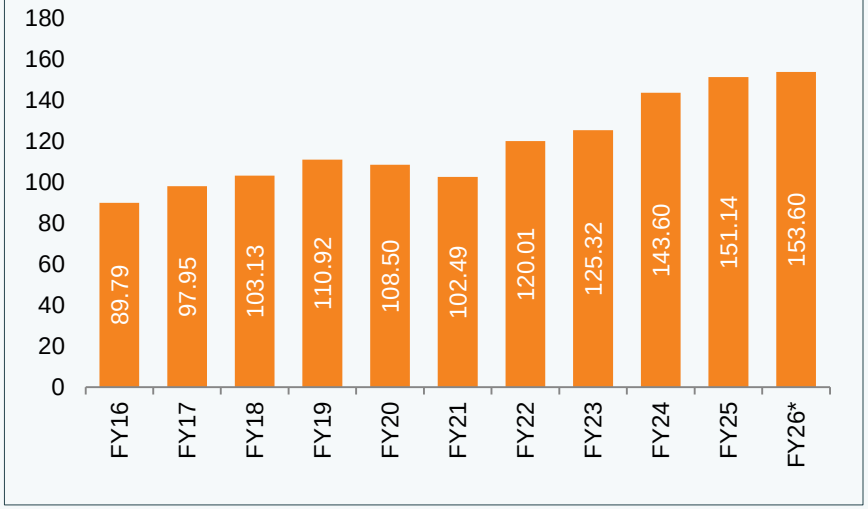
- For the first time ever, India surpassed China as the top developer of coal-based steel capacity in July 2023, according to the latest report from Global Energy Monitor (GEM).
- India's steel production capacity increased to 218.29 MT in FY26 (P), and the figure is anticipated to rise to 300 MT by FY30.
- India will commission new steelmaking facilities with a capacity of about 40 MT per year by FY26.
- BF-BOF route is expected to contribute 65% of the capacity, while the remaining 35% is expected to come from EAF & IF routes.
- Expansion of production capacity to 300 MT will translate into additional investment of Rs. 10,00,000 crore (US$ 156.08 billion) by 2030-31.
- Steel companies are looking to restart expansion projects on the back of surging steel process with a capacity addition of 29 MT.

Note: *P - Projection, BF-BOF - Blast Furnace-Blast Oxygen Furnace, EAF - Electric Arc Furnace, IF - Induction Furnace, MT- million tonnes , *April- December 2025*

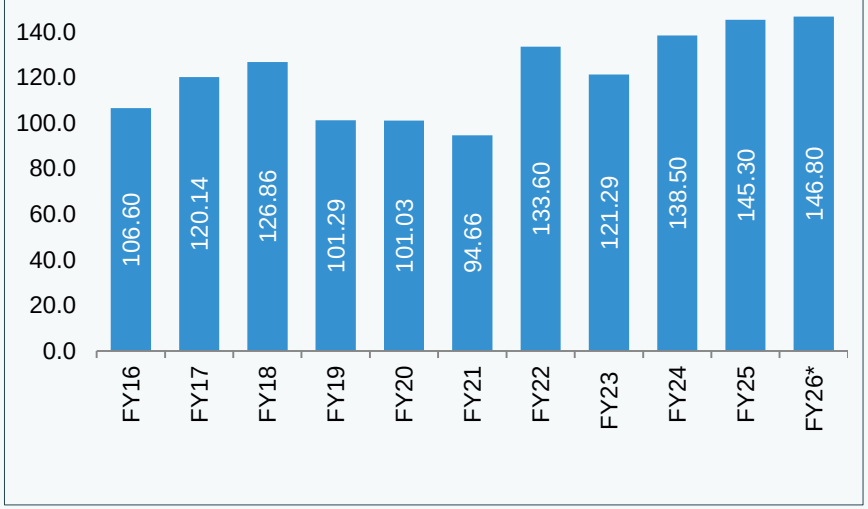
Source: *Joint Plant Committee, Ministry of Steel, News articles, PIB*

Steel production in India has been growing at a fast pace

Total crude steel production (million tonnes)



Total finished steel production (million tonnes)

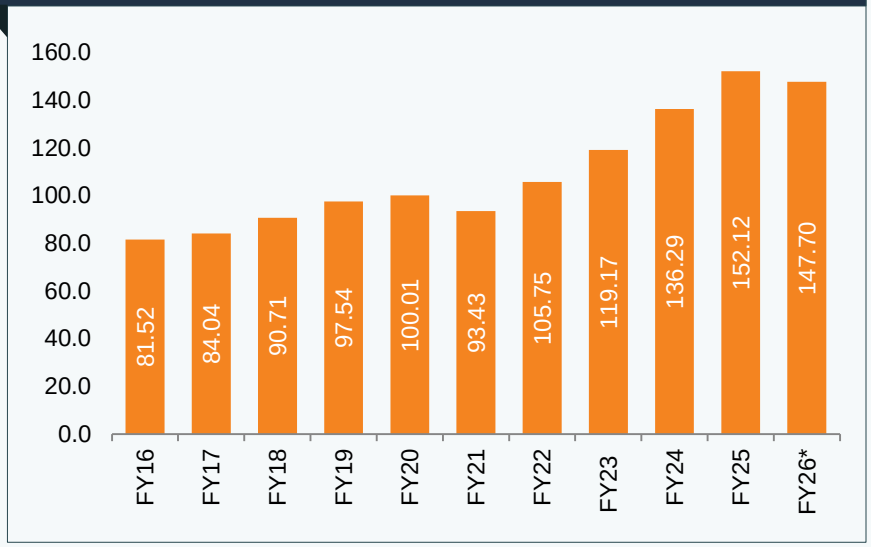


- In FY26 (April–February), crude steel production in India stood at 153.6 MT.
- In FY26 (April–February), finished steel production is estimated at 146.8 MT.
- In FY26 (April–February), crude steel production in India stood at 153.6 MT, while finished steel production is estimated at 146.8 MT, reflecting a marginal increase over FY25 levels of 151.14 MT and 145.30 MT, respectively.
- In February 2026, the Government of India signed MoUs with 55 companies for 85 projects under the PLI Scheme 1.2 for specialty steel, with a committed investment of Rs. 11,887 crore (US$ 1.34 billion). The projects are expected to create downstream steel capacity of 8.70 million tonnes, strengthening domestic manufacturing capabilities. The initiative aims to reduce import dependence, promote value-added steel production and enhance India's position as a global supplier of high-grade steel.

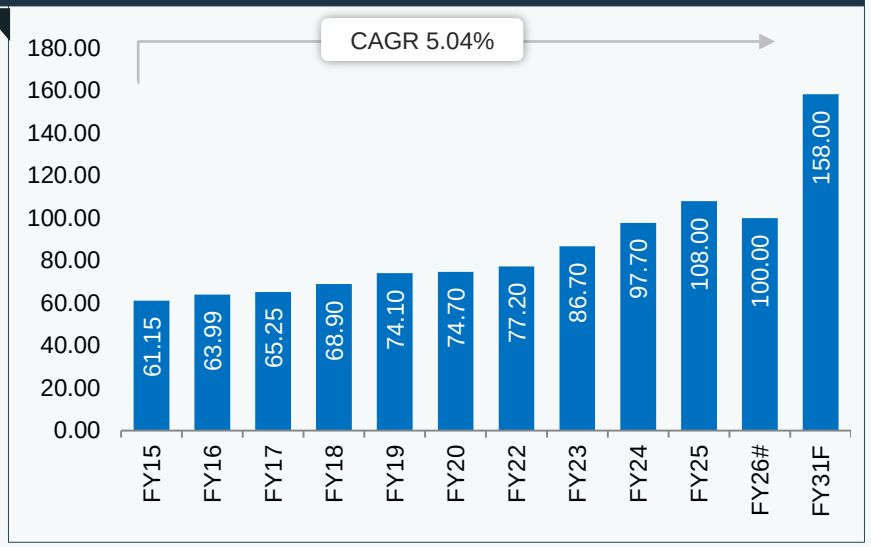
Notes: *MT - Million Tonnes, *Until February 2026*
Source: *News Articles, Ministry of Steel, World Steel Association, Union Budget 2023-24*

Demand has outpaced supply over the last five years

Consumption of finished steel (in million tonnes)



Per-capita consumption of steel (in kgs)



- In FY26 (April–February), the consumption of finished steel was 147.7 MT.
- In FY25, the consumption of finished steel stood at 152.12 MT.
- The per-capita consumption of steel stood at 100 kgs in FY26 (April-August 2025) and the National Steel Policy aims to increase it to 160 kgs by FY31. The CAGR from FY15 to FY26 (till August 2025) stood at 5.04%.
- It is expected that consumption per capita would increase, supported by rapid growth in the industrial sector and rising infra expenditure projects in railways, roads and highways, etc.
- The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31.

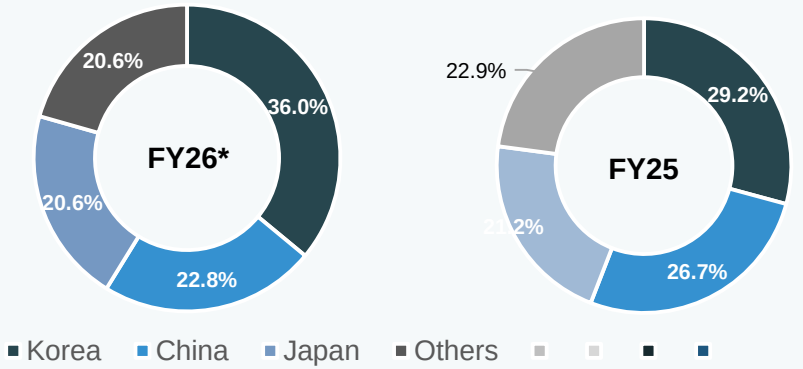
Note: *MT - Million Tonnes, kg - kilograms, F-Forecasted, * - Until February 2026, # - Till August 2025*

Source: *JPC India Steel, Ministry of Steel, World Steel Association*

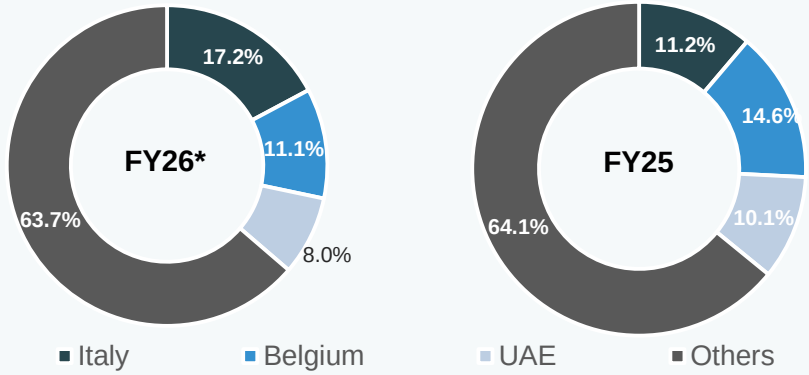
Trends in import and export of steel

- In FY26* (April-February), the exports and imports of steel stood at 6.02 MT and 5.62 MT, respectively.
- In FY25, the exports and imports of steel stood at 4.85 MT and 9.53 MT, respectively.
- Top five exported products in FY26* were: HR Coil/Strip, Pipes, GP/GC Sheets/Coil, Bars & Rods, and CR Coil/Sheets, with HR Coil/Strip emerging as the leading export category.

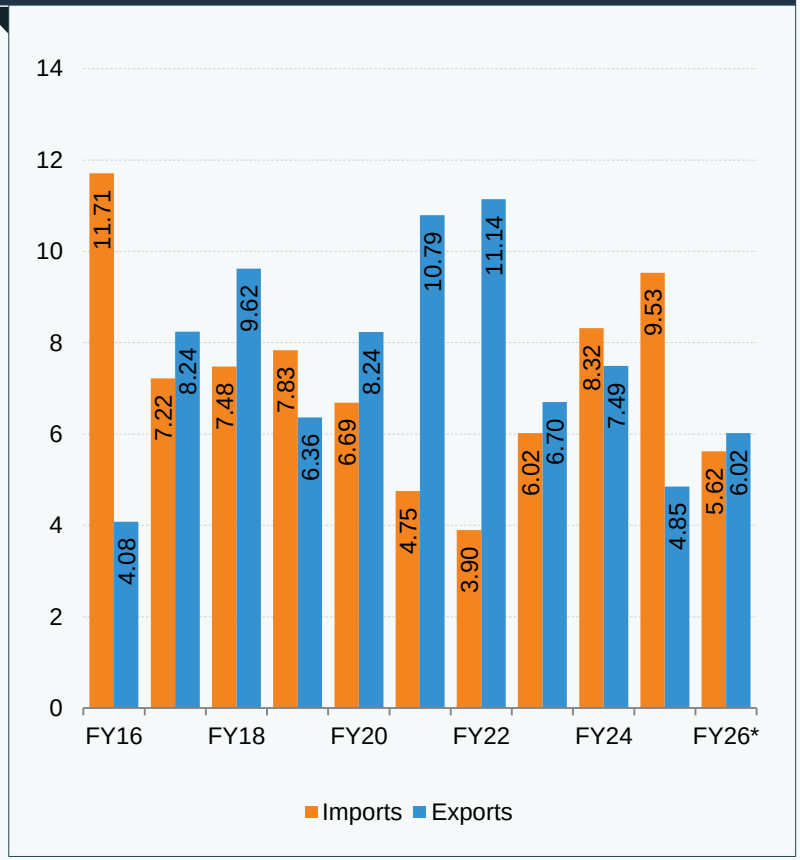
Import destinations of finished steel from India: FY26* vs. FY25



Finished steel export source countries to India: FY26* vs. FY25



Finished steel export and import (in million tonnes)



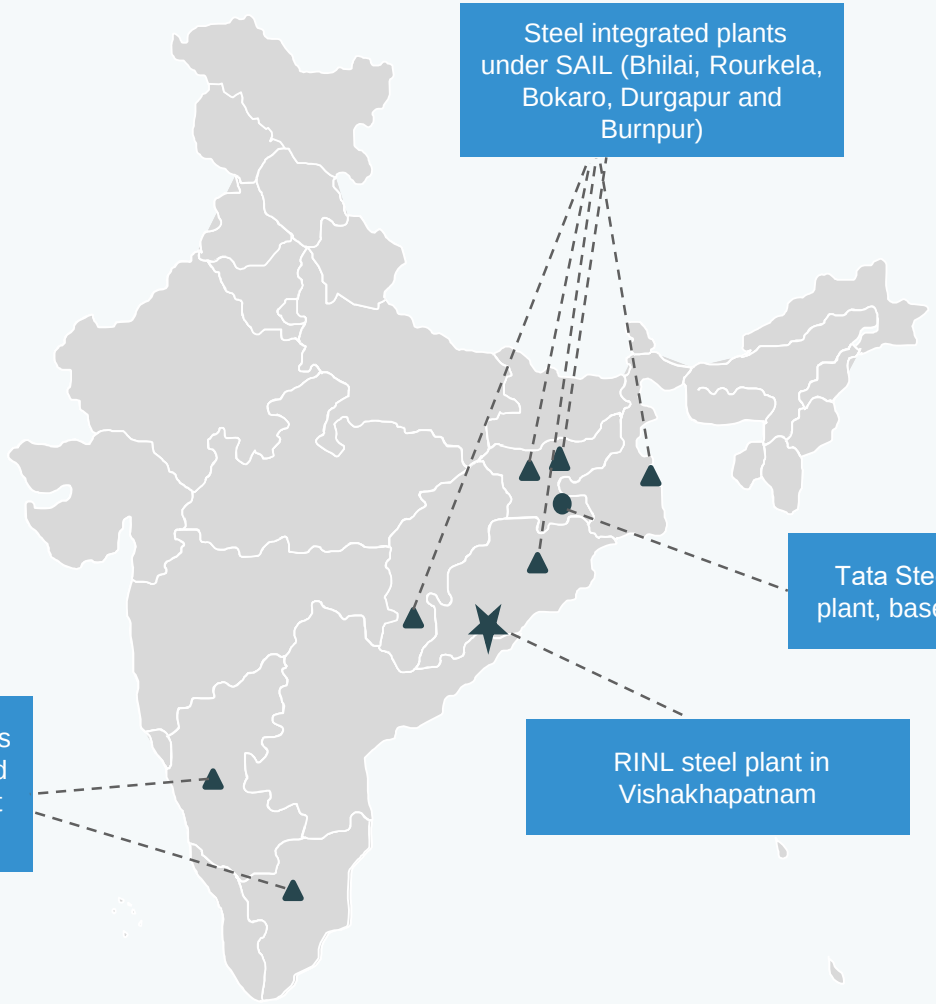
Note: *MT- million tonnes, * - April – February 2026*
Source: *Ministry of Steel*

Key players of the industry

	Company	Products
	Tata Steel Ltd.	Finished steel (non-alloy steel)
	SAIL	Finished steel (non-alloy steel)
	JSW Steel Ltd.	Hot-rolled coils, strips and sheets
	Jindal Steel and Power Ltd.	Iron and steel
	Welspun-Gujarat Stahl Rohren Ltd.	Tubes and pipes
	Visa Steel Ltd.	Ferro Chrome, coke and special steel
	Essar Steel	Hot Rolled, Cold Rolled, Galvanized, Colour-Coated products, extra wide plates and pipes
	RINL Powergrid TLT Pvt Ltd.	Forged Rounds, Rebars, Rounds, Wire Rod coil, rounds, billets

Source: *Sutherland Research*

Key steel plants in India



Source: *Company website, Sutherland Research*

Steel SEZs in India

Developer	Location	Product
Dahej SEZ	Gujarat	Steel and chemical industries.
Kandla Special Economic Zone (KASEZ)	Gujarat	Steel trading and processing units.
Adani Port and Special Economic Zone (APSEZ)	Mundra, Gujarat	Steel and metal processing industries alongside port operations.
Reliance Jamnagar SEZ	Jamnagar, Gujarat	Steel and Petrochemicals.
Tata Steel Special Economic Zone (TSEZ)	Gopalpur, Odisha	Steel and allied downstream industries

Source: *Formal approvals granted in the Board of Approvals after the SEZ rules coming into force, Special Economic Zones in India website, www.sezindia.nic.in*

Recent Trends and Strategies

Notable trends in the Indian steel industry… (1/4)

1

Growing investment

- On February 9, 2026, the Government of India secured investment commitments of around Rs. 11,887–13,203 crore (US$ 1.31- 1.46 billion) under the PLI 1.2 scheme for speciality steel, with 85 MoUs signed with 55 companies. These investments are expected to create 8.7 million tonnes of additional speciality steel capacity by FY31, strengthening domestic manufacturing in high-end segments such as alloy, stainless, and electrical steel while reducing import dependence.
- According to the Ministry of Steel on February 9, 2026, the PLI 1.2 scheme marks a significant step in boosting investments and enhancing global competitiveness. The scheme builds on earlier rounds (PLI 1.0 and 1.1), which together attracted over Rs. 43,000 crore (US$ 4.74 billion) in investments, indicating sustained investor confidence and a strong pipeline of capital inflow into the steel sector.
- On August 18, 2025, JSW Steel and South Korea's POSCO signed a non-binding Heads of Agreement to explore setting up a 6 MTPA integrated steel plant in India via a 50:50 joint venture with Odisha among the key locations under consideration. Feasibility studies, resource availability and investment terms yet to be finalised.
- Between April 2000-June 2025, Indian metallurgical industries attracted FDI inflows of Rs. 1,60,000 crore (US$ 18.67 billion).
- Under the second round of the Production Linked Incentive scheme (PLI) for specialty steel, 25 companies committed Rs. 17,000 crore (US$ 1.98 billion) to produce high-end steel domestically, aiming to reduce imports and boost self-reliance. The scheme targets five key steel product categories with applications across various industries like automobiles and transformers.
- India and Japan held the third Steel Dialogue on February 4, 2025, in New Delhi, discussing economic trends, steel trade, and industry developments. India highlighted policy initiatives, green steel efforts, and investment opportunities for Japan.
- About 50% of the Rs. 26,000 crore (US$ 3.02 billion) investment proposals received by Jharkhand government during the Bengal Global Business Summit (BGBS) in Kolkata pertain to the steel sector.
- JSW Group announced a Rs. 1,00,000 crore (US$ 11.60 billion) investment to set up a 25 MT steel plant in Maharashtra's Gadchiroli district over seven to eight years. The project, expected to be the world's largest and most eco-friendly, will drive economic growth and job creation in Vidarbha.
- In February 2024, The JSW Group is set to build a steel plant in Jagatsinghpur, Odisha, with an investment of Rs. 65,000 crore (US$ 7.8 billion). The plant will have a production capacity of 13.2 million tons of steel per year and is expected to create 30,000 jobs.
- In February 2024, JSW Steel plans to establish a joint venture with Japan's JFE Steel Corporation in a 50:50 partnership to invest Rs. 5,500 crore (US$ 661.9 million) in setting up a plant in Karnataka.

Notes: *MTPA - Million Tonnes Per Annum*
Source: *Ministry of Steel, News Articles, Media Reports, DPIIT*

Notable trends in the Indian steel industry… (2/4)

2

Strategic alliances

- On July 7, 2025, Tata Steel signed a Memorandum of Understanding with Australia's InQuik Group to bring modular bridge construction technology to India, using prefabricated steel formwork filled with concrete on site to enable faster, cost-effective, climate resilient and scalable bridge infrastructure, especially useful in remote regions.
- As of August 2025, JSW Steel and Japan's JFE Steel are planning to jointly invest Rs. 5,845 crore (US$ 682 million) to expand capacity for cold-rolled grain-oriented electrical steel (CRGO) to 3,50,000 tonnes per annum by FY28 by scaling up the Nashik plant from 50,000 to 2,50,000 TPA and increasing the Vijayanagar unit's capacity to 1,00,000 TPA.

3

Entry of international companies

- Attracted by the growth potential of the Indian steel industry, several global steel players have been planning to enter the market.
- CarVal Investors, the investment arm of US-based agriculture group, Cargill, has offered around Rs. 2,000 crore (US$ 277.20 million) along with Asset Reconstruction Company (India) Ltd. for the purchase of Uttam Value Steels and Uttam Galva Metallics.

Notes: *TPA - Tonnes Per Annum*
Source: *Ministry of Steel, News Articles*

Notable trends in the Indian steel industry… (3/4)

4

Increased emphasis on technological innovations

- On February 17, 2026, the Ministry of Steel, during the India AI Impact Summit (February 16–20, 2026) in New Delhi, invited AI startups to develop technology-driven solutions for the steel industry. The initiative focuses on improving efficiency, sustainability, and safety across the steel value chain, promoting innovation and collaboration to strengthen India's steel sector.
- Tata Steel has commenced the trial injection of hydrogen gas using 40% of the injection systems in 'E' Blast Furnace at its Jamshedpur Works. This is the first time in the world that such a large quantity of hydrogen gas is being continuously injected in a blast furnace.
- Companies are attempting coal gasification and gas-based direct-reduced iron (DRI) production. Other alternative technologies such as Hismelt, Finex and ITmk3 being adopted to produce hot metal.
- The Ministry of Steel has issued necessary direction to the steel companies to frame a strategy for taking up more R&D projects by spending at least 1% of their sales turnover to facilitate technological innovations in the steel sector.
- The Ministry has established a task force to identify the need for technology development and R&D.
- The Ministry has adopted energy efficiency improvement projects for mills operating with obsolete technologies.

5

Vehicle Scrappage Policy to reduce steel prices

- India is spreading its wings further to foray into another highly potential, yet untapped metal industry.
- The recently announced 'Vehicle Scrappage Policy' intends to de-clutter the country of its huge automobile and white goods waste through recycling.
- This proposed policy seeks to phase out unfit vehicles to reduce vehicular pollution, meet the climate commitments, improve road safety and fuel efficiency, formalise the vehicle scrapping industry and recover low-cost materials for the automotive, steel and electronics industries.
- Primarily, this new policy aims to boost new vehicles sales, which will stimulate the economy. Automobile manufacturers and the allied industry will benefit from this policy.
- With the scrapping of old vehicles, raw materials such as plastic, copper, aluminium, steel and rubber will be recycled. This will bring down the cost component and help the industry become more cost competitive.

Source: *News Articles*

Notable trends in the Indian steel industry… (4/4)

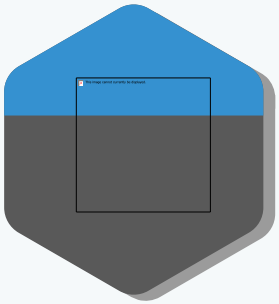
6

Reducing dependence on Imports

- Indian government plans to reduce imports by 50% in FY26 to become net exporter of steel in the near future.
- The Directorate General of Trade Remedies (DGTR), has recommended a 12% provisional safeguard to protect domestic players from surge in imports and potentially increasing their profitability.
- This development could potentially lead to a decrease in imports and increase market competitiveness.

Source: *News Articles*

Strategies adopted for capacity expansion



- On December 10, 2025, the Board of Tata Steel affirmed its long-term India growth strategy, with a strong focus on capacity expansion across multiple facilities. The company approved an in-principle 4.80 MTPA capacity expansion at Neelachal Ispat Nigam Limited (NINL) as part of Phase I, alongside plans to enhance flat steel capacity through a 2.50 MTPA thin slab caster and rolling facility at Meramandali, and set up a 0.70 MTPA downstream galvanising line in Maharashtra.
- On March 28, 2025, AM/NS India has secured 890 hectares of land in Rajayyapeta, Anakapalli district, Andhra Pradesh for a new integrated steel mill with planned capacity of about 7 MTPA of crude steel, expanding beyond its Hazira operations to meet rising domestic demand.
- Tata Steel has inaugurated Phase two of its Kalinganagar steel plant in Odisha, increasing its crude steel capacity from 3 MTPA to 8 MTPA. This expansion involved an investment of Rs. 2,700 crores (US$ 3,163 million).
- In February 2024, JSW Steel plans to increase the existing rail production capacity to 6,00,000 tonnes per year at Piombino.
- India will commission new steelmaking facilities with a capacity of about 40 MT per year by FY26.
- Tata Steel is planning to double its steel production capacity in India to 40 MTPA by 2030.
- Steel Authority of India Ltd. to nearly double its capacity to 34-35 MT by 2030-31. At present, its operating crude steel capacity is around 19.5 MT.
- Tata Steel is planning to set up more scrap-based facilities that will have a capacity of at least a billion tonnes by 2025.
- Tata Steel is planning to expand its annual capacity in India from 34 MTPA to 55 MTPA by 2030.
- A long-term perspective is to achieve capacity of 300 MTPA by 2030 as per National Steel Policy 2017.

Note: *GDP - Gross Domestic Product, MT-Million Tonnes, MTPA - Million Tonnes Per Annum*

Source: *CCI, News Articles*

Growth Drivers

Strong demand and policy support driving investments

Growing demand

- Growing demand in the construction industry
- Continued support for infrastructure development in Union Budget 2026-27 resulting in increased demand for steel.
- India's steel demand is expected to grow by around 9% in 2025–26, driven by strong demand from infrastructure, construction, and manufacturing, positioning the sector for its next phase of growth.

Inviting

Policy support

- Ahead of the Union Budget 2026, the Indian Steel Association urged policy support to boost scrap usage and accelerate the shift to green steel.
- 100% FDI in the steel sector
- The Government released the National Steel Policy 2017 and laid down a broad strategy for encouraging long term growth for the Indian steel industry by 2030-31.
- Government has also promoted policy which provides a minimum value addition of 15% in notified steel products covered under preferential procurement

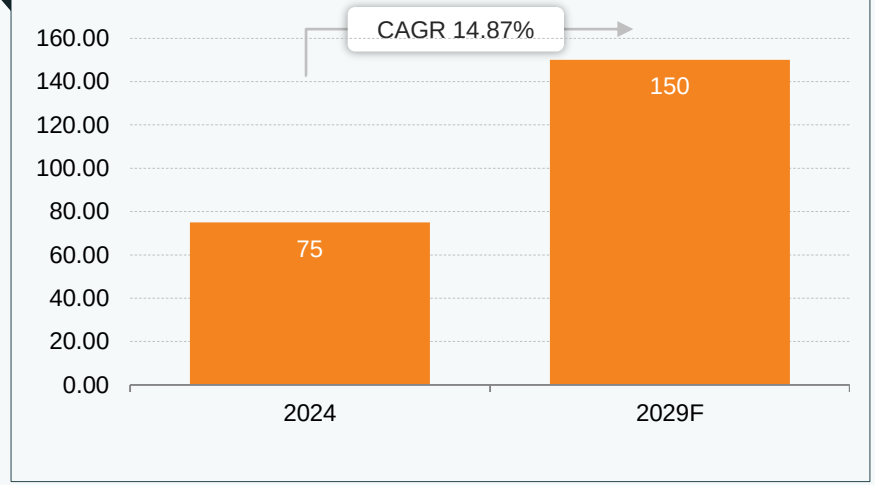
Resulting in

Increasing investment

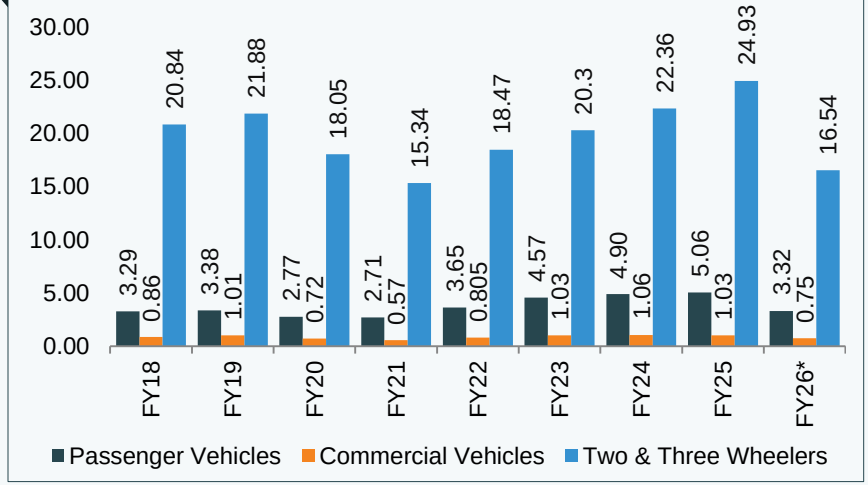
- Rising investment from domestic and foreign players
- Increasing number of MoUs signed to boost investment in steel
- Foreign investment of nearly US$ 40 billion committed in the steel sector
- On January 26, 2026, JSW Steel announced a Rs. 2 lakh crore investment to expand capacity by 50% to over 50 MT, signalling strong confidence in India's steel demand growth.

Capital goods, consumer durables, and automotive further driving steel growth

Indian Appliance and Consumer Electronics Industry (US$ billion)



Total automobile production in India (million units)



- India's appliances and electronics market, valued at Rs. 6,57,225 crore (US$ 75 billion) in 2024, is projected to nearly double to Rs. 1,139,190-13,14,450 (US$ 130-150 billion) by 2029, growing at a robust CAGR of 12-15%, contributing to the growth of the steel industry.
- The total production of passenger vehicles, three wheelers, two wheelers and quadricycle in FY25 was 3,10,34,174 units.
- Growth in automobile production is also expected to augment growth in steel production. Automobile production in India stood at ~206 lakh units in FY26*.
  - A Motilal Oswal report forecasts that the Indian Automobile industry is likely to witness 6-7% of growth rate for FY26.
  - During Q4 FY25, Construction' sector witnessed a 10.8% growth rate, driven by healthy execution pace and moderation in raw material prices. Since construction industry is a major consumer of steel, expansion across construction industry will translate into growth of steel sector.

Notes: *F- Forecast, * - As of December 2025*
Source: *SIAM, News Articles, PIB*

Policy support aiding growth in the steel sector… (1/4)

Steel Clusters

- In September 2020, the Ministry of Steel prepared a draft framework policy for development of steel clusters in the country.
- The draft framework policy is aimed at facilitating and establishing greenfield steel clusters, along with development and expansion of the existing steel clusters.

National Steel Policy 2017

- New National Steel Policy was formulated by the Ministry of Steel in 2016 to retain the objectives included in National Steel Policy (NSP) 2005. It aimed at covering broader aspects of steel sector across the country including environment and facilitation of new steel projects, growth of steel demand in India and raw materials
- Under the policy, the central Government stated that all the Government tenders will give preference to domestically manufactured steel and iron products. Moreover, Indian steel makers importing intermediate products or raw materials can claim benefits of domestic procurement provision by adding minimum of 15% value to the product.
- The National steel policy, 2017 aspired to achieve 300MT of steel making capacity by 2030-31. This would translate into additional investments of Rs. 10 lakh crore (US$ 156.08 billion).
- Further, it aimed to increase per capita steel consumption to 160 kgs by 2030-31.

R&D and innovation

- The Steel Research Technology Mission of India (SRTMI), a collaborative effort between the Indian steel industry and academic institutions, backed by the Ministry of Steel, introduced three new R&D programs along with a web portal during the event titled “Catalyzing R&D in the Indian Steel Sector” held at Vigyan Bhawan, New Delhi, on March 12, 2025.
- The scheme for the promotion of R&D in iron and steel sector has been continued under the 14th Finance Commission (FY20). Under the scheme, 26 projects have been approved with financial assistance of Rs. 161 crore (US$ 24.98 million) from the Ministry of Steel.
- Ministry of Steel is setting up industry driven institutional mechanism - Steel Research & Technology Mission of India (SRTMI) - with an initial corpus of US$ 30.89 million. The institute will facilitate joint collaborative research projects in the sector.
- In September 2022, JSW Steel signed an MoU with SMS group to explore multiple cutting-edge solutions and R&D projects to reduce carbon emissions in its iron and steel making operations in India.

Note: *MT - Million tonnes*
Source: *Ministry of Steel, Press Information Bureau*

Policy support aiding growth in the steel sector… (2/4)

FDI

- 100% FDI through the automatic route is allowed in the Indian steel sector.

Rise in export duty

- The Government hiked the export duty on iron ore to 50% ad valorem on all varieties of iron ore (except pellets).

Duty drawback benefits

- In October 2020, Directorate General of Foreign Trade announced that steel manufacturers in the country can avail duty drawback benefits on steel supplied through their service centres, distributors, dealers and stock yards.

Push due to Make in India initiative

- Going forward, the Make in India initiative and policy decisions taken under it are expected to augment the country's steel production capacity and resolve issues related to the mining industry.

Reduction in custom duty on plants and equipment

- The Government has reduced the basic custom duty on the plants and equipment required for initial set up or expansion of iron ore pellets plants and iron ore beneficiation plants from 7.5/5% to 2.5% .
- Customs duty on imported flat-rolled stainless-steel products has been increased to 15% from 7.5% .
- Basic customs duty on steel grade dolomite and steel grade limestone is being reduced from 5% to 2.5% . Basic customs duty is being reduced from 10% to 5% on forged steel rings used in the manufacture of bearings of wind-operated electricity generators.

Source: *Media Reports, Ministry of Steel, News Articles, Make In India*

Policy support aiding growth in the steel sector… (3/4)

Production-linked Incentive (PLI) Scheme

- In November 2025, India's Ministry of Steel launched the third round of the PLI Scheme for Specialty Steel (PLI 1.2) to attract new investment in advanced steel products with incentives of 4% to 15% on incremental sales and broaden high-end steel capacity to support domestic manufacturing and global competitiveness.
- Under the second round of the Production Linked Incentive scheme (PLI) for specialty steel, 25 companies committed Rs. 17,000 crore (US$ 1.98 billion) to produce high-end steel domestically, aiming to reduce imports and boost self-reliance. The scheme targets five key steel product categories with applications across various industries like automobiles and transformers.
- The Union Ministry of Steel launched PLI Scheme 1.1 on January 6, 2025, with a Rs. 6,322 crore (US$ 733.40 million) outlay to boost specialty steel production and attract investments. Covering five key product categories, the scheme eases norms to reduce imports, enhance domestic manufacturing, and improve energy efficiency, with applications open until January 2025.
- The Centre is looking to include refractories in the upcoming Production Linked Incentive Scheme 2.0 for steel as it aims at doubling the country's production capacity for the metal to 300 million tonnes by 2030.
- In November 2020, Union Cabinet approved the production-linked incentive (PLI) scheme in 10 key sectors (including electronics and white goods) to boost India's manufacturing capabilities and exports and promote the 'Atmanirbhar Bharat' initiative.
- 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs. 42,500 crore (US$ 5.19 billion) with a downstream capacity addition of 26 million tonnes and employment generation potential of 70,000.
- India is a net exporter of finished steel and has the potential to become a frontrunner in certain grades of steel. PLI scheme has been approved for specialty steel with a financial outlay of Rs. 6,322 crore (US$ 858.50 million) over a five-year period.

Steel sector boosting in North-Eastern India

- Demand for steel in northeast India is primarily driven by infrastructure project carried out by the government of India.
- Up to December 2024, RINL dispatched about 1,400 MT of steel to Northeast projects, including National Highways Authority of India (NHAI) and National Highways and Infrastructure Development Corporation Limited (NHIDCL).
- Plans are in progress to set up a two-tier steel distribution network in Guwahati.

Source: *Ministry of Steel, Make In India, Media Reports, News Articles*

Policy support aiding growth in the steel sector… (4/4)

Steel Import Monitoring System (SIMS) 2.0

- On November 20, 2025, the Ministry of Steel launched SARAL SIMS to simplify steel import registration for MSMEs through a single annual approval, effective November 21, 2025. Earlier, SIMS 2.0 (launched July 25, 2024) enhanced digital monitoring and data accuracy to strengthen India's steel import tracking.
- Union Minister of steel and heavy industries Mr. H. D. Kumaraswamy has revamped and launched Steel Import Monitoring System 2.0 (SIMS 2.0) on July 25, 2024.
- It provides detailed import data and aids in policy making and highlights opportunities for production and growth within the domestic steel sector.
- SIMS 2.0 includes application programming interface (API) with multiple government portals, improving quality control and streamlining processes for better efficiency.
- The portal includes a robust data entry system to ensure consistent, authentic data, promoting transparency and accountability.
- Integration of various databases enables stakeholders to perform improved analysis and risk management of steel imports.

Source: *Ministry of Steel, Make In India, News Articles, Media Reports*

The sector witnessed rising investments in the last decade

Date announced	Acquirer name	Target name	Value of deal (US$ million)
Dec-23	Jindal Stainless Limited	Rabirun Vinimay Private Limited	11.6
May-23	Jindal Stainless Limited	Rathi Super Steel Limited	24.87
April-23	ArcelorMittal Nippon Steel India	Indian Steel Corporation Ltd.	109.4
Dec-22	Shyam SEL & Power Limited	Mittal Corp Limited	42.49
July-22	Tata Steel Limited	Neelachal Ispat Nigam Limited	1456.3
Jan-21	Nithia Capital and CarVal Investors	Uttam Galva Metallics Limited (UGML) and Uttam Value Steel Limited (UVSL)	273.00
Oct-20	JSW Steel Ltd.	Asian Colour Coated Ispat	211.89
Mar-20	Arcelor Mittal Nippon Steel India	Bhander Power plant	-
Feb-20	JSW Steel Ltd.	Bhushan Power and Steel	2,818.72
Mar-19	ArcelorMittal	Essar steel	5,821.21
Sep-18	Tata Steel	Usha Martin Ltd (Specialty Steel Business)	641.41-701.07
Aug-18	Nippon Steel and Sumitomo Metal Corp.	Sanyo Special Steel Co Ltd.	-
Jul-18	Aion Investments-JSW Steel	Monnet Ispat and Energy	428.85
Jul-18	Liberty House	Adhunik Metals	58.42
Jun-18	Vedanta Star Ltd.	Electrosteel Steels	825.45
May-18	Tata Steel Ltd.	Bhushan Steel	5,461.60
Dec-17	Tata Steel Ltd.	Bhubaneshwar Power	39.5
Jan-17	Tata Steel Ltd.	Creative Port Development Pvt Ltd.	-
Aug-16	JSW Steel Ltd.	Praxair Oxygen Pvt. Ltd.	36

Cumulative FDI Inflows	
Period: From April 2000-July 2025	
Sector	**Amount**
Metallurgical industries	US$ 18.67 billion

Source: *Thomson ONE Banker, Department for Promotion of Industry and Internal Trade (DPIIT). News Articles*

Opportunities

Opportunities… (1/2)

Automotive

- The automotive industry is forecast to reach US$ 260-300 billion by 2026.
- India's passenger vehicle segment has ample growth potential with the third lowest car penetration ratio among the top 13 markets, at 24 per 1,000 people, compared to the world average of 314 per 1,000.
- The industry accounts for around 10% of the demand for steel in India.
- With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.

Capital goods

- The capital goods sector accounts for 11% of the total steel consumption and is expected to increase 14-15% by 2025-26. It has the potential to increase in tonnage and market share.
- Corporate India's capex is expected to grow and generate greater demand for steel.

Infrastructure

- The infrastructure sector accounts for 9% of steel consumption and is expected to increase to 11% by 2025-26.
- Due to rising investment in infrastructure the demand for steel products would increase in the years ahead.
- 70% of the country's infrastructure, estimated at Rs. 6,00,000 crore (US$ 89.50 billion), is yet to come up. Thus, a significant growth potential for steel sector is present.*

Airports

- More and more modern and private airports are expected to be set up.
- Estimated steel consumption in constructing airports is likely to grow more than 20% over the next few years.
- In 2025, India's aviation sector is hitting new heights as Mumbai and Delhi prepare to launch secondary airports like the Navi Mumbai International Airport and Noida International Airport respectively, to ease congestion at primary hubs, boost capacity and connectivity.

- The Government of India has allocated Rs. 111 lakh crore (US$1.4 trillion) under the National Infrastructure Pipeline (NIP) for FY19-FY25. Sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) account for ~71% of the projected infrastructure investments in India.

Note: *Capex - Capital Expenditure, P - Provisional, *According to Mr. Chaudhary Birender Singh, Minister of Steel*
Source: *Make In India, SIAM, Ministry of Steel, Airport Authority of India*

Opportunities… (2/2)

Railways

- As on January 2023, 41 indigenously designed, semi-high speed Vande Bharat Express trains are in operation. In 2024-25, the goal is to upgrade 40,000 conventional rail bogies to meet the 'Vande Bharat' standards.
- Introduction of high-speed bullet trains and metro trains will increase steel usage.
- Gauge conversion, setting up of new lines and electrification would drive demand for steel.
- The Indian Railways is planning to procure over 11 lakh tons of steel from the Steel Authority of India Limited (SAIL) for track renewal and laying new lines across the country.

Oil and gas

- India's primary energy consumption of oil and gas is expected to increase to 10 mbpd and 14 bcfd, respectively, by 2040.
- This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity for the steel industry.
- On September 8, 2025, Trafigura forecasts India's oil demand growth will outpace China's this year, driven by urbanisation and rising incomes while China sees slower growth outside petrochemicals.

Power

- India aims to boost non-fossil fuel electricity generation to over 5,00,000 MW by 2030, with a transmission plan for integrating 5,00,000 MW of renewable energy capacity by the same year.
- This will lead to enhancement in both transmission and distribution capabilities, thereby raising steel demand from the sector.

Rural India

- Policies like Pradhan Mantri Awa Yojana and Pradhan Mantri Gram Sadak Yojana are driving growing demand for steel in rural India.
- In FY23, per capita consumption of steel in rural India was estimated to be between 21.3 kg per annum.

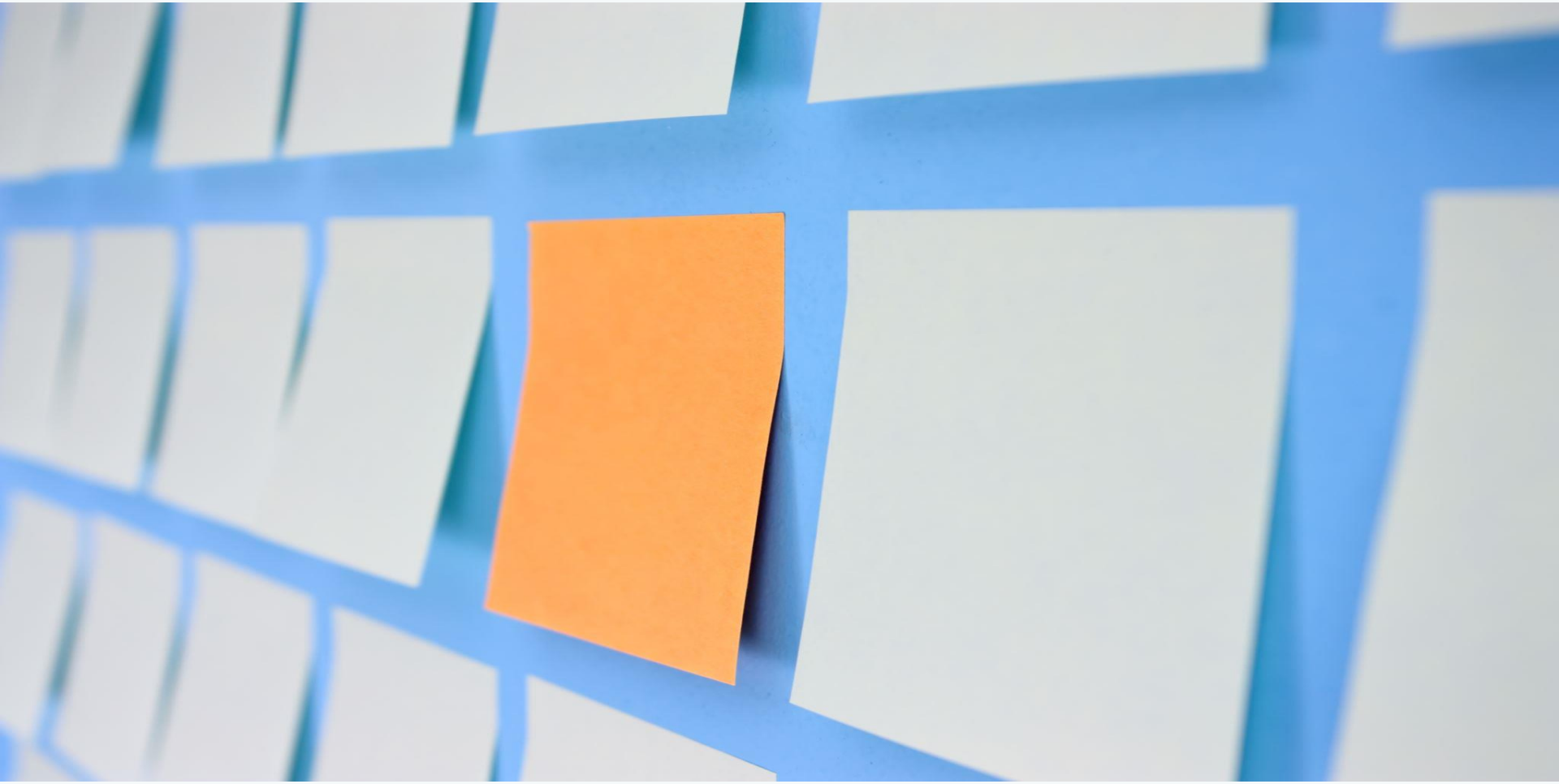
Note: *RE - Revised Estimates, mbpd - million barrels per day, bcfd - billion cubic feet per day*
Source: *Make In India, Ministry of Power*

Key Industry Contacts

Key industry contacts

Agency		Contact Information
	Indian Steel Association	Upper Ground Floor No. 4, Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110001 Phone: 011 - 42668800 Fax: 011 - 42668805 E-mail: media.isa@indsteel.org Website: www.indsteel.org
	Ministry of Steel	Ministry of Steel, GPOA - 3, Netaji Nagar, New Delhi – 110023 Phone : 91-11- 23063297, 20363138 Email: vinod.tripathi@gov.in Website: www.steel.gov.in
	National Mineral Development Corporation	Khanij Bhavan, Masab Tank, Hyderabad - 500028 Fax: 91-235338711 Phone: 040-23538713-21 Website: www.nmdc.co.in/
	Indian Stainless-Steel Development Association	L-22/4, DLF Phase-II Gurgaon, Haryana -122 002 Phone: 91-124-4375501-09 Email: nissda@gmail.com Website: www.stainlessindia.org/

Appendix



Glossary

- CAGR: Compound Annual Growth Rate
- FDI: Foreign Direct Investment
- CY: Calendar Year
- FY: Indian Financial Year (April to March)
- So FY10 implies April 2009 to March 2010
- JV: Joint Venture
- MoU: Memorandum of Understanding
- MT: Million Tonnes
- MTPA: Million Tonnes Per Annum
- NPAT: Net Profit After Tax
- SEZ: Special Economic Zone
- TMT: Thermo Mechanically Treated
- US$: US Dollar
- Wherever applicable, numbers have been rounded off to the nearest whole number

Exchange rates

Exchange Rates (Fiscal Year)

Year	Rs. Equivalent of one US$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20
2021-22	74.42
2022-23	78.60
2023-24	82.80
2024-25	86.47
2025-26*	87.96

Exchange Rates (Calendar Year)

Year	Rs. Equivalent of one US$
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021	73.93
2022	79.82
2023	82.61
2024	84.49
2025	87.16
2026*	90.80

Note: **- Until February 2026*
Source: *Foreign Exchange Dealers' Association of India*

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