



June 2026

FOUNDRY FRONTIER

MONTHLY NEWSLETTER

www.indianfoundry.org

www.bigmint.co

FOUNDRY STEEL SCRAP PRICES WITNESS SHARP CORRECTION IN JUNE AFTER RALLYING IN APRIL AND MAY

*Ease of labour availability and improved collection efficiency lead to correction in foundry scrap prices in June, writes **S Shankar***

After witnessing a strong uptrend during April and May 2026, domestic foundry-grade ferrous scrap prices corrected sharply across major foundry hubs during June, as per assessments carried out by BigMint. Improved labour availability, better scrap collection efficiency, and increased material inflows eased the supply tightness that had supported higher prices over the previous two months.

The correction was particularly visible in processed plate cuttings and CR-busheling grades, which are widely consumed by foundries manufacturing automotive, engineering, agricultural, and industrial castings.

Market scenario in June

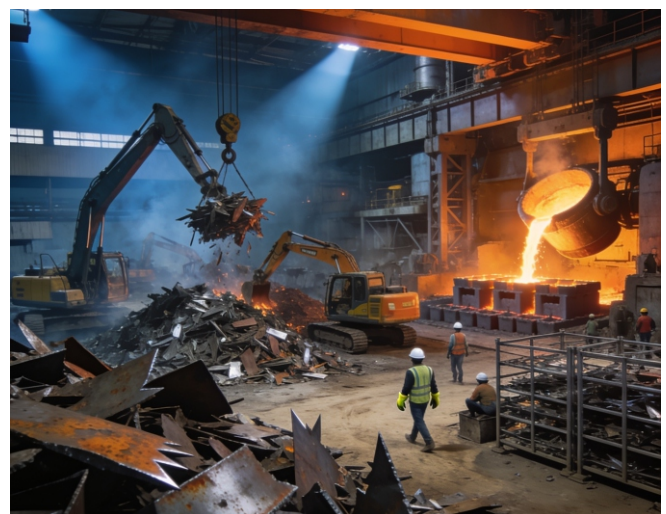
“During April and May, scrap processing activities across major recycling and processing clusters were affected by labour shortages,” said a foundry owner in West Bengal’s Howrah cluster.

“Other reasons were lower generation, and supply disruptions. Many workers had returned to their native places due to

election-related activities and agricultural work, reducing processing activity and restricting scrap availability,” he added.

However, from late May onwards, labour availability improved significantly as workers returned to processing yards and foundries. This helped increase processing activity, improve collection efficiency, and enhance the overall availability of foundry-grade scrap in the market.

At the same time, foundries continued to face margin pressure due to elevated raw material and energy costs, while finished casting realisations remained largely





unchanged. As a result, buyers resisted higher procurement prices, contributing to the downward correction in scrap prices.

The sharpest corrections were recorded in south India, particularly Chennai and Coimbatore, where improved scrap inflows and increased processing activity led to better material availability.

CR-busheling prices witnessed a relatively moderate correction compared to processed plate cuttings, as limited availability of 0.2% and 0.3% manganese grades continued to support the market, as per BigMint assessment.

Shortages of prime-grade busheling material restricted the extent of price declines despite improved scrap collection and supply conditions.

Key factors behind price correction

The decline in foundry-grade scrap prices during June was driven by multiple factors:

- ❑ Improved labour availability at scrap

processing yards and foundries.

- ❑ Better collection efficiency and increased scrap arrivals.
- ❑ Normalisation of processing operations after disruptions witnessed during April and May.
- ❑ Continued margin pressure on foundries due to limited improvement in casting realisations.
- ❑ Buyers maintaining lower procurement prices to control production costs.

Foundry margins under pressure

Raw material costs for foundries across major manufacturing hubs, including Chennai, Coimbatore, Kolhapur, and Rajkot, increased by around 8-10% during FY'27, primarily due to the sharp rise in ferrous scrap prices and supply-side constraints, as per BigMint analysis.

“The surge in input costs put significant pressure on foundry margins, particularly for small and medium-sized units that have limited ability to pass on higher costs to customers. As a result, some foundries curtailed production levels or adopted a hand-to-mouth procurement strategy amid volatile market conditions,” a foundry owner in Coimbatore said.

Although ferrous scrap prices corrected significantly in June following improved labour availability and better collection efficiency, the overall reduction in foundry

production costs has been limited. This is because raw material costs remain above earlier levels, while other operational expenses such as labour, energy, consumables, and logistics continue to remain elevated. Consequently, the benefits of the recent scrap price correction have only partially offset the cost pressures faced by the foundry industry.

Export scenario

Indian foundries continue to maintain a strong presence in global markets, particularly in automotive, engineering, pump and valve, railways, agricultural equipment, and industrial machinery castings. However, export performance has been mixed due to global economic uncertainties and cost pressures.

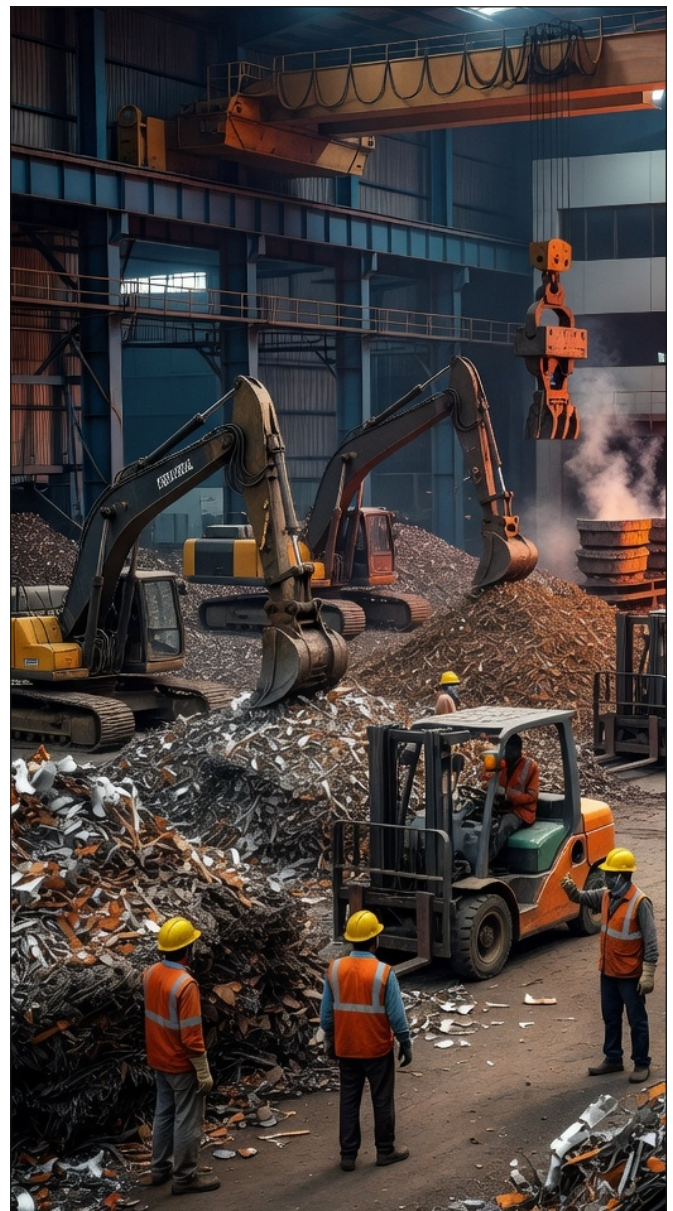
Outlook

BigMint expects foundry-grade scrap prices to remain largely stable in the near term as supply conditions continue to improve. Labour availability has normalised across most processing clusters, while scrap collection activity remains healthy.

Unless there is a significant disruption in raw material generation or processing operations, major upward price movements are unlikely in the short term. Demand from automotive, engineering, agricultural equipment, and industrial casting segments continues to support overall market activity,

keeping the outlook for the foundry sector stable.

The June correction highlights how improved labour availability and enhanced collection efficiency can quickly restore balance to the scrap market after periods of supply tightness and elevated prices.



AUTO LIGHTWEIGHTING DRIVES EXPANSION IN INDIA'S ALUMINIUM CASTINGS SECTOR

*The domestic aluminium foundry industry is poised for steady growth as vehicle lightweighting and EV adoption increase aluminium content per vehicle. **Rhishita Das** reports*

India's aluminium casting industry is entering a new growth phase, supported by vehicle lightweighting, electric mobility, rising exports, and the gradual replacement of ferrous castings in selected applications.

While iron castings continue to dominate heavy engineering and commercial vehicle applications, aluminium is gaining ground in passenger vehicles, electric vehicles (EVs), and precision-engineered components because of its lower weight, corrosion resistance, and design flexibility.

Why lightweighting matters

Lightweighting refers to the use of lighter materials and optimised component designs to reduce overall vehicle weight without compromising performance, safety, or durability. According to a 2021 report from Vedanta Aluminium, reducing vehicle weight by 100 kg can lower fuel consumption by around 0.35 litres per 100 km and cut carbon emissions by roughly 9 grams of carbon dioxide per kilometre. Aluminium has emerged as one of the preferred lightweighting materials because



it weighs about one-third of steel while offering a high strength-to-weight ratio and excellent corrosion resistance.

For automakers, reducing vehicle weight directly improves fuel efficiency in internal combustion engine (ICE) vehicles and extends driving range in EVs. According to the International Aluminium Institute, replacing heavier ferrous components with aluminium can reduce component weight by 30-50% in certain applications.

The opportunity remains particularly significant in India, where aluminium usage per vehicle is still far below levels seen in developed markets. AICircle's estimates

suggest the average vehicle in India contains only around 40-50 kg of aluminium, compared with over 200 kg in Europe and the United States.

As emissions regulations tighten globally and EV manufacturers seek to maximise battery efficiency, aluminium castings are increasingly replacing iron castings in powertrain, structural, and thermal management applications.

"Lightweighting is no longer limited to fuel-efficiency targets; it has become a core design requirement for both ICE and electric vehicles, driving higher aluminium content per vehicle," an original equipment manufacturer (OEM) told BigMint.

Consequently, demand is growing for aluminium die-cast components such as transmission housings, battery enclosures, motor housings, wheels, steering

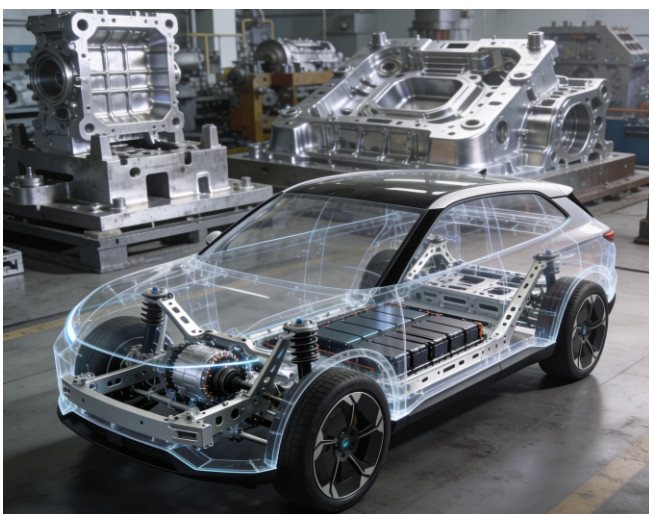
components, and structural parts. In EVs, aluminium castings play an even larger role in battery packs, thermal management systems, inverter housings, and other lightweight assemblies.

"Every kilogram of weight reduction contributes to improved fuel efficiency and lower emissions, making aluminium castings increasingly important in next-generation vehicle platforms," another automaker said.

The same trend is visible globally. In fact, according to a recent AICircle interview, a senior executive from German automotive supplier Handtmann expects aluminium content per vehicle to continue rising even if passenger vehicle sales in Europe slow. He said that the need to reduce carbon dioxide emissions, improve vehicle efficiency, and extend EV range will continue to support demand for aluminium high-pressure die casting (HPDC).

India's foundry segment at centre of growth

The foundry sector sits at the centre of India's secondary aluminium industry. BigMint estimates that 70-80% of India's secondary aluminium producers are linked to foundry operations. Current secondary aluminium production is estimated at slightly above 2 million tonnes (mnt) annually. This underscores the foundry





segment's importance within India's aluminium recycling ecosystem.

ADC12 remains the dominant alloy, accounting for roughly 70% of the secondary aluminium market, with demand estimated at about 1.9 mnt/year. Around 70% of ADC12 consumption comes from the automotive sector, where it is used in engine parts, transmission housings, and other die-cast applications. The remaining 30% is consumed by electrical, engineering, consumer goods, and other industrial sectors.

A356 is another alloy used in higher-value applications such as alloy wheels and automotive castings. Growing demand for lightweight vehicles is supporting the consumption of both ADC12 and A356 across the foundry industry.

India emerging as alternative sourcing destination

India is also benefiting from efforts by global manufacturers to diversify supply chains beyond China. While China remains far ahead in terms of scale, technology, and manufacturing ecosystems, India is increasingly being considered as an alternative sourcing base for aluminium castings and automotive components.

The opportunity is supported by the country's growing automotive industry, expanding aluminium value chain, and government-backed localisation initiatives. According to Avendus Capital, India's automotive metal-forming market, which includes casting operations, could grow from over \$80 billion in FY'25 to \$90-95 billion by FY'30. India's auto component sector has also shifted from import dependence to a trade surplus position, recording exports of \$23 billion.

Within the casting industry, automotive and transportation account for roughly half of total demand, highlighting the sector's importance for foundries.

Capacity additions gather pace

Manufacturers are already expanding capacity to meet expected demand growth. In February 2026, Taural India commissioned its second aluminium sand-casting facility in Supa, Maharashtra. In June

2025, Uno Minda approved a greenfield aluminium die-casting plant in Maharashtra to support growing EV demand.

Gujarat-based ANB Metal Cast said in August 2024 that part of its IPO proceeds would be used to expand manufacturing facilities and install additional machinery.

Upstream suppliers are increasing alloy availability as well. In March 2025, Vedanta Aluminium announced a 120,000-tonnes per year expansion of its primary foundry alloy (PFA) capacity at Jharsuguda.

Industry participants also report ongoing capacity additions across automotive manufacturing clusters such as Chennai, Hosur, Pune, and Coimbatore as demand shifts towards aluminium-intensive components.

Raw material challenges remain

Despite the positive outlook, raw material availability remains a concern.

The country is still around 85% dependent on imported aluminium scrap, with imports more than doubling from 0.8 mnt in 2015 to a record 2 mnt in 2025 as demand from secondary producers and foundries grows.

Domestic scrap collection remains inadequate, with limited post-consumer scrap availability and low recycling efficiency

constraining supply. The industry also faces increasing compliance requirements under new Extended Producer Responsibility (EPR) norms for non-ferrous metals and growing competition for quality scrap globally.

Despite strong domestic demand, India's ADC12 ingot imports fell 44% y-o-y to around 12,500 tonnes (t) in CY'25, as per provisional data with BigMint. The decline was driven by regulatory constraints, as BIS certification issues limited imports from Malaysia, India's largest ADC12 supplier, despite the existence of a free trade agreement between the two countries. As a result, securing reliable scrap and alloy feedstock is emerging as a strategic priority for Indian foundries seeking to expand capacity and meet growing demand from automotive and engineering customers.

Technology gap still evident

Technology adoption remains another challenge.

Globally, giga-casting has emerged as a major development in aluminium manufacturing. The technology allows large vehicle structures to be produced as a single casting, reducing part count and improving manufacturing efficiency.

However, adoption in India remains limited because of the high investment required for

large-tonnage die-casting machines. Most foundries continue to focus on conventional high-pressure die casting (HPDC) processes, which remain better suited to current production volumes and investment economics.

Industry participants believe widespread adoption of giga-casting in India is still several years away, although interest is gradually increasing as OEMs develop next-generation vehicle platforms.

Outlook

India's aluminium foundry industry is poised for steady growth as vehicle lightweighting and EV adoption increase aluminium content per vehicle. With average

aluminium usage in Indian vehicles still significantly below global levels, foundries supplying ADC12, A356, and other automotive casting alloys have substantial room for expansion.

Future growth will depend not only on rising vehicle production but also on greater aluminium intensity in components such as battery housings, motor casings, structural parts, and alloy wheels. However, the industry's ability to capitalise on this opportunity will hinge on securing scrap supplies, improving recycling efficiency, and investing in advanced casting technologies to meet increasingly stringent OEM requirements.



