



INVESTMENT OPPORTUNITY IN INDIA'S GROWING STEEL INDUSTRY

FEBRUARY 2025

Global Iron/Steel Industry Overview

Global steel market size was USD 1,823.5 billion (US\$1.82 Tn) in 2022 and is anticipated to grow at 4.4% CAGR and reach USD 2,901.9 billion (US\$ 2.9 Tn) by 2033

The growth is likely to be propelled by Increasing construction and infrastructure projects globally, growing demand for lightweight, cost-effective and strong materials in shipbuilding, aerospace, consumer electronics, and other industries etc

Globally ~52% of steel is used in Building & Infrastructure sectors followed by Mechanical Equipment (16%), Automobile (12%), Metal Products (10%) etc

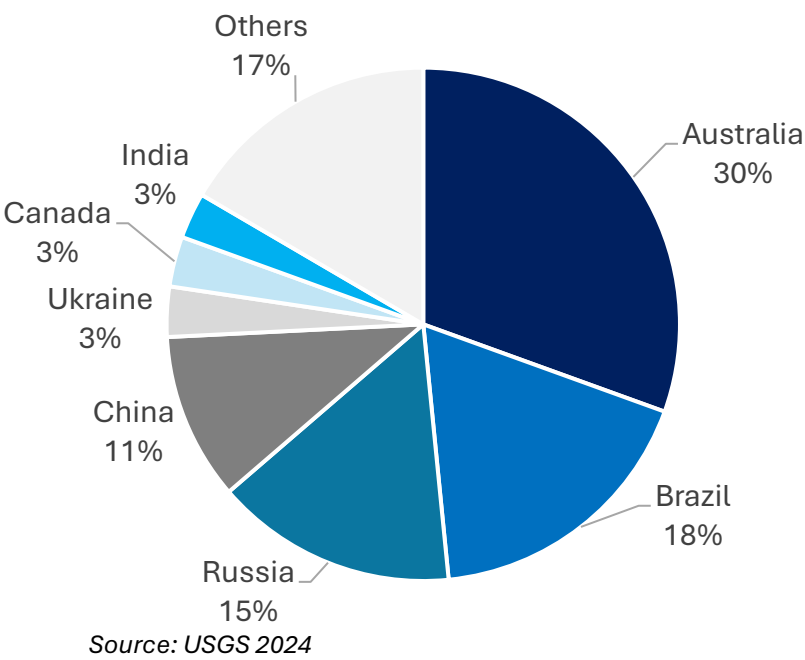
Steel is made from iron ore, a compound of iron, oxygen & other minerals that occurs in nature which are found in various parts of the world with significant reserves located in Australia, China, Brazil, Russia, India etc.

Global Iron Ore production is ~2.5 MMT and Australia produces ~35% of global production followed by Brazil, China and India

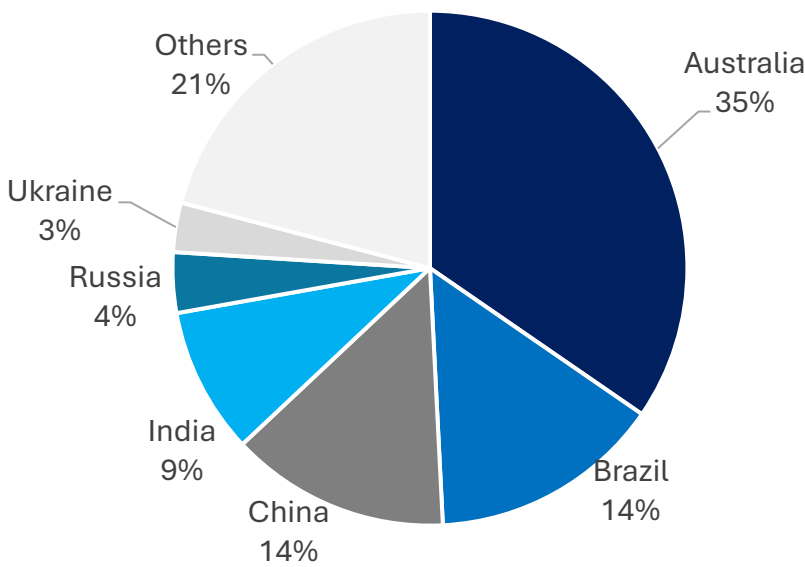
China is the largest consumer of Iron Ore which translates to be world's largest steel producing country (54 % of global steel production) followed by India (7.5%)

Globally 1,892 MMT of steel was produced in 2023 of which 71% steel was produced using Oxygen based/Blast Furnace and 29% steel was produced by Electric Arc Furnace

Global Iron Ore Reserves 190,000 MMT



Global Iron Ore Production 2,537 MMT



India's Iron Ore Resources

Indian Steel Industry Overview

Indian Steel Industry Market size by value was estimated at USD 187.2 billion in 2023 and is expected to grow at a CAGR of 9.3% reaching to USD 285.2 billion by 2030 (Source BlueWeave Consulting)

Indian steel sector is the backbone of the country and plays a significant role in India's economic growth by contributing ~ 2% of India's GDP

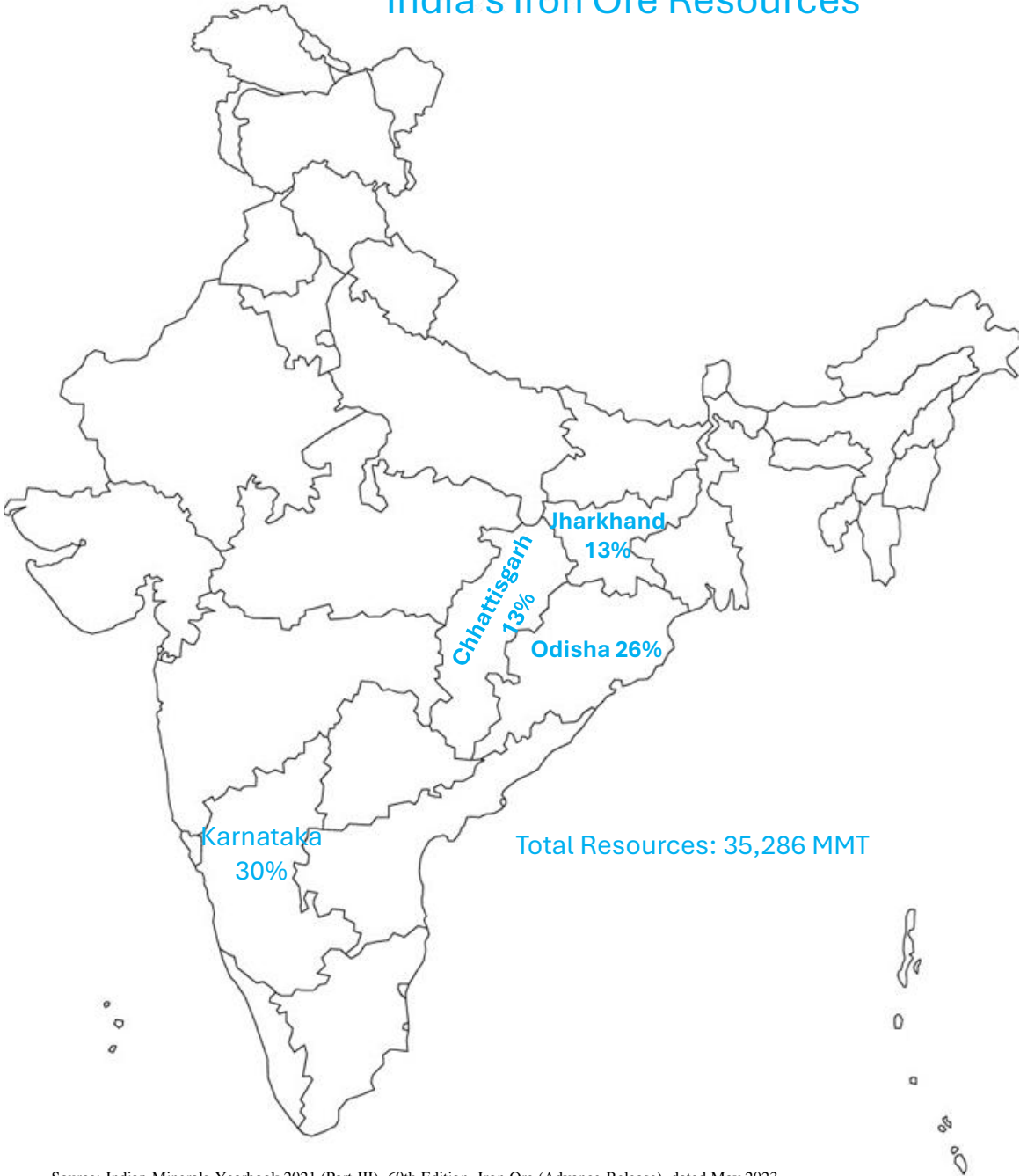
Rapid infrastructure development projects, urbanization and industrialization, thriving automotive industry are some expected to drive India Steel Market during the forecast period between 2024 and 2030

History of India's modern steel industry dates back to the 19th century with Tata Iron and Steel Company establishing plant in 1907

India has 35286 MMT of Iron Ore reserves which are largely located in Karnataka (30%), Odisha (26%), Chhattisgarh (13%) and Jharkhand (13%)

India is the world's second-largest producer of crude steel, with an output of 125.32 MT of crude steel and finished steel production of 121.29 MT in FY23

In FY24, the production of crude steel and finished steel stood at 143.6 MT and 138.5 MT, respectively



Source: Indian Minerals Yearbook 2021 (Part III), 60th Edition, Iron Ore (Advance Release), dated May 2023

Indian Steel Sector Overview

India is the second-largest steel producer in the world with an installed capacity of 161.3 MT in FY23 and consumption of 126 MT in FY2023

The domestic crude steel production has grown at a CAGR of 3.3% in the past five years to reach 126.3 MT in FY23 from 110.9 MT in FY19 and this growth is due to increased domestic demand, availability of raw materials, cost effective labor etc.

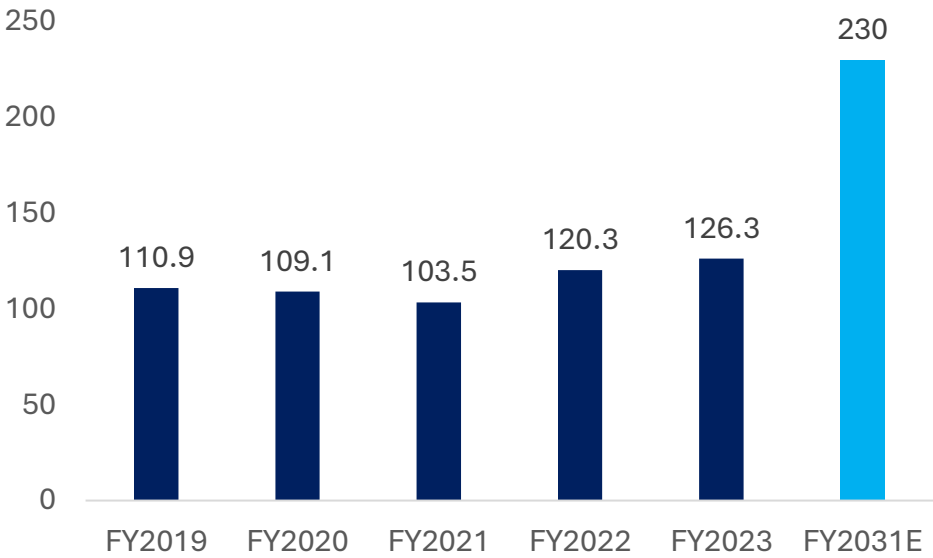
Large steel manufacturers' capacity utilization has been in the range of 80-90% in FY23 and most players have announced the expansion of crude steel capacities

The National Steel Policy 2017 envisages achieving 300 MT of production capacity from the current level of 153-157 MT to cater to expected steel demand of 230 MT by FY31

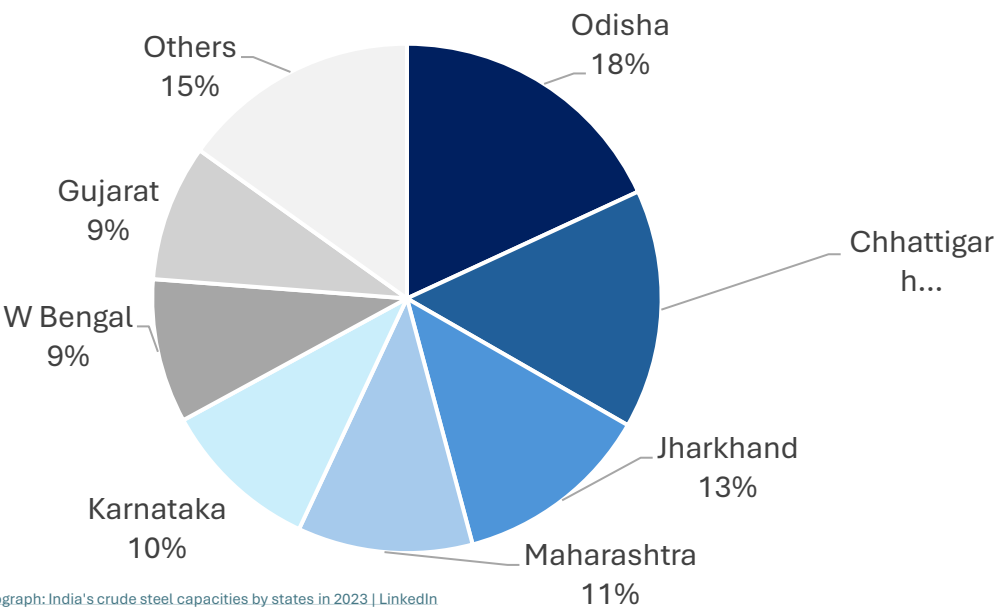
India's eastern region, well-endowed with mineral resources, enjoys the largest share in the total crude steel-making capacity (55%) and is led by Odisha having more than 30 MMT crude steel capacities

Odisha is rich in iron ore reserves having more than 26% reserves and abundant ancillary factors such as coal, water etc making Odisha preferred location for steel production

Domestic Crude Steel Production (MT)



Crude Steel Production Capacities 167.3 MMT



Source: (26) Infograph: India's crude steel capacities by states in 2023 | LinkedIn

Odisha Steel Sector Overview

Odisha is ranked #1 among all states, contributing to 41.9 % (Rs 38,075 Crore) in 2022-23 by value of all Minerals in India with the top contributors including Chromite (96%), Nickel (92%), Bauxite (53%) with Manganese & Iron Ore each having 35% share

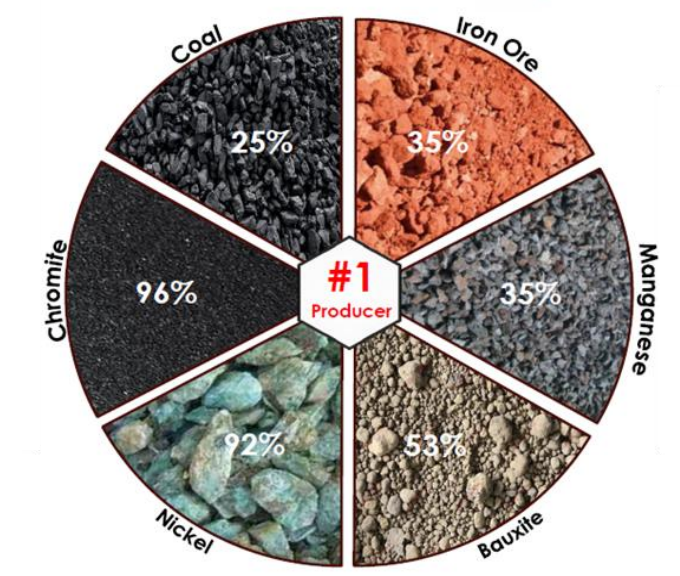
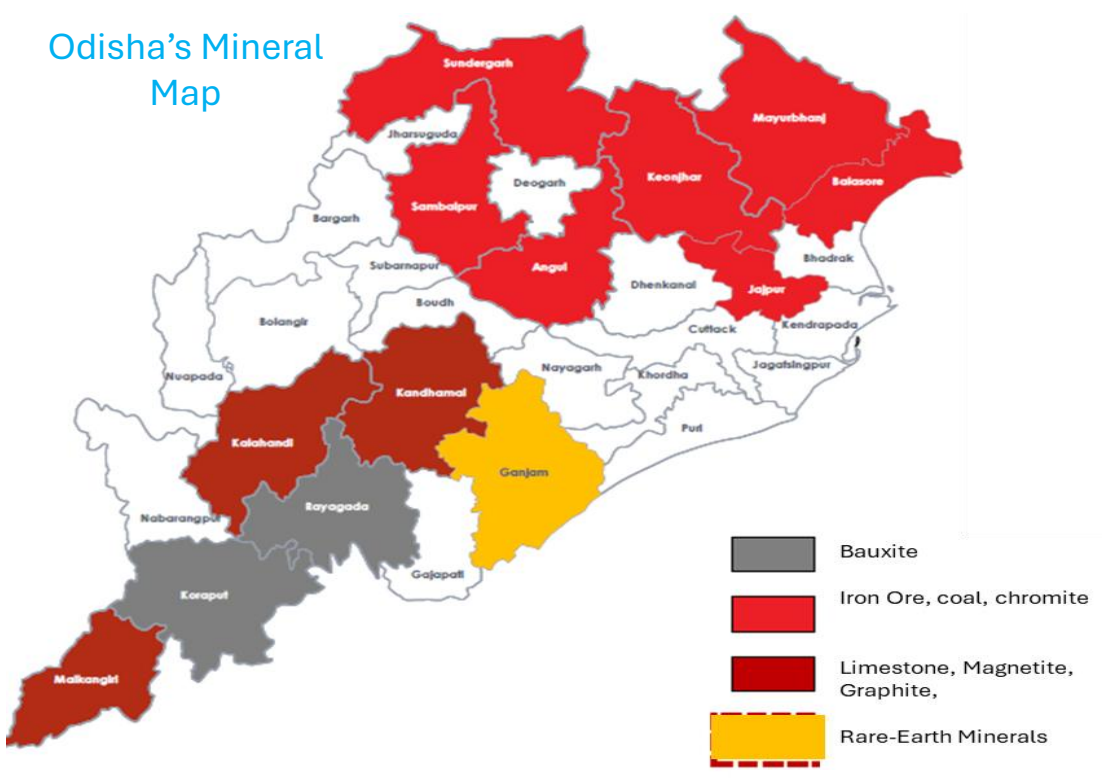
The state of Odisha is India's largest DRI producer, with ~15 MMTPa (FY 23) accounting for 24% of the total production

Odisha has 52 operational steel plants with installed capacity of around 34 MMTPA as of 2022-23 State has Targeted to achieve > 130 MTPA by 2030

Odisha has signed 49 MoUs with National & International steel companies for establishment of new steel plants apart from Rourkela of SAIL, Kalinga Nagar of NINL and MESCO

The state is strategically located as a gateway to ASEAN region having access to 50% of World Economy in a span of 6 hours

- For Ease of doing business, Odisha has numerous facilities:
- Capital Investment Subsidy of 20% with no Upper Cap Limit
 - 100% Reimbursement of Net SGST paid (limited to 200%)
 - 3 Major export & import ports
 - 5 Airports
 - 100% reimbursement of ESI / EPF upto 7 Years



Odisha Iron Ore/Chromite Ore Reserves

MINERAL	DISTRIBUTION	LOCATION	GEOLOGY	RESERVES
Iron Ore	Kendujhar District	Roida-Bhadrasahi, Unchabali, Jajang, Jurudi, Belkundi, Bolani, Khandbandh, Katamati, Thakurani, Gandhamardan, Joda-East, Haromoto, Guali, Kasia, Malangtoli etc.	Iron ore bands occur in layered BIF along with volcanosedimentary rock piles known as Iron Ore Super Group	5,153 million tonnes
	Sundargada District	Barsuan,Taldihi, Kalta, Khajuridihi, Ganua, Koira, Kurmitarpahar, Rantha, Mankarnacha, , Badamgarh pahar, Baliapahar MithihurdaBasada etc		
	Mayurbhanj District	Suleipat, Ghusura, Gorumahisani, Badampahar, etc		
	Jajpur District	Daitari-Tomka		
Chromite	Jajpur District	Sukinda Ultramafic complex	Occur as intrusive into Precambrian metamorphites as well as differentiated layered igneous complexes	173.80 million tonnes of all categories with 40 to 45% Cr ₂ O ₃
	Kendujhar District	Boula-Nuasahi Igneous complex		
	Baleswar District	Bhalukasuni		

Odisha: Steel Industry

Major Steel Clusters of Odisha		
Sr No	Cluster	No of Plants
1	Angul	2
2	Cuttack	5
3	Dhenkanal	6
4	Jajpur	1
5	Ganjam	1
6	Jagatsinghpur	1
7	Jharsuguda	7
8	Keonjhar	8
9	Sambalpur	5
10	Sundargarh	5
11	Jajpur	4
	Total*	45

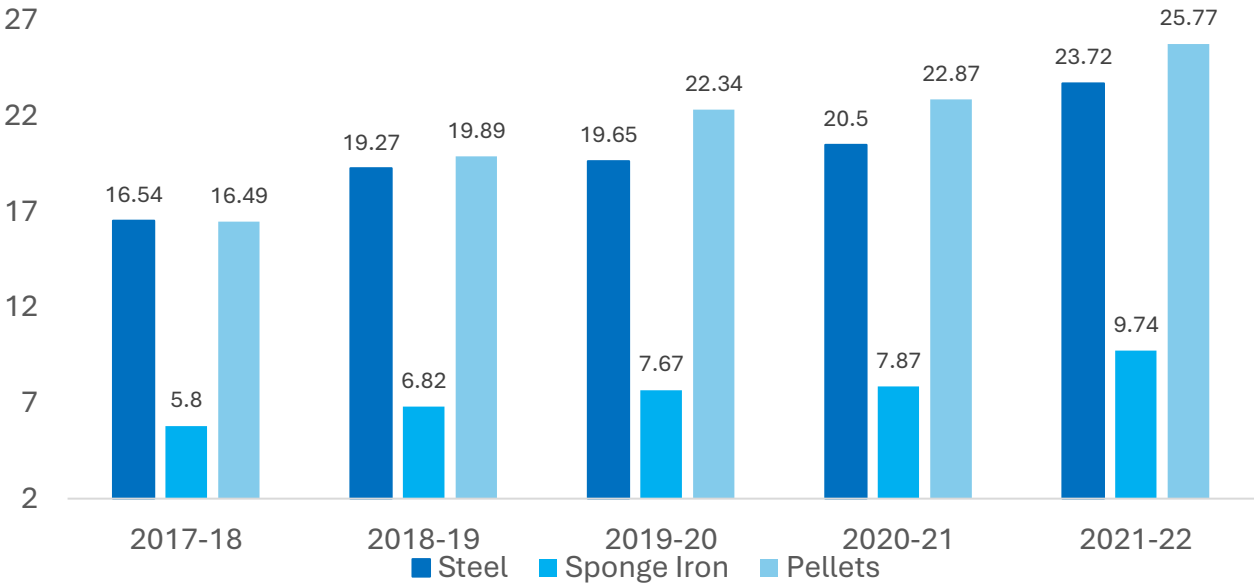
*Rest plant's location is scattered across districts

Odisha holds No 1 position in the production of Steel and Stainless Steel in India and has produced 25.12 million tons of Crude Steel in 2022-23

Odisha produced more than 60% of the total Iron ore produced in the country in 2022-23

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Productions Trends of Steel, Sponge Iron, Pellets



Department of Steel and Mines, Government of Odisha

Production Scenario of Steel, Sponge Iron & Pellets (MMTPA)

Production	Approved Capacity	Installed Capacity	FY 19	FY 20	FY 21	FY 22	FY 23
Steel by MOU Plants	134	25 27	14 04	15 03	16 10	18 73	19 74
Steel by Non MOU Plants	51	7 86	5 23	4 62	4 40	4 99	5 39
Steel	185	33 13	19 27	19 65	20 50	23 72	25 12
Sponge Iron	-	15 29*	6 82	7 67	7 87	9 74	10 96
Pellet	45 30	35 80	19 89	22 34	22 87	25 77	28 07

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Success Story: Shyam Metaliks

Kolkata based Shyam Metaliks, established in 1991 is chaired by Mr. Mahabir Prasad Agarwal operates integrated steel plants with total capacities exceeding 13 MMTA and is the 6th Largest metal producing company in India

Shyam Metaliks has seven strategically located facilities in West Bengal, Odisha, Jharkhand and Madhya Pradesh exporting to 28 Countries contributing to 10% of overall revenue share in FY 24.

The company has diversified product lines such as iron ore pellets, sponge iron, ms billets, TMT, structure & wire rods, captive power plant, ferro alloys and aluminum foil

The company has expansion plan in the tune of 4,575 crores focusing on stainless-steel manufacturing facilities, power generation, iron production and specialty products

Around ~ 78% of power requirements is met through its captive power plants with renewable sources contributing 0.04% of total energy requirements

The company has acquired Mittal Corp limited in 2016 at a valuation of 351 crores through successful corporate insolvency resolution process (CIRP) approved by NCLT



Financials

(INR Cr)	FY2021	FY2022	FY2023	FY2024
Revenue	6297	10393	12658	13195
EBITDA	1394	2600	1499	1570
EBITDA (%)	22	25	12	12
PAT (%)	13	17	7	8
Networth	3249	5470	6227	8623
Debt :Eq Ratio	0 21	0 09	0 13	0 06

SMEL-Annual-Report-2023-24

Product Portfolio



Success Story: Rashmi Metaliks Ltd (RML)



Kolkata based Rashmi group, established in 1991, by Mr. Sajjan Kumar Patwari and his family members; RML was incorporated in 2004 to increase spread in the steel industry with manufacturing units located in Kharagpur & Jaluria, West Bengal, India

The group is one of the largest players in the secondary steel segment with total capacities **exceeding 26 million tonnes** as on additionally, 2023 across different product lines such as iron ore pellets, pig iron, sponge iron to finished steel products like TMT and Di (ductile iron) pipes

The promoters has vast experience of over four decades in the steel industry and have established forward & backward integrated operations with the company operating two railway sidings at Barbil, Odisha and Gokulpur, West Bengal, to facilitate movement of raw materials and finished goods

For meeting its power requirements, the group has captive power plant (300MW) and a waste-heat recovery boiler to generate power for captive consumption

Additionally, a coal mine block – Jagannathpur, Durgapur, West Bengal, has been allotted to the group, which lowers the RM & Power cost; among other sister companies, Reach Infocom specializes in technical products like PC’s & Laptops

Financials

(INR Cr)	FY2022	FY2023
Op. Income	14885	21006
EBITDA	3285	5000
PAT	2182	2712
PAT (%)	14.7	12.9
Debt / Networth (%)	0.01	0.14

RashmiMetaliksLimited CRISIL Ratings

Expansion Plan

Category	FY 2022	FY 2025
Iron & Steel (MTPA)	3.00	5.0
Cement (MTPA)	1.00	2.00
Power (MTPA)	348	600
Pellet (MTPA)	9.00	11.00
Turnover (INR Cr)	24800	35000
Investment (INR Cr)	8000	12500
Net worth (INR Cr)	13300	16000

Investment Opportunity: Vikram Private Limited

Vikram Private Limited (VPL) promoted by Mr. R K Jena and Mrs. Suman Sarita Jena, was incorporated on 13th March'2000

Odisha based VPL manufactures and sales sponge iron (DRI) with an installed capacity of 60,000 (2 X 100 TPD) metric tons per annum

VPL procure iron ore from mines located within 25-30 kms distance, which results in higher margins due to minimal logistic costs

VPL has marquee clients such as Galwalia Ispat Udyog, Kashi Viswanth Steel, Shree Sidhballi Steel with whom it has long standing relationship

The Company is setting up a Palletization Plant of 0.6 MTPA with beneficiations plant of 0.85 MTPA adjacent to the existing unit, along with some modification to the existing DRI Plant to feed the pellet as raw material.

Furthermore, a Ferro Alloy Plant & Fe-Mn Ore Mine acquisition proposal is under consideration, which will significantly reduce the raw material cost with the estimated combined project cost being approximately INR 3100cr

The required land, water and environmental clearance from Central & State Government for the new beneficiation with palletization plant is available with the company.

Expansion Investment rationale

(INR Cr)	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Revenue	126	168	168	168	168	168
EBITDA	25	34	34	34	34	34
EBITDA (%)	20	20	20	20	20	20

VPL Plant, Tumkela, Sundargarh, Odisha



Project Description – Iron-Steel & Power



Sundargarh, Odisha

Phase – 1 (Total Investment ~ Rs 450 Crore)

Parameters	Production Capacity	Investment (INR Cr)
Iron ore Beneficiation Plant : 0.85 MTPA Input	6,00,000 (TPA)	299
Iron Ore Pellet Plant : 0.6 MTPA Output		
Captive Power Plant : WHRB (4 MW) & AFBC (6MW)	71 Million Units (10 MW)	65
Steel Melting Shop : 3 x 12 T IF with CCM & LRF	1,20,000 (TPA)	41
Rolling Mill-1	1,00,000 (TPA)	45

Financials

(INR Cr)	FY2026	FY2027	FY2028	FY2029	FY2030
Revenue	469	1039	1039	1039	1039
EBITDA	113	228	228	228	228
EBITDA (%)	24%	22%	22%	22%	22%

Phase – 2 (Total Investment ~ Rs 1332 Crore)

Parameters	Production Capacity	Investment (INR Cr)
DRI Plant : 1 x 350 TPD	1,15,500 (TPA)	120
DRI Plant : 3 x 350 TPD	3,46,500 (TPA)	324
Captive Power Plant: WHRB (35 MW) , AFBC (10 MW), CFBC (30 MW)	535 Million Units, (75 MW)	488
Steel Melting Shop : 8 x 20 T IF with CCM, AOD, VDG & LRF	5,28,000 (TPA)	200
Rolling Mill-2	5,12,160 (TPA)	200

Financials

(INR Cr)	FY2026	FY2027	FY2028	FY2029	FY2030
Revenue	-	2,561	2,561	2,561	2,561
EBITDA	-	563	563	563	563
EBITDA (%)	-	22%	22%	22%	22%

Project Description – Acquisition of Mn-Fe Ore Mines & Ferro-Alloy Plant



Phase – 1 (Total Investment ~ Rs 1400 Crore)

Parameters	Production Capacity	Investment (INR Cr)
Submerged Electric Arc Furnace (2 X 5 MVA, 9 X 9 MVA)	1,44,144 (TPA)	270
Capacity of Mn-Ore	1,90,000 (TPA)	1130
Capacity of Fe-Ore	1,40,000 (TPA)	Included Above

Financials

(INR Cr)	FY 2026	FY2027	FY2028	FY2029	FY2030
Revenue	1,009	1,009	1,009	1,009	1,009
EBITDA	111	111	111	111	111
EBITDA (%)	11%	11%	11%	11%	11%

Advantages

Ferro Alloys (Fe-Mn), are essential ingredients that are added in normal and special steel production for de-oxidation, grain size control and also enabling finished steel to have certain properties which are specific to the type and grade. Ferro Alloys also play a role in improving and enhancing the mechanical properties of the steel

Project Description – Acquisition of Mn-Fe Ore Mines & Ferro-Alloy Plant



Phase – 2 (Total Investment ~ Rs 1712 Crore)

Parameters	Production Capacity	Investment (INR Cr)
Capacity Enhancement Mn-Ore	5,00,000 (TPA)	50
Capacity Enhancement Fe-Ore	5,00,000 (TPA)	50
Submerged Electric Arc Furnace : 3 x 12 MVA	57,024 (TPA)	108
DRI Plant : 1 x 900 TPD	2,97,000 (TPA)	308
Iron ore Beneficiation Plant : 1 MTPA Input	8,50,000 (TPA)	350
Iron Ore Pellet Plant : 0.85 MTPA Output		
Captive Power Plant: WHRB (25 MW) & AFBC (10 MW)	321 Million Units (35 MW)	228
Thermal Power Plant : 95 MW	677 Million Units (95 MW)	618

Financials

(INR Cr)	FY 2026	FY2027	FY2028	FY2029	FY2030
Revenue	-	399	1,514	1,514	1,514
EBITDA	-	44	237	237	237
EBITDA (%)	-	11%	16%	16%	16%

Executive Summary

- **TOTAL INVESTMENT: ₹ 4894 Crore**
- **TOTAL REVENUE / ANNUM: ₹ 6291 Crore**
- **TOTAL EBITDA / ANNUM : ₹ 1174 Crore**

Thank You



★★★HIGHLAND★★★
Group



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