



CA-17(44)/2025-26

3rd November, 2025

The General Manager (MO) Bombay Stock Exchange Through BSE Listing Centre	The Asstt. Vice President National Stock Exchange of India Ltd. Through NEAPS
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Sub: Transcript of conference call held with Analysts & Investors on 30th October, 2025.

Ref: Regulation 46 of SEBI(LODR) Regulations, 2015: (Security ID:SAIL).

Dear Sir,

This is in continuation to our letter No.CA-17(44)/2025-26 dated 30th October, 2025, intimating the link to the Audio Recording of the Conference Call held on 30th October, 2025.

Transcript of aforesaid Conference Call is attached herewith.

Thanking you,

Yours faithfully,
For Steel Authority of India Limited

(M.B. Balakrishnan)
ED(F&A) & Company Secretary

Encl: As above



“Steel Authority of India Limited Q2 FY'26 Post Results Conference Call”

October 30, 2025



**MANAGEMENT: DR. ASHOK KUMAR PANDA – DIRECTOR (FINANCE),
STEEL AUTHORITY OF INDIA LIMITED**

**MODERATOR: MR. ASHISH KEJRIWAL – NUVAMA INSTITUTIONAL
EQUITIES**



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Moderator: Ladies and Gentlemen, Good Day and Welcome to Steel Authority of India Limited's Q2 FY26 Post Results Conference Call hosted by Nuvama Institutional Equities.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashish Kejriwal. Thank you and over to you, Mr. Kejriwal.

Ashish Kejriwal: Thank you, Ranju. Good morning, everyone. On behalf of Nuvama Institutional Equities, we again welcome you all for Q2 FY26 Post Results Conference Call of Steel Authority of India.

We are pleased to host Dr. Ashok Panda – Director (Finance), along with his team for this call.

Now, I would request Mr. Panda to have an opening remark, and then we can open the floor for questions. Over to you, sir.

Dr. Ashok Kumar Panda: Thank you very much. A very good morning, everyone. I welcome all our investors and analysts who are joining this Results Conference Call for the Financial Results for SAIL for the period Q2 and H1 '25-26.

Before we move to Q&A session, let me brief you on the results for this period. We start with economic scenario, global scenario, Indian steel scenario, and performance of SAIL in brief. In the economic scenario front, beginning with global economic scenario, the uncertainties and volatilities stemmed from the tariff war. This continues to impact the demand/supply situation globally as well as it has got an impact in the domestic market as well.

The projections for GDP have improved in line with the same for economies individually as well as regionally, and it has improved the global averages. The IMF had improved its projections for global GDP growth rate to 3.2% in 2025 and 3.1% in 2026. The projections for India have also been revised upwards to 6.3% by various agencies.

In the “Global Steel Industry” front:

The global steel industry is weighed down on the adverse demand/supply situation as some of the largest producers are finding demand lowering in their own geographies. The landscape is influenced by economic trends, trade policies, and technological advancements. While certain regions may benefit from protective trade measures, the overall impact is complex, with potential



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for increased costs, market volatility, and shift in global trade dynamics right now. That is global steel scenario.

And looking at the Indian steel scenario, Indian steel industry continues to enjoy robust demand for steel with consumption during H1 '25-26 which has grown by more than 8% over the same period last year. This was, however, sort of overshadowed by the growth in production as crude steel production grew by more than 12% in this half-yearly over same period last year.

During this same period, imports have come down substantially whereas exports have recorded increase. Even then, India remains a net importer during H1 '25-26. There is a reversal in trend of imports versus exports in this half-yearly as compared to last year. During this time, the imports have come down and exports have gone up. Exports have gone up because during H1, the production was more than that of the demand in the domestic market. So, that is the reason why there was a bit of oversupply situation in the country due to which the exports have gone up. And maybe because of this safeguard duty and other things, the imports have come down drastically. That has given some kind of a relief. But because of the oversupply situation in H1, the pressure was on the price front. We hope that during the later part of Q3 and Q4, the Indian economic pickup and demand will increase and this will then give a relief to the price front. So, the challenges continue on the pricing front as of now with the global trends not very good, but in India, we are expecting that it will improve in later part of Q3 as well as Q4.

Coming to the “Performance of Sales as a Company for Q2 and H1 '25-26”:

The crude steel production is steady at 9.5 million tons as against 9.46 million tons during last year H1. The sales volume is at 9.46 million tons which grew by around 17% from 8.11 million tons during H1 last year. There is a huge increase in the sales volume during this period of H1 so far as SAIL is concerned. So, that has resulted in reduction in the borrowing as well. During H1, we have reduced more than Rs.3,000 crores of borrowings and that is where the interest burden has come down significantly.

Revenue from operations at Rs.52,625 crores in this H1, grew by 8% as against Rs.48,672 crores during the same period last year.

EBITDA margin stood at Rs.5,754 crores with a growth of around 3% over the same period last year.

Profit before tax at Rs.1,443 crores, increased by 28% and profit after tax at Rs.1,112 crores increased by 32% over the same period last year.



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Debt reduction drive continues as borrowings on 30th September came down by Rs.3,384 crores as compared to the similar period last year.

Going forward, as the monsoon season is over and festivities are over, we hope that the market is going to have uptick in terms of its demand as well as the production will be robust, demand will increase so pressure on the pricing front may ease out and prices may improve. That is the expectation.

As the coal prices continue to remain range-bound, however, because of the depletion in rupee with respect to US dollar, there is some impact on the bottom line. But in terms of index of coal price, that is almost kind of range-bound. So, the margins are likely to improve going forward. That is our expectation.

So, with these few words, I hand it over to Mr. Kejriwal for opening the Q&A session, please. Is that alright? Is that okay?

Ashish Kejriwal: Yes. Ranju, please open the floor for Q&A.

Moderator: All right. Thank you. We will now begin the question-and-answer session. The first question comes from the line of Amit Lahoti with Emkay. Please go ahead.

Amit Lahoti: Thanks for the opportunity. My first question is on capacity expansion and CAPEX. So, currently we are generating EBITDA of around Rs.5,000 crores. In our capacity expansion plan, what is the development capacity and R&D plan, sir?

Dr. Ashok Kumar Panda: Can you please repeat the question? It is not very much audible.

Moderator: Mr. Lahoti, this is the operator. We have lost the line of Mr. Lahoti. We will promote the next, that is Rahul Gupta. Please go ahead.

Rahul Gupta: Yes. Hi. Thanks for taking my question. A few questions. First, any specific reason why realization trends have been better than what we have seen with the steel pricing trend during the quarter, has inventory liquidation has any impact on this, any color on this would be very helpful. So, that is my first question.

Dr. Ashok Kumar Panda: Yes. The answer to this question would be actually even if the sales prices come down in Quarter 2, but we can find that the realization has gone up primarily because of more sales, because as we can understand, the sales growth has been there for SAIL; H1 over H1, it is around 16% growth. So, that is primarily the reason. And as you correctly said, this has resulted in a reduction in inventory



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to some extent, but production was also good. And at the same time, this has resulted in a reduction in the borrowings greatly.

Rahul Gupta: No, no. What I am asking is that the decline in steel prices in 2Q versus 1Q was much higher than what your steel realization has reflected into the numbers. So, any specific reason for that?

Dr. Ashok Kumar Panda: Yes. The reason for that between Q2 and Q1 is that actually the sales volume of by-products and the scrap items, that has increased a lot in Q2. So, we have made a lot of sales of that and we have reduced the inventory of by-products as well as scrap items. That is the reason why overall realization is more in Q2.

Rahul Gupta: And what is the inventory for finished steel now? I remember it was around 1.8 million tons last quarter.

Dr. Ashok Kumar Panda: Yes, finished steel inventory is 1.9 million tons as on 30th September, but the important thing is that the in-process stock has come down from 1.3 million tons to 0.7 million tons. There is quite a lot of reduction in in-process stock. So, if we talk about the total steel inventory, between opening and closing, the opening was 2.72 million ton in this year and closing is 2.69 million tons.

Rahul Gupta: Got it. One final question from me is any update on iron ore sales? I remember you had got approval for sales. So, by when can we expect you liquidating your massive iron ore inventory that you have?

Dr. Ashok Kumar Panda: Yes, let me give you the perspective in this respect actually, two, three points on this. One is we have been selling from Odisha Group of Mines, that is from Bolani continuously. If I remember correctly, they have sold around 0.3 million tons. I do not have the figure right now, but it is around that. So, that is going on against the target set by us. So, far as Chhattisgarh Group of Mines is concerned, we do not have much quantity to sell as of now, but going forward, the new mines is getting opened up, which is Rowghat. Once production picks up over there, we can think about it. Now, coming to Jharkhand Group of Mines regarding the dump iron ore fines, which is having a stock of around 33 million tons, so there are two things that are happening – One is we are dispatching and the dispatch quantity has gone up significantly. We are dispatching this quantity to various sister plants. Like in a month, we are dispatching around 60,000 to 70,000 tons, which is at the rate of around 0.7 to 0.8 million tons per annum. So, we have increased the dispatches from that dump iron ore fines to various sister units. That is number one. Number two, recently we have put up an auction for one million tons of dump fines. So, we are looking forward to participation from the prospective customers in that respect. Yes, that is the answer to this question.



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Rahul Gupta: Thank you so much.

Moderator: Next question comes from the line of Parthiv Jhonsa with Anand Rathi. Please go ahead.

Parthiv Jhonsa: Hi, good morning, sir. Thank you for the opportunity. So, my first question is pertaining to the sales offtake. We have seen a very good number in H1 and also in Q2 considering the overall market. Is it possible to quantify what is your guidance for FY26 and '27 considering not a major capacity expansion from IISCO anything is expected in the next two to three years and only de-bottlenecking kind of a capacity expansion is expected, so can you give some guidance for Q3, FY26 and '27 as far as your sales volume is concerned?

Dr. Ashok Kumar Panda: Yes, let me try to answer this question. As you said correctly, actually, FY26-'27 will have de-bottlenecking efforts which are going on because of that the production volumes as well as sales volume will increase. We have been making a lot of strategies to increase the sales both on the domestic front as well as on the export front to some extent. And as you can see, in H1, we have tried to reduce our inventory volumes of steel in totality, and thereby the reduction in borrowings. First, let me talk about the Q3, Q4, then FY26-'27. In Q3 and Q4, we are looking at a reduction in the sellable steel inventory by increasing the sales volumes more than that of the production volumes. That means in Q3, Q4, our production volume is going to increase also. At the same time, increase in sales volume should be more than that of the production volume so that the overall inventory can come down. In '26-'27, we will have still a good target as compared to '25-'26 regarding our production, because we have de-bottlenecking efforts which are going on at various steel plants. Certain things we have already done in IISCO steel plant and we are going to take up at Rourkela steel plant if the market picks up, then we will start kind of a old furnace and start increasing our volumes as well. So, that is the kind of effort. So, that is why in '26-'27, the volumes will be more than that of '25-'26. And because we have got inventory of sellable steel that will also be liquidated to a greater extent, at least by 50% during '26-'27 and on to that the production volumes. So, this sales volume growth will also be there in '26-'27 as compared to '25-'26. That is our expectation, and also our efforts are towards that as well as we understand that the steel economy in domestic market is improving. So, our economy will also support that.

Parthiv Jhonsa: So, that is actually quite helpful, sir. Sir, my second question is pertaining to your borrowings. We have seen the borrowings going down substantially in Q2, right? Do you expect this momentum to continue at least for the next two to three quarters before the IISCO CAPEX kicks in or do you expect this to increase by the end of '26 and '27?

Dr. Ashok Kumar Panda: No, we do not expect this to increase because in '25-'26, we are trying to reduce the borrowings to the extent possible, reduce our debt-equity ratio to the extent possible so that we keep a room to



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accommodate IISCO expansion. The CAPEX of that will start picking up from '26-27. You are correct. We have a target to reduce our borrowings further. The momentum of reduction in borrowings will continue in Q3 and Q4 for this year as well.

Parthiv Jhonsa: So, let me just squeeze a quick question. Can you give us some guidance on the coal cost for Q3?

Dr. Ashok Kumar Panda: Q3 or Q2? What are you talking about?

Parthiv Jhonsa: Q3.

Dr. Ashok Kumar Panda: I mean, So, as we can see that in October, the imported coal price in our plant units are around Rs.17,300, which has gone up from the August level of Rs.16,600. That means between August and October, there is an increase of around Rs.700. This is primarily because of a depreciation of rupee with respect to USD, but now onwards in this month, by October end, we are finding that the indices have increased a bit. Of course, the indices are range-bound, but it has increased from September level of 187 to 194 right now. It may soften. We do not know about that, but it is varying between say 185 to 195 in that range. So, right now, the index is little on the highest side, 194. So, as you said, what about Q3 and Q4? Because in Q3 and Q4, the demand is going to pick up everywhere. So, we believe the imported coal price will remain a little higher as compared to what it is today. Today, it is around Rs.17,400, it may go towards Rs.18,000, Rs.18,100, something like that in Q3 I expect. In Q4, we will see how it continues.

Parthiv Jhonsa: So, should we expect around \$6 to \$8 kind of an increase in coal cost?

Dr. Ashok Kumar Panda: That is what it is, because from 187, it has gone to 194 I believe it will remain there or it will be more around that figure.

Parthiv Jhonsa: Sure. Thank you for the answer, sir. Thank you so much and best of luck.

Dr. Ashok Kumar Panda: Yes, thank you.

Moderator: Next question comes from the line of Rajesh Ravi with HDFC Securities. Please go ahead.

Rajesh Ravi: My first question is, can you share what is the NMDC volume contribution and revenue contribution in this quarter? And your 18.5 million tons core volume that remains intact for FY26?

Dr. Ashok Kumar Panda: NMDC, so Quarter 2 volume is 3 lakh tons, almost a lakh every month and it is Rs.3 lakh and 1,500 crores.



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- Rajesh Ravi:** Okay. And this 18.5 million tons which you had guided, that remains intact for FY26?
- Dr. Ashok Kumar Panda:** Yes, yes, yes, that remains intact.
- Rajesh Ravi:** Okay. And you mentioned that because of higher scrap sales and all, this time in Q2, your net realization appears to be better off compared to the normal steel price decline. So, maybe in Q3, we will have that impact getting reversed?
- Dr. Ashok Kumar Panda:** Pardon?
- Rajesh Ravi:** In Q3, with scrap sales normalizing or lower scrap sales and given that steel prices have further weakened, you would be looking at a higher decline than the normal steel price decline?
- Dr. Ashok Kumar Panda:** Let me explain actually. Even if there are pressures on the price front right now, but I believe from November middle or end of November, things would improve and prices would improve. This time also from December onwards, there was improvement in the prices. December and entire Quarter 4 remained under improvement. So, that is going to improve, number one. Number two, so far as sales of by-products and scrap and defectives are concerned, we are having our efforts towards that. We will continue to have our momentum towards liquidating those stocks through frequent auctions and all that. So, that is happening in all the steel plants as well as in stockyards. So, we are going very aggressive on that. So, on that front, the realization will be quite good as well during Quarter 3 and Quarter 4.
- Rajesh Ravi:** Okay. And on the cost side, you mentioned that the coking coal prices will be higher by \$6 to \$7, right, in this quarter?
- Dr. Ashok Kumar Panda:** It looks like, it looks like.
- Rajesh Ravi:** It looks like? Okay. And in terms of overall margin, how do you look at the second half versus 1H?
- Dr. Ashok Kumar Panda:** Because in second half, two or three things will happen actually, even if coal price could be a little on the higher side, which we do not know at this point of time. And that is linked with the steel market situation. And if this remains at this level, then the steel prices are also going to go up. So, it will balance out. That is number one. Number two, in Quarter 3 and Quarter 4, because our capital repairs are over in all the steel plants. So, production is going to go up and movement in the blast furnaces will improve, thereby, the cost reduction will be also there actually. So, in Quarter 3, Quarter 4, we will have better cost reduction. So, that will add to our profitability.



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Rajesh Ravi: Okay. And so one last question, which I even had asked in the last call, your provisional price revenue, the table which you shared in the footnotes, how do we read into those numbers, what do you mean by the cumulative number and the YTD numbers, because if I look at in Q2, you have mentioned Rs.2,500 crores for the current quarter and YTD you have mentioned around Rs.4,900 crores, but in Q1 you had reported Rs.2,600 crores. So, ideally it should have been Rs.5,100 crores. And then what is this cumulative number which you share, can you explain what is the working behind those numbers?

Dr. Ashok Kumar Panda: Yes, I will try to explain rail price. This is regarding the rail pricing. Okay. So, that is a constant thing in SAIL P&L and balance sheet every time. So, the rail price has been finalized up to '23-24 and '24-25 is under process. So, that is on track. So, in the pendency of the finalization, what is happening is the provisional price is decided by the joint pricing committee in which there are members from SAIL as well as railways. So, that is why right now, whatever revenue has been recognized as per IndAS 115 in the books of accounts, that is based on the provisional prices and the provisional prices are already set. So, in that provisional price, we have got our revenue recognition done, which is in line with the market prices right now. So, once '24-25 prices are finalized, then the different sale will also be booked to the profitability. And after that, the provisional price will also be reset. So, with every finalization of a price, the arrear amount is also put in the P&L account as well as the provisional price is reset. So, this is a line in the notes to the accounts, which always we show as a part of the disclosure.

Moderator: Thank you. Mr. Ravi, please rejoin the queue for more questions. Next question comes from the line of Pallav Agarwal with Antique Stock Broking.

Pallav Agarwal: Hello! Good morning. Just a question on, you said you expect realizations to improve. So, could you just give a break up of how the flat and long prices move between Q1 and Q2 and currently where spot prices are compared to Q2 average?

Dr. Ashok Kumar Panda: So, Q1 in case of long, Quarter 1 was Rs.54,500 and Quarter 2 is Rs.49,000. So, it is around Rs.5,500 reduction between Q2 and Q1. That is regarding long products. In case of flat, Q1 was Rs.50,400 and Q2 is Rs.48,700. That means reduction of around Rs.1,700. So, if you look at the average actually on an average, Quarter 1 was Rs.51,700 and Quarter 2 is Rs.49,000. Around Rs.2,700 average reduction in sales price, NSR between Quarter 1 and Quarter 2.

Pallav Agarwal: Sure, sir. And so this was you see partly offset by the sale of scrap and defective. So, this did not show up in the blended realization?

Dr. Ashok Kumar Panda: Partly offset by that and partly offset by the input prices as well.



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Pallav Agarwal: So, when we give this guidance of 18.5 million tons, this is excluding the NMDC trading volumes, because at 0.3 million tons per quarter, maybe we will touch an annual run rate of 1 to 1.2 million tons. So, this 18.5 million tons is only SAIL production, right?

Dr. Ashok Kumar Panda: Yes, that is on SAIL production.

Pallav Agarwal: Okay. And we want to get a rough sense of the profitability on the NMDC trading sales. We have the purchase of materials. So, is that a fair reflection of the purchase cost from NMDC?

Dr. Ashok Kumar Panda: Yes, there is a fair reflection on the purchase cost on NMDC based on an agreement kind of a thing. So, that goes as per that.

Pallav Agarwal: Sure, sir. Lastly, if you could also just share how spot prices in October compared to Q2 average how much are they lower than that?

Dr. Ashok Kumar Panda: Which one?

Pallav Agarwal: Spot, sir, let us say October prices?

Dr. Ashok Kumar Panda: Yes. So, October long price is Rs.49,900 and flat is Rs.46,600. So, in October, we can say that the flat prices are down by around Rs.1,200 to Rs.1,300 per ton, while long prices are flat. That means in case of long products, the prices are flat in October as compared to September. But there is a downward trend in HR coal prices, flat excluding PM plates. So, in PM plates, the price is almost flat. But, in case of HR products and CR products, there is a reduction of around Rs.1,200 to Rs.1,300 in October as compared to September.

Pallav Agarwal: Sure, sir. Yes, thank you so much.

Moderator: Next question comes from the line of Rashi with Citi. Please go ahead.

Rashi: Thank you. Sorry, I just missed the October flat realization. Did you say it was Rs.46,000 something?

Dr. Ashok Kumar Panda: Rs.46,600 ma'am.

Rashi: On the coking coal side, what was the average cost in this quarter?

Dr. Ashok Kumar Panda: Average cost in Quarter 2 is Rs.17,400.



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Rashi: And how much was imported coal?

Dr. Ashok Kumar Panda: Yes, imported coal is Rs.18,150.

Rashi: So, that Rs.17,400 is currently trending at Rs.17,300 now, is that what you said?

Dr. Ashok Kumar Panda: Rs.17,400 was in Quarter 2. And right now, it is almost at the same level as far as October is concerned.

Rashi: On the CAPEX side, we have got the non-IndAS debt numbers. Can you just give the IndAS net debt number for September, please, and also the projected CAPEX for the year?

Dr. Ashok Kumar Panda: Regarding CAPEX we have achieved in H1 Rs.3,375 crores. This is above our target of Rs.3,100 crores. And for this year, we are targeting in excess of Rs.7,500 crores of CAPEX. That is regarding CAPEX. So, you are referring to the IndAS and non-IndAS. Are you talking about the borrowings?

Rashi: Yes.

Dr. Ashok Kumar Panda: You are talking about the borrowings? Now, when you are talking about the borrowings, IndAS borrowings are Rs.33,663 crores as on 30th September 2025 and non-IndAS borrowings is Rs.26,427 crores. So, that is the actual borrowing. Non-IndAS borrowing is the actual borrowing in the books of SAIL, which is Rs.26,427 crores, which is a reduction of around more than Rs.3,000 crores as compared to the opening.

Rashi: Got it. Thank you.

Moderator: Next question comes from the line of Siddharth Gadekar with Equirus. Please go ahead.

Siddharth Gadekar: Hi, sir. Good morning. Can you from next quarter onwards just spell out the NMDC volumes and revenue and cost item in the presentation, so it will be more helpful for us to understand how much is the gain from NMDC?

Dr. Ashok Kumar Panda: I mean, the quantities and realization we can certainly give for information of everybody. So, the gain part is inbuilt in the system, so it may not be exactly possible to quantify that at this point of time.

Siddharth Gadekar: And secondly, what is the quantum of scrap sales in this quarter?



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Dr. Ashok Kumar Panda: It has gone up quite a lot, Rs.1,140 crores actually as compared to Rs.869 crores in Quarter 1, o, increase of around Rs.250 crores.

Siddharth Gadekar: All right. Thank you so much.

Dr. Ashok Kumar Panda: Thank you.

Moderator: Next question comes from the line of Somaiah V with Avendus Spark. Please go ahead.

Somaiah V: Thanks for the opportunity. Sir, you did talk about scrap increase QoQ. On value-added products, can you give a similar number?

Dr. Ashok Kumar Panda: Yes, total value-added is around 57%. So, we have been trying to increase this value-added products quarter-after-quarter. We are expecting that this will improve further in Quarter 3 and Quarter 4. If you can compare in Quarter 1, it was 55%, it has improved to 57% in Quarter 2 and going forward, we are targeting more than 60%.

Somaiah V: Sir, also on the by-products, which you said, which also increased and helped on the realization front, is there any quantum, nature of the products and what is the quantum of it?

Dr. Ashok Kumar Panda: Yes, the nature I can explain, actually, the nature is, in the scrap side, defectives rejected material scrap, iron and steel scrap, crude tar, slag, and other things put together. So, these are the nature of items, all the waste material.

Somaiah V: This QoQ increase of Rs.200 crores includes everything or it is only the scrap?

Dr. Ashok Kumar Panda: It includes everything actually. We have been focusing on having frequent auctions for the by-products as well as steel items. Steel means defective and scrap items, so that there is liquidation of stock as well as cash flow releases, working releases.

Somaiah V: Sir, any quantum that you can give in terms of inventory that we carry on these items either in volumes or value?

Dr. Ashok Kumar Panda: We have, but we will be able to provide afterwards. Right now just in front of me, it is not there, but yes, we do maintain that volume as well.

Somaiah V: But as you were saying, this is something that you expect to continue in the next subsequent quarters also, further auctions and then liquidation of this?



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Dr. Ashok Kumar Panda: Yes, we continue that because there are other rejected materials and defective material lying in the subfloors. So, that we are trying to bring it to one place and bring it to the yards for conducting auctions. We want to reduce that stock actually.

Somaiah V: So, one clarification on the long horizon. So, one, at an industry level, we have seen a shorter rebar price correction, which is close to Rs.6,000-7,000, whereas, as you were mentioning, between Q1 to Q2, only Rs.4,500. What could be the difference -- is it like discounts or any product mix? That is one. And second, you mentioned about current long prices as of September. If you could give a current long versus Q2 average, that would be helpful?

Dr. Ashok Kumar Panda: Current long price in October is Rs.49,940 as compared to Q2 average of Rs.48,800, that means around Rs.1,100 current price on the higher side as compared to Q2 average.

Moderator: Thank you. Mr. Somaiah, please rejoin the queue for more questions. Next question comes from the line of Kartikeya Kumar with B&K Securities. Please go ahead.

Kartikeya Kumar: Thank you for the opportunity. So, I just wanted to understand how much volume growth can we expect in FY27 as compared to suppose a provisional FY26?

Dr. Ashok Kumar Panda: In FY'26-27, we expect to have growth of more than 5% as compared to FY25-26. We will be targeting anything between 5% to 7% at least. That will happen through the de-bottlenecking process.

Kartikeya Kumar: And then beyond FY28, say, like any new CAPEX that you are looking at, any update on that?

Dr. Ashok Kumar Panda: Yes, primarily the CAPEX will come from two accounts. One is the expansion in IISCO, and the other one is the de-bottlenecking packages in other places. So, that is why actually if in this year we are targeting in excess of Rs.7,500 crores, these are going to jump substantially from next year onwards.

Kartikeya Kumar: Okay. Can you give a ballpark number or like -?

Dr. Ashok Kumar Panda: Yes, next year onwards, it will be in excess of Rs.10,000 crores in FY26-27 and after FY26-27 it will be still further more.

Kartikeya Kumar: Okay, I just wanted to understand what is your long-term debt reduction strategy, like any specific ratio, net debt-to-EBITDA or something that you are looking at that you target internally?



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Dr. Ashok Kumar Panda: On that count actually now that we are reducing our borrowings. If you look at our debt equity ratio on non-IndAS basis, it is around 0.46, which is where we want to reduce it down to 0.3, 0.35 or maybe 0.4 by the year end. And after that, from next year onwards, as I have already discussed, that our CAPEX is going to pick up, primarily because of the de-bottlenecking projects, as well as the expansion projects of IISCO. So, that is why the borrowings are going to go up. So, we are creating a headroom for having more borrowings to fund our expansion projects going forward. So, expansion projects are outlined for the next four, five years in a bigger way.

Kartikeya Kumar: Okay. And then what should be the proportion of debt or internal accrual that you are looking to fund?

Dr. Ashok Kumar Panda: We are looking at 50-50% at this point of time.

Kartikeya Kumar: That is helpful. Thank you.

Moderator: Next question comes on the line of Parthiv Jhonsa with Anand Rathi. Please go ahead.

Parthiv Jhonsa: Hi, sir. Thanks for the opportunity again. Just on the by-product scrap sales and everything, I just had a very quick question. I believe in this quarter, you said you did about Rs.1,140 crores kind of realization from those categories. Considering you have done some recent auction in coal tar, and especially in iron ore you have received some better interest compared to coal. Is this number expected? And considering you are going to sell more, and the quantum in each and every auction is getting higher and higher, is it expected that this number of Rs.1,140 is expected to go up higher in Q3?

Dr. Ashok Kumar Panda: Yes, it is going to go higher in Q3 and Q4 also because it is not just coal tar, it is also the defective as well as the iron and steel scrap items and also the slag items. So, all put together, this is a bundle of all those plant sales.

Parthiv Jhonsa: Okay. And is it fair to assume that this entire benefit of Rs.1,140 has flowed down to EBITDA and PBT?

Dr. Ashok Kumar Panda: Yes, because it was in the stock exchange, so the differential amount between sales price and stock valuation rate, that has gone to the PBT and EBITDA. Because the borrowings have come down, so in terms of reduction in interest, that has also gone into the PBT.

Parthiv Jhonsa: Absolutely, absolutely. Is it possible to quantify the positive quantum what it had on your profitability?



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Dr. Ashok Kumar Panda: Right, say for example, if there is a reduction of around Rs.300 crores between Q2 and Q1 increase in that realization, so out of that at least 20% to 25% has flown into the EBITDA and PBT.

Parthiv Jhonsa: Okay, perfect, perfect. This is quite helpful. Thank you so much.

Moderator: Next question comes from the line of Tushar Chaudhari with Prabhudas Lilladhar Pvt. Ltd. Please go ahead.

Tushar Chaudhari: Yes, good morning, sir. Thanks a lot for the opportunity. Sir, would like to know the progress of DPR I think for IISCO. So, can you give us more details on the projects which are going to come up in second half of FY27?

Dr. Ashok Kumar Panda: Yes, so in case of IISCO, where we are planning 4.5 million tons of expansion at a cost of around Rs.36,000 crores, so the major packages were already tendered and majority of that are already finalized. So, order placement in certain cases have already been made and in one or two months, order placement for the balance major packages will be completed. And after that, the design engineering will start and then the physical active supplies and physical ground activities will start over there. So, that means in '26-27, there will be major CAPEX payments towards IISCO packages. So, so far as order placements are concerned, they are almost on track.

Tushar Chaudhari: And rest of the projects, any DPR activities done?

Dr. Ashok Kumar Panda: Yes, in rest of the projects, we are looking at the debottlenecking projects at Durgapur, at IISCO, at Bhilai, at RSP. So, these are also on track. And in certain cases, orders have been placed, for example, in case of Durgapur Steel plant, the rebar mill order was placed last year. So, the ground activities already started over there. So, in blast furnace of Durgapur, they are also finalizing orders like that. So, in all the plant units, the tendering process are going on and in certain cases, orders have been placed and work has already started.

Tushar Chaudhari: Okay. Sir, one last question. On this scrap, you said for 2Q we sold Rs.1,140-odd crores of scrap?

Dr. Ashok Kumar Panda: Yes. Scrap and by-products put together.

Moderator: Next question comes from the line of Rajesh Ravi with HDFC Securities. Please go ahead.

Rajesh Ravi: This by-product and others which you mentioned, in the annual report, in schedule, this is mentioned as either secondary and by-product, which was like in FY25, Rs.3,300 crores revenue or income from this?



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Dr. Ashok Kumar Panda: Yes, this is a part of that by-product.

Rajesh Ravi: Yes, yes, understood. So, this is part of around Rs.2,000 crores is what you have realized in first half, is this understanding correct?

Dr. Ashok Kumar Panda: Yes, sir, it is correct.

Rajesh Ravi: Okay. And secondly, I was again coming back to your disclosures regarding the provisional price table which you put in. Just want to understand technically what do you mean by the cumulative number over there, because that number and also the half yearly number, they do not match, the first two quarters sum do not match?

Dr. Ashok Kumar Panda: Just one thing. If you can be specific on the numbers, we will try to explain?

Rajesh Ravi: Okay. The standalone of the result table is #9. So, for this quarter, you have mentioned the number is Rs.2,500 crores and Q1, this number which we had presented was Rs.2,600 crores. So, together should be around Rs.5,100 crores, but half yearly number which is put in this quarter table is Rs.4,840 crores, and similar differences are there even in the last year numbers which I have tabulated. So, why this difference, first. And second, what is this cumulative till 30th September number of Rs.13,800 crores, what does that mean?

Dr. Ashok Kumar Panda: Okay. So, cumulative till date is Rs.13,800 total provisional cumulative which includes not only rail items, actually it includes rail as well as defense items put together, anything which is sold to the government. So, majority of that is rail items, but after that also we have other items like the quantities which are going to defense from different, different plant, all three plants. So, this Rs.13,800 includes rail as well as defense items.

Rajesh Ravi: Okay. And this half yearly and quarterly numbers, how do we match them up?

Dr. Ashok Kumar Panda: These numbers vary a little bit based on the debit advices and credit advices which are concurrent in nature.

Rajesh Ravi: That is all from my end. Thank you.

Moderator: Next question comes from the line of Siddharth Gadekar with Equirus. Please go ahead.

Siddharth Gadekar: Just a follow up question. First, on the employee wage revision, when do we expect the next employee wage revision to kick in?



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Dr. Ashok Kumar Panda: Yes, regarding wage revision actually it was from 2017 to 2027. So, it is 1st January 2027 after which it will be due.

Siddharth Gadekar: Okay. And so the quantum of increase that we are expecting in employee cost beyond that?

Dr. Ashok Kumar Panda: Because there is no guideline right now, actually it will not be possible for us to quantify, even we do not know.

Siddharth Gadekar: Okay. Thanks.

Moderator: Next question comes from the line of Vinit Thakur with Plus 91 AMC. Please go ahead.

Vinit Thakur: Hi, sir. Good morning. Sir, I just want to know why is there a reduction in the OPM as in QoQ and year-on-year as well?

Dr. Ashok Kumar Panda: Pardon? Can you please repeat the question once again?

Vinit Thakur: I saw there is a reduction in OPM QoQ and year-on-year. So, could you shed some light on what is the reason behind it?

Dr. Ashok Kumar Panda: Yes, reduction in OPM between Q2 and Q1 we are talking about. That is primarily because of two things. One is reduction in the sales price and the other one is actually in Q2 we have taken certain capital repairs and there were some issues with Bokaro steel melting shop in Q2. So, that is why there is a reduction in Q2 in OPM. But all the capital repairs are over as well as Bokaro has come back on track. So, from Q3 onwards we are expecting good improved numbers.

Vinit Thakur: Sir, could you shed some light on would we be back to original numbers around 12% or would we be going down or would we be around 11% as per last quarter?

Dr. Ashok Kumar Panda: Talking about Quarter 3?

Vinit Thakur: I am talking about the Q1 of FY26 and the Q2 of FY24. So, FY25 had around 12% and FY26 had around 11. So, I just want to know, would be around the same number or would be going lower?

Dr. Ashok Kumar Panda: EBITDA margin you are talking about?

Vinit Thakur: Yes, sir.



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Dr. Ashok Kumar Panda: So, EBITDA margin actually in H1 '24-25 it was 12.9% and average '24-25 was 11.57. Right now it is 11.01%. We are expecting that it should improve in Quarter 3 and more so in Quarter 4 actually; in Quarter 4 there should be a good number because every time we find in Quarter 4 things improve a lot; it will go towards 14-15% something like that in Quarter 4. So, in Quarter 3 it may remain flat or may improve a bit depending on how the market behaves. But as I said all the capital repairs are over, the production is going to go up. So, things are looking up.

Vinit Thakur: And the reduction in production as well is due to the Bokaro plant?

Dr. Ashok Kumar Panda: If you look at the crude steel and hot mill they are linked to each other. So, it is primarily because of Bokaro plant. They had issues with steel melting shafts which is resolved just couple of days before. So, now it has started improving production.

Vinit Thakur: Okay, sir. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I would now like to hand the conference over to Ashish Kejriwal for closing comments.

Ashish Kejriwal: Hi, thank you everyone and I would like to thank the management to give us an opportunity to host the call and Dr. Panda for patiently answering all the questions. Sir, any closing remarks from your side, that will be helpful?

Dr. Ashok Kumar Panda: Yes, thank you very much, Mr. Kejriwal and all our members who participated here. I would like to give my closing remarks here. The second half of the financial year is always the best for the steel industry, and we hope the trend would continue in this year as well. Meanwhile, steel demand also continues to prosper. And with the improvement on the efficiency front and cost control measures, we will try to improve our margins in balance period of the year. Also, the company also remains committed towards sustainable performance including emphasis on decarbonization, improving capacity utilization, value addition, and achieving cost competitiveness. I thank all our investors for imposing their faith in us and I am hopeful that the same shall continue in future as well and we will try to come up with better numbers as well as the time progresses. Thank you. Thanks a lot to everybody.

Moderator: Thank you. On behalf of Nuvama Institutional Equities, that concludes this conference. Thank you for joining us. You may now disconnect your lines.