

# Budget FY'27

**What it means for  
India's commodity markets?**

# Union Budget FY'27: What it means for India's commodity markets?

## Infrastructure

- Government shall continue to focus on developing infrastructure in cities with over 5 lakh population (Tier II and Tier III), which have expanded to become growth centres. Public capex has increased manifold in past years and in this budget it is announced to increase it to INR 12.2 lakh crore to continue the momentum.
  - To strengthen the confidence of private developers regarding risks during infrastructure development and construction phase, Infrastructure Risk Guarantee Fund to is proposed to set up to provide prudently calibrated partial credit guarantees to lenders.
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## Railways

- In order to promote environmentally sustainable passenger systems, we will develop seven High-Speed Rail corridors between cities as 'growth connectors', namely i) Mumbai-Pune, ii) Pune-Hyderabad, iii) Hyderabad-Bengaluru, iv) Hyderabad-Chennai, v) Chennai-Bengaluru, vi) Delhi-Varanasi, vii) Varanasi-Siliguri.
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## Dedicated freight corridors

- To promote environmentally sustainable movement of cargo, it is proposed to: a) Establish new Dedicated Freight Corridors connecting Dankuni in the East, to Surat in the West; b) operationalise 20 new National Waterways (NW) over next 5 years, starting with NW-5 in Odisha to connect mineral rich areas of Talcher and Angul and industrial centres like Kalinga Nagar to the Ports of Paradeep and Dhamra.
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## MSME

- Recognising MSMEs as a vital engine of growth, there is a three-pronged approach to help them grow as 'Champions'. Proposal for a dedicated ₹10,000 crore SME Growth Fund has been floated to create future Champions, incentivizing enterprises based on select criteria.
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## Carbon capture utilization and storage (CCUS)

- Aligning with the roadmap launched in December 2025, CCUS technologies at scale will achieve higher readiness levels in end-use applications across five industrial sectors, including, power, steel, cement, refineries and chemicals. An outlay of INR 20,000 crore is proposed over the next 5 years.

## Shipping

- Further, a ship repair ecosystem catering to inland waterways will also be set up at Varanasi and Patna; c) launch a Coastal Cargo Promotion Scheme for incentivising a modal shift from rail and road, to increase the share of inland waterways and coastal shipping from 6 % to 12 % by 2047.
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## Semi-conductors

- India Semiconductor Mission (ISM) 1.0 expanded India's semiconductor sector capabilities. Building on this, govt will launch ISM 2.0 to produce equipment and materials, design full-stack Indian IP, and fortify supply chains. We will also focus on industry-led research and training centres to develop technology and skilled workforce.
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## Battery & energy storage

- It is proposed to extend the basic customs duty exemption given to capital goods used for manufacturing Lithium-Ion Cells for batteries, to those used for manufacturing Lithium-Ion Cells for battery energy storage systems too.
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## Critical minerals

- It is proposed to provide basic customs duty exemption to the import of capital goods required for processing of critical minerals in India. In order to incentivise the prospecting and exploration of the critical minerals, it is proposed to include certain critical minerals in the list of minerals in Schedule XII of the Act, thereby making expenditure on prospecting and exploring of such critical minerals eligible for deduction as per the provision of section 51 of the Act.
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## Rare Earths

- A Scheme for Rare Earth Permanent Magnets was launched in November 2025. It is now proposed to support the mineral-rich States of Odisha, Kerala, Andhra Pradesh and Tamil Nadu to establish dedicated Rare Earth Corridors to promote mining, processing, research and manufacturing.
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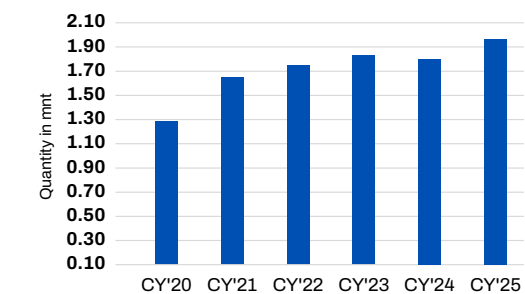
## Agriculture

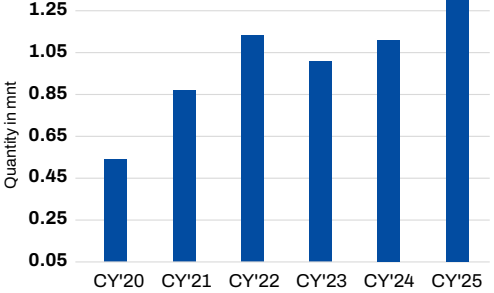
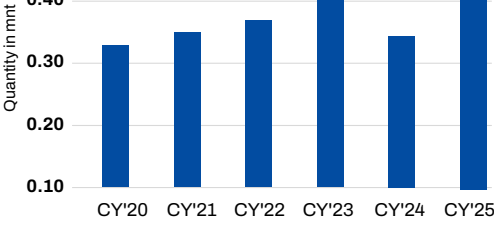
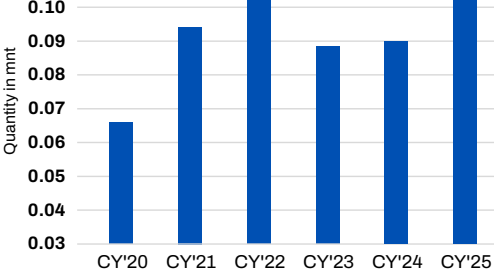
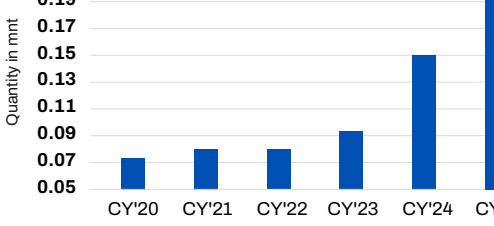
- To diversify farm outputs, increase productivity, enhance farmers' incomes, and create new employment opportunities, we will support high value crops such as coconut, sandalwood, cocoa and cashew in our coastal areas.
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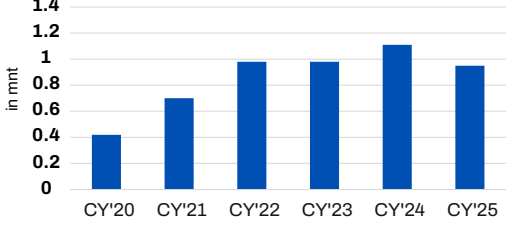
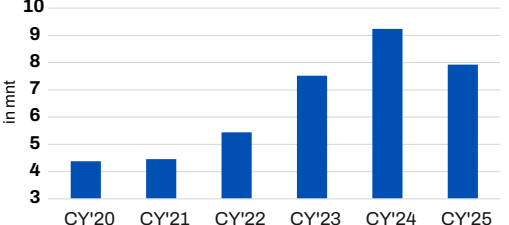
## Textile sector

- For the labour-intensive Textile Sector, it has been proposed that an Integrated Programme with 5 sub-parts:
    - (a) The National Fibre Scheme for self-reliance in natural fibres such as silk, wool and jute, man-made fibres, and new-age fibres;
    - (b) Textile Expansion and Employment Scheme to modernise traditional clusters with capital support for machinery, technology upgradation and common testing and certification centres;
    - (c) A National Handloom and Handicraft programme to integrate and strengthen existing schemes and ensure targeted support for weavers and artisans;
    - (d) Tex-Eco Initiative to promote globally competitive and sustainable textiles and apparels;
    - (e) Samarth 2.0 to modernize and upgrade the textile skilling ecosystem through collaboration with industry and academic institutions.
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## Customs duty for FY26 & customs duty for FY27

	Commodity	CH No	Customs Duty for FY26	Customs Duty for FY27	Remarks
<b>India iron ore &amp; pellet imports</b>  Source: BigMint	Iron Ore	26.01	2.50%	2.50%	Duty Unchanged
	Pellet	26.01	2.50%	2.50%	Duty Unchanged
<b>India coal imports</b>  Source: BigMint	Coking coal	27.01	1% BCD and 1.5% AIDC	1% BCD and 1.5% AIDC	Duty unchanged
	Steam Coal	27.01	1% BCD and 1.5% AIDC	1% BCD and 1.5% AIDC	Duty Unchanged
	Met Coke	27.04	BCD 5%	BCD 5%	Provisional anti-dumping imposed in the range of \$60.87-\$130.66/t from six countries.
<b>India scrap imports</b>  Source: BigMint	Melting scrap (iron, steel & stainless steel)	72.04	0%	0%	Duty Unchanged
<b>Indian aluminium scrap imports</b>  Source: BigMint   Customs	Scrap	76.02	2.5%	2.5%	Duty Unchanged

	Commodity	CH No	Customs Duty for FY26	Customs Duty for FY27	Remarks
<p><b>Indian copper ores and concentrates imports</b></p>  <p>Quantity in mmt</p> <p>CY'20 CY'21 CY'22 CY'23 CY'24 CY'25</p> <p>Source: BigMint   Customs</p>	Copper Concentrate	26030000	0.0%	0.0%	Duty Unchanged
<p><b>Indian copper scrap imports</b></p>  <p>Quantity in mmt</p> <p>CY'20 CY'21 CY'22 CY'23 CY'24 CY'25</p> <p>Source: BigMint   Customs</p>	Scrap	7404	0.0%	0.0%	Duty Unchanged
<p><b>Indian zinc scrap imports</b></p>  <p>Quantity in mmt</p> <p>CY'20 CY'21 CY'22 CY'23 CY'24 CY'25</p> <p>Source: BigMint   Customs</p>	Scrap	7902	0.0%	0.0%	Duty Unchanged
<p><b>Indian lead scrap imports</b></p>  <p>Quantity in mmt</p> <p>CY'20 CY'21 CY'22 CY'23 CY'24 CY'25</p> <p>Source: BigMint   Customs</p>	Scrap	7802	0.0%	0.0%	Duty Unchanged

	Commodity	CH No	Customs Duty for FY26	Customs Duty for FY27	Remarks
<p><b>India stainless steel flat product imports</b></p> <p>■ Finish Flat Stainless Steel</p>  <p>in mmt</p> <p>Source: BigMint</p>	Flat rolled product	7219	15%	15%	Duty Unchanged
<p><b>India steel imports</b></p> <p>■ Steel</p>  <p>in mmt</p> <p>Source: BigMint</p>	<p><b>Flat steel</b></p> <p>HR Sheets/ Plates(Non Alloy)</p> <p>HR Coils (Non Alloy)</p> <p>CR Coils/Sheets (Non Alloy)</p> <p>GP/GC, PPGL, Tinplates W/W</p>	<p>72.11</p> <p>72.08</p> <p>72.09</p> <p>72.10, 72.12</p>	<p>BCD @7.5% on non FTA origins. 0% duty on FTA origins</p> <p>BCD @7.5% on non FTA origins. 0% duty on FTA origins</p> <p>BCD @7.5% on non FTA origins. 0% duty on FTA origins</p> <p>BCD @7.5% on non FTA origins. 0% duty on FTA origins</p>	<p>BCD @7.5% on non FTA origins. 0% duty on FTA origins</p> <p>BCD @7.5% on non FTA origins. 0% duty on FTA origins</p> <p>BCD @7.5% on non FTA origins. 0% duty on FTA origins</p> <p>BCD @7.5% on non FTA origins. 0% duty on FTA origins</p>	<p>Safeguard duty imposed for 3 years at 12%, 11.5% and 11% respectively with min. threshold price of \$695/t</p> <p>Safeguard duty imposed for 3 years at 12%, 11.5% and 11% respectively with min. threshold price of \$675/t</p> <p>Safeguard duty imposed for 3 years at 12%, 11.5% and 11% respectively with min. threshold price of \$824/t</p> <p>Safeguard duty imposed for 3 years at 12%, 11.5% and 11% respectively with min. threshold price of \$861/t &amp; \$964/t for metallic and color coated sheets.</p>

### Customs duty for FY26 & customs duty for FY27

	Commodity	CH No	Customs Duty for FY26	Customs Duty for FY27	Remarks
Exports duty on steel goods					
<div>India iron ore &amp; pellet exports</div> <div><div><div>Fines/LumpsPellets</div><div><div><div>CY'20CY'21CY'22CY'23CY'24CY'25</div><div><div></div><div></div><div></div><div></div><div></div><div></div></div></div></div></div><div>Source: BigMint</div></div>	Iron Ore	26.01	30% on high grade ore(Fe 58% & above) and nil export duty on low grade	30% on high grade ore(Fe 58% & above) and nil export duty on low grade	Duty Unchanged
	Pellet	26.01	Nil	Nil	Duty Unchanged
<div>India steel exports</div> <div><div><div>Finish FlatFinish LongSemi Finish</div><div><div><div>CY'20CY'21CY'22CY'23CY'24CY'25</div><div><div></div><div></div><div></div><div></div><div></div><div></div></div></div></div></div><div>Source: BigMint</div></div>	Steel				
	HR Sheets/ Plates(Non Alloy)	72.11	Nil	Nil	Duty Unchanged
	HR Coils (Non Alloy)	72.08	Nil	Nil	Duty Unchanged
	CR Coils/Sheets (Non Alloy)	72.09	Nil	Nil	Duty Unchanged
	GP/GC, PPGI, Tinplates W/W	72.10, 72.12	Nil	Nil	Duty Unchanged
<div>Indian graphite electrode export</div> <div><div><div>Quantity in mmt</div><div><div><div>CY20CY21CY22CY23CY24CY25</div><div><div></div><div></div><div></div><div></div><div></div><div></div></div></div></div></div><div>Source: BigMint</div></div>	Graphite	854511	Nil	Nil	Duty Unchanged



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