



CA-17(44)/2026-27

20th May, 2026

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 16th May, 2026.

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

Dear Sir,

This is in continuation to our letter No.CA-17(44)/2026-27 dated 16th May, 2026, intimating the link to the Audio Recording of the Conference Call held on 16th May, 2026.

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
Q4 FY26 Earnings Conference Call”

May 16, 2026



MANAGEMENT: **MR. ASHOK PANDA – CHAIRMAN AND MANAGING
DIRECTOR – STEEL AUTHORITY OF INDIA LIMITED
MR. T.N. NATARAJAN – DIRECTOR, COMMERCIAL –
STEEL AUTHORITY OF INDIA LIMITED**

MODERATOR: **MR. ASHISH KEJRIWAL - NUVAMA WEALTH
MANAGEMENT**



*Steel Authority of India Limited
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Moderator: Ladies and gentlemen, good day, and welcome to Steel Authority of India Limited's Q4 FY26 Earnings 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashish Kejriwal from Nuvama Institutional Equities. Thank you, and over to you, Mr. Kejriwal.

Ashish Kejriwal: Thank you, Michelle. Good morning, everyone. On behalf of Nuvama Institutional Equities, we again welcome Dr. Panda and his team for giving an opportunity to host this Conference Call. We are delighted to have Dr. Ashok Panda, who has now become Chairman and Managing Director of SAIL with an additional charge of Director of Finance.

On behalf of Investors' Committee, we congratulate you, sir, for this, and we wish that SAIL will achieve newer heights in terms of financially as well as operationally under your leadership. And we would also like to mention that we are privileged to have Shri T.N. Natarajan ji, Director of Commercial, who will also be there on the call today.

So without further ado, I'll request Dr. Panda for his opening remarks, and then we can open the floor for Q&A. Over to you, sir.

Ashok Panda: Yes. Thank you, Mr. Ashish, and everybody connected to this. Let me give my remarks first, then we can start Q&A session. Good morning, once again, everybody. I welcome all our investors and analysts who are joining this results con call for the financial results of SAIL for the quarter Q4 and annual FY '25-'26.

Before we move to Q&A session, let me brief you on the results for the period. And let me go one by one. Regarding economic scenario, beginning with global economic scenario, the geopolitical situation in the Middle East has set the otherwise stabilizing economic scenario, again, bringing uncertainties and volatilities to all of us.

The economies across the globe have suffered with most seeing the projections being reduced by almost all major financial and analytical agencies. Accordingly, the projections for global GDP have been reduced by IMF and similar agencies for calendar year 2026. Though projections for current year 2026, '27 are at slightly higher level than the previous year, they are still below '24-'25 levels.

The projections for India also remain range bound between 6.5% to 6.9% by various agencies. So far as global steel industry is concerned, the landscape for the global steel industry is influenced by economic trends, trade policies and geopolitical situations, as well as technological advancements.



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The positive movement, which was visible during the previous quarter, may again get impacted, while the production in Iran have already been impacted to push out of the top 10 countries globally. WSA has, however, not published its SRO since October 2024. But of course, the steel industry globally is impacted and especially impacted because of this Strait of Hormuz situation in terms of fuel constraints as well as in terms of raw material movement through that port.

Indian steel industry, when we talk about that, Indian steel industry continues to enjoy robust demand for steel with the consumption during FY '25-'26, which has grown by almost 8% over the same period last year. The growth in production of crude steel has, however, been at 11%.

The steel industry has grown by 8%, but the growth of production is 11%. That's the reason why, during last year, actually, export numbers were pretty high. India finishes FY '25-'26 as a net exporter with exports marginally higher than the imports. And the exports have grown by around 36% and degrowth of imports is around 32%. And in terms of absolute numbers, they are almost matching, 6.5 million tons versus 6.6 million tons. So it's a balancing figure.

When we look at our company performance of SAIL, so there is growth in crude steel production. And when we talk about quarter 4 of this '25-'26, crude steel production grew by 4% to stand at 4.9 million tons as against 4.7 million tons in the previous year quarter 4. And sales volume has also grown by 4% to 5.3 million tons in this quarter 4.

And sales turnover has also grown by 5% in quarter 4 to INR30,541 crores. That's the thing. Profitability has also improved by 48% in PBT and 43% in PAT terms as compared to quarter 4 of last year. There is a debt reduction of INR3,200 crores alone in quarter 4 of '25-'26. That is about quarter 4 performance.

When we look at the annual performance of '25-'26 for Steel Authority of India Limited, crude steel production has grown by 1% from 19.2 million tons in FY '24-'25 to 19.4 million tons in FY '25-'26, but saleable steel has grown by around 7% from 17.9 million tons in FY '24-'25 to 19.2 million tons in FY '25-'26.

Company has posted highest ever sales volume at 19.9 million tons, almost like 20 million tons, which marginally -- I mean, it is close to 20 million tons with a growth of 11% as compared to the previous year. The production has grown by 7%, but the sales has grown by 11%. That's a very good sign, and it has resulted in huge inventory reduction and reduction in borrowings.

The sales turnover is close to INR110,000 crores in this year, which has grown by 8% compared to the previous year. And stock reduction is around 0.9 million tons, out of which 0.4 million tons in saleable steel category and 0.5 million tons in in-process steel category. In totality, it is close to 1 million ton reduction of inventory has taken place on the back of good amount of sales quantities.



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That is the reason why the borrowings have also come down by around INR8,150 crores in FY '25-'26, which has given sterling advantages in terms of finance cost to us. Even the cost of borrowings has also come down from a level of 7.3% in the previous year to 6.2% this year. This has also given rise to improvement in the interest cost for all of us.

So with all this, the PBT, profit before tax for '25-'26, there is a growth of 44%. And in PAT numbers, the growth is 51%. This is highlighting operational efficiency, liquidation of inventory, cost optimization, sales volumes etcetera. So these profit numbers are purely from the basic operations and sales of this company and good efforts made by the company.

And I would like to say, last year, actually, we had rail price revision arrear into the profit, but this year, there was no arrear into the profit. Still, we have exhibited more than 50% increase in PAT as compared to the previous year. So that shows the potential SAIL has to take it forward.

Going forward, the domestic market remains steady on both demand and price fronts. Of course, it keeps on changing from month-to-month on seasonal effects and the sentiments. With the coal price remaining in range bound -- coal prices remaining on the higher side range bound actually, we hope that the margins will continue to improve further.

The company will continue to take actions on efficiency improvement and cost reduction front as well. Because of this depreciation of rupee with respect to USD and international steel prices are also firming up right now, so we believe the steel prices will remain at this level and the margins will remain good during '26, '27.

And one more important thing for all of us is that after a pretty long time, many years and decades, you can say, that the balance sheet of '25-'26 is totally clean from the qualifications. There are no qualifications in the balance sheet after a pretty long time.

So we've taken care of those qualifications in terms of the developments and whatever required provisioning, etcetera. So entire balance sheet is clean from the qualifications. That's the major thing happened during this year '25-'26 with the efforts of the finance fraternity.

With these words, I hand it back to Mr. Ashish Kejriwal for opening the Q&A session.

Moderator: The first question is from the line of Chaitanya Iyer from Goldman Sachs. Please go ahead.

Chaitanya Iyer: Congratulations on a great set of numbers. So the first question is on the lines of what would be the sales volume guidance for the next 2 FYs, that is FY27 and '28? And the capex has picked up in FY26. Can you give an update on the expansion at 3 plants? And what would be the capex guidance for the next 2 FYs?

Ashok Panda: Yes. Thank you for your questions. Actually, sales volume last year, as I said, was around 20 million tons. So this year, we're expecting 22 million tons. That is the kind of target, 10% on

the higher side, we're keeping it. And we are geared up towards that. That is number one answer to your question.

Number two is capex. Capex in '25-'26, we ended up -- I mean, target was INR10,000 crores, we ended up around INR9,100 crores, something like that. Guidance for '26-'27 is INR15,000 crores. And since our expansion projects are ongoing in different, different plants. So in '27-'28, the capex figures will be in excess of INR20,000 crores. That is our expectation.

So far as expansions are concerned, actually, we've cleared for 3 plants. One is IISCO Steel Plant, wherein major packages have already been tendered out and farmed up. So another one is Bokaro, and third one is Bhilai, which we're just clearing this now.

Chaitanya Iyer:

Thank you So much. And the second question was in terms of -- so as you mentioned, we saw the impact of downward revision in rail prices. Can you please let us know if there is any further scope of such downward revision in the near future? And on the Bokaro Steel Plant, can you detail out the factors which were behind the sharp recovery in EBITDA quarter-on-quarter for that plant?

Ashok Panda:

Yes, let me tell you. First question first. The first question is about rail price. Actually, during '24-'25, we had the arrears of previous 2 years. So that was factored in the profitability of '24-'25, which was to the tune of around INR1,800 crores. But in '25-'26, there was no such rail price revision arrear.

I mean, as of now, actually, we are running with the provisional price of '24-'25 and '25-'26. That takes some time at government level. So '24-'25, rail price will be finalized, which will have its own effect in '26-'27 financial year. So that's about rail price. And rail prices keep changing actually depending on the imported coal prices as well as the efficiency levels.

So sometimes they go up, sometimes they go down. So in '25-'26 and going forward in '26-'27, the provisional prices are on the lower side. So in spite of having those on the lower side in '25-'26, still we could post a profit which is with a growth of 50% -- in excess of 50%.

Coming to Bokaro numbers, Bokaro actually in '25-'26, they have improved, because in '24-'25, they had a lot of breakdowns, and they had a Hot Strip Mill, which is their parent mill. It was under capital repair for 1 month, but it got extended by 2 months. So in '24-'25, that problem as well as coupled with flat steel prices on the downward side, so Bokaro had a negative figure in '24-'25. But these were not the cases in '25-'26. In '25-'26, things have improved.

There are issues in SMS, Steel Melting Shop, in '24-'25. All these things have been taken care. So in '25-'26, in H2, things have improved and they're looking up in terms of production, in terms of sales volumes, as well as because they're in flat products, so NSR is much better. So that is why there has been a lot of improvement in Bokaro Steel Plant EBITDA levels. And that will continue and they will still do better in '26-'27, that is our expectation.



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Moderator: We'll take the next question from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia: Congratulations on very strong performance. First question is on the prices and cost. So if you could guide what was the realization in 4Q, and basis April and May, what is your expectation of increase in prices or NSR in 1Q '27?

Ashok Panda: Yes. So in quarter 4, NSR of -- average NSR of long products was INR53,400 and flat was INR51,000. When we compare this with April, NSR of long products is INR57,600 and NSR of flat is INR56,700. In May, mid-month, expected May, long NSR is INR57,800, same level, and flat also INR56,000. So that means, as we can see, there is an increase of around INR4,000 between quarter 4 and April to May in the sales price.

Sumangal Nevatia: And sir, similarly, for cost also, mainly coking coal cost?

Ashok Panda: Coking coal, when we look at actually in quarter 4, the coking coal average price is INR18,200, which has gone up in April and May. April average price is INR21,000 and May average price is INR21,800. So there is an increase of around, say, INR3,000 -- INR3,400 to INR3,500 in coking coal prices.

Sumangal Nevatia: Okay. And sir, I mean, this is the purchase. So in the results in the coming quarter, which will be on consumption, will the same increase reflect or it will reflect over the next quarter?

Ashok Panda: No, it will -- because the April and May prices are the procurement prices, but that will get blended with the stock that we are holding. So depending on the stock, stock level is around 30 days stock actually, so stock prices are less. So the impact will be a little less as compared to the procurement prices in this quarter.

Sumangal Nevatia: Okay. Okay. And sir, generally, given the Middle East issue and overall inflation, any other cost item influxes or something where we are seeing inflation in cost?

Ashok Panda: See, the increase could be there in terms of -- so far as SAIL is concerned, so far as Steel Authority is concerned, we will have some impact with respect to the fluxes, limestone, etcetera, which we are buying from Dubai. So there, the landed cost, the CFR cost is going to go up, because it was around, say, \$23, \$24, now it will be around \$35.

But overall, in sellable steel, its impact will be hardly INR100 or INR200. So it is more of a raw material security than the price increase. We are working towards tying up with the parties to get more quantities from Middle East through diverted routes. And so far as fuel is concerned, so fuel concern was there in quarter 4, but we have come out of it by using PNG in certain locations and creating LPG banks in other locations. So that's not going to be a major challenge for us in quarter 1.



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Sumangal Nevatia:

Understood. Sir, my second question is on capex and employee cost. So one is employee count is reducing at a very good pace. So if you could guide, based on the superannuation, what is the outlook for '27-'28? And given the pay commission revision also which is coming up, how should we look at fuel cost -- sorry, employee cost in FY27 and '28, both years?

Ashok Panda:

See, 2 questions to this. One is employee numbers are going down. Today, we are at around 50,000 employees. Just one second. Do you have the number? So just one sec, I'll give you the numbers as well.

So that's the reason why total configuration is decreasing. So as on 1st April 2026, the numbers are 49,752 as compared to 53,159 opening of this year. So a reduction of around 3,400 numbers. So this is giving us advantage in terms of salary wages numbers. But the other things are the normal increments, then the gratuity, etcetera, savings have increased. So that is also adding pressure to it.

But if you look at the employee remuneration in the P&L account, there is a decrease of around INR200 crores to INR300 crores as compared to the previous year because of various reasons for that. One is the number issue. The other one is leave encashment. Many other things are contributing towards that.

And as we look at -- I mean, similar numbers will be reduced also in '26-'27 and '27-'28, means around 3,400 to 3,500 numbers will be reduced in each of the years, next 2 years, but there will be some influx of material -- I mean, influx of people actually through induction, fresh induction at lower levels.

So every year, there could be increase of around, say, 300, 200 numbers, because we are also expanding. And on the top of that, actually, we have taken out a VRS scheme right now, which is aiming at reducing number by 500 to 1,000. So that is our target. So in that process also, separation will take place and numbers will come down.

So far as pay revision is concerned, that will be applicable from 1st January 2027. Guideline is yet to come from government because the committees are yet to be formed. So we'll see the kind of guideline which will come from there actually, then we'll have a look at that in the quarter 4 of this year. And we are ready to absorb those costs depending on the guidelines which we'll receive from government, pay commission -- through pay commission..

Sumangal Nevatia:

Okay. So this INR11,400 crores, where should we see this -- flattish level for '27?

Ashok Panda:

No, it is going to go down. Actually, this year -- how much is it? INR11,589 crores, I think so in '25-'26. So there will be further reduction of manpower. So I think this number will further come down this year. Of course, we'll have VRS. So because of VRS, there could be some impact.



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But on the overall, you can think that either it will come down a little bit. In '25-'26, it is actually INR11,392 crores, it has come down. I'm expecting that it will further come down in '26-'27 despite having VRS impact also, because the overall strength will come down by 3,000-odd.

Sumangal Nevatia: Got it. And sir, in this year's volume, what is the NSL volume in fourth quarter and full year, if you could just share?

Ashok Panda: NSL volume in totality is 1.12 million tons. And fourth quarter, actually, it is pretty less, maybe around 0.1 million tons or something like that, because we have kind of discontinued their product selling, because they are on their own right now. So we've started selling based on the request from RINL.

So we have started selling RINL products. NSL, fourth quarter is 0.48 -- RINL is 0.48. Right. So that's what it is actually. Most of the sales of NSL was in 9 monthly and only a bit of quantity in January. That's all. So right now, NSL, they are selling on their own.

Sumangal Nevatia: So third-party RINL, NSL put together, fourth quarter is 0.5 million tons?

Ashok Panda: Fourth quarter numbers only 48,000, 50,000 tons, that's all, because RINL started in the month of February after doing the agreement, etcetera. So now it is picking up.

Sumangal Nevatia: Okay. And sir, for '27 also, it will be at a very low level?

Ashok Panda: You're talking about '26-'27?

Sumangal Nevatia: Yes.

Ashok Panda: So in '26-'27, RINL products will be sold to the tune of around 0.6 million tons or 0.7 million tons. It will increase for RINL.

Sumangal Nevatia: Okay. Okay. All right. So sir, if you adjust this, our volumes are close to 19 million tons. So this 19 million tons, which is our own volumes, that we are expecting to go to 22 million tons? Is that the right way to understand?

Ashok Panda: Yes. Last year, we sold around 19.9 million tons, which is around 20 million tons. If you take out 1 million tons, it is 19 million tons for us. So the 19 million tons, we're targeting to go to 22 million tons in this year.

Sumangal Nevatia: Okay. And just one last question, if I can. The capex is almost doubling this year. So are we in a position to disburse so much from, say, INR8,000-odd to INR15,000 crores in FY27?

Ashok Panda: Yes. Last year, our capex was around INR9,100 crores. And this year, we are expecting INR15,000 crores, and we'll be disbursing, because this will be partly for the debottlenecking



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projects, partly for the AMR projects, as well as partly for the expansion projects of steel plant. We are ready for that. That is what is required.

- Moderator:** The next question is from the line of Prateek Singh from IIFL Capital. Please go ahead.
- Prateek Singh:** The first question, just a clarification. In 4Q, when you said RINL it's 0.48 million tons or 48,000 tons?
- Ashok Panda:** 48,000 tons.
- Prateek Singh:** Okay. And the 0.6 million to 0.7 million ton guidance for RINL in FY27, that is on top of 22 million tons that we are seeing right now. Is that correct?
- Ashok Panda:** No, it is within that.
- Prateek Singh:** 22 million tons includes 0.7 million tons?
- Ashok Panda:** Correct.
- Prateek Singh:** Okay. So sir, just to get a sense as to what's our crude steel capacity right now? I mean, we used to think that it's around 20 million tons, 21 million tons, but now we're talking about selling more than that. So as we speak right now, what's our crude steel capacity? And how do we see it going in '27 and '28?
- Ashok Panda:** Yes. Actually, last year, we produced around 19.43 million tons of crude steel. Our capacity is 21 million tons, and we are targeting to produce 22 million tons. I think it is 22.5 million tons so far as our target is concerned for '26-'27.
- Prateek Singh:** So this is without any capacity addition, just from debottlenecking, we think we'll be able to...
- Ashok Panda:** Yes, this is through debottlenecking and making 100% capacity from the facilities that we have.
- Prateek Singh:** And when will the new capacity be coming online, sir, for any further growth?
- Ashok Panda:** New capacity will start coming after 3 years from now, means from '30-'31.
- Prateek Singh:** So we can assume that the '27 volume number will largely remain same in '28, '29 as well?
- Ashok Panda:** I mean actually what is happening is, through debottlenecking -- not exactly debottlenecking, through operational efficiencies, we are trying to stretch beyond the capacities. So when we are looking at 22.5 million tons this year, this can again increase to 23 million tons going forward. So we have our own efficiency levels through which we can -- we have more flexibility and efficiency levels through which we can stretch beyond our capacities. So that happens with all the facilities which have stabilized.



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- Moderator:** The next question is from Pinakin Parekh from HSBC. Please go ahead.
- Pinakin Parekh:** Sir, my first question is, if you can give us the slightly medium-term capex outlook. So you said this year is INR15,000 crores. It will step up further. So over the next 3 to 4 years, what is the capex that SAIL plans to spend and how will this ramp up?
- Ashok Panda:** Yes. The capex for '26-'27 is INR15,000 crores, which is going to go up as we progress in our expansion. As I told clearly, our expansion in IISCO is in the advanced stages. They have been formed up, and so the groundwork is going to start over there. As the groundwork starts over there, the expenditures will be done and the expenditures will start increasing from '27-'28 onwards. A bit of that will come in quarter 4 of '26-'27.
- And followed by that, the Bokaro and then the Bhilai is going to join. But there the expenditures -- majority of the expenditures will come maybe from '28-'29. This is what I'm guessing. So that means actually in '26-'27, we'll spend around INR15,000 crores. In '27-'28, it can be around INR18,000 crores, INR19,000 crores.
- And after that, this will go towards every year almost INR20,000 crores to INR25,000 crores, when expansion in these 3 plants will have its own effect. And we will manage through our fund management activities.
- Pinakin Parekh:** Got it, sir. And sir, my second question is that the employee cost guidance that you have given, this would not include any provisions you will be making in Q4 for the wage revision, right? Historically, wage revision has been around 15%-odd or so. So that will be over and above whatever guidance you're giving?
- Ashok Panda:** So as I told clearly, actually, government notification, etcetera, will come regarding pay revision. And after that, we'll make a provision in quarter 4 of next year, '26-'27. So those figures will be known only when we get the guidelines, and that will be over and above the figures that we are talking about now.
- Moderator:** The next question is from the line of Darshan Mehta from Dolat Capital. Please go ahead.
- Darshan Mehta:** Sir, my first question was, if I see the PPT, I can see that our coke rate has basically improved by almost 20/kg in last 2 years. So I understand that part of it could be due to high PCI, but is there any other thing which I'm missing? Like have we improved on grades or something? Or can you explain the reason?
- Ashok Panda:** Yes. The reason is actually reduction in coke rate is because of increase in PCI as well as by increase in oxygen in the blast furnaces. So these are the 2 vices we are using, whereby we are trying to reduce the coke rate. Even if the coke rate has come down by INR20/kg, etcetera, over the years, but we are still not satisfied with that. We need to reduce further by INR20/kg in '26-'27.



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- Darshan Mehta:** In '26-'27, you are saying your goal is to reduce this by more 20/kg, you are saying?
- Ashok Panda:** Yes. Yes, yes.
- Darshan Mehta:** Okay. Okay. And in terms of, sir, just continuing on that, even in terms of BF productivity, I think it has improved considerably over last 2 years. So what has been the reason for the same?
- Ashok Panda:** The reason is because of the operational efficiency in the furnaces as well as by closing down the inefficient furnaces and ramping up production from the bigger furnaces. These are the 2 reasons.
- Darshan Mehta:** Okay. So you're saying basically the smaller furnaces -- you are producing more from the bigger furnaces. Is that what you are saying?
- Ashok Panda:** We have closed down the smaller furnaces and started ramping up from the bigger furnaces. These are the reasons.
- Darshan Mehta:** Okay, sir. And sir...
- Moderator:** Mr. Mehta, I'm sorry to interrupt you, sir. Please rejoin the queue for follow-up.
- Darshan Mehta:** Sure, sure.
- Moderator:** We'll take the next question from the line of Raashi from Citigroup. Please go ahead.
- Raashi:** Just to understand a little bit on the volume side, what is your current capacity utilization?
- Ashok Panda:** Volume side? As I told you actually, our capacity is 21 million tons of crude steel, but our target is 22.5 million tons of crude steel for '26-'27.
- Raashi:** To understand this correctly, in the 22 million tons, you have 0.6 million from RINL?
- Moderator:** I'm sorry to interrupt you, your voice is not clear. I would request you to kindly use your handset.
- Ashok Panda:** Yes, 22.5 million tons, that includes 0.6 million tons of RINL as well.
- Raashi:** So on a like-to-like basis, purely volumes from SAIL, if I just remove RINL and NMDC volume this year, you are at about 18.8 million tons of sales, and you're essentially saying that pure SAIL volumes will go from 18.8 million tons to upwards of 21 million tons in this year. Is that correct?
- Ashok Panda:** Yes. I'm saying that it will go from 18.8 million or close to 19 million tons, from 19 million tons to 22 million tons, that is our target, excluding NMDC, NSL and RINL.
- Raashi:** So 22 does not include RINL?



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- Ashok Panda:** No, 22 doesn't include RINL. 22.5 include RINL.
- Raashi:** Understood. Got it. Okay. And just what was the blended -- you gave the NSR for longs and flats separately. What was the blended NSR for the quarter?
- Ashok Panda:** Blended NSR for the quarter 4 is INR52,000 per ton. And in April, it is around INR57,000 per ton, April and May.
- Raashi:** Okay. And just one last question for me. On the capex, you mentioned IISCO, Bokaro and Bhilai, what is the capex for each of these projects, like if you have to break it down, IISCO, Bokaro, and Bhilai?
- Ashok Panda:** capex of IISCO is around INR36,000 crores -- maybe INR35,000 crores. And Bhilai, which is yet to be announced is around INR30,000 crores, and Bokaro is somewhere around INR18,000 crores, something like that.
- Raashi:** And what would be the corresponding capacity?
- Ashok Panda:** Corresponding capacity in IISCO is around 4.5 million tons. At Bhilai, it will be around 3.5 million tons. Bokaro also will be around 3 million tons.
- Moderator:** The next question is from the line of Pallav Agarwal from Antique Stockbroking.
- Pallav Agarwal:** Congratulations on a good set of numbers. So just on, I think, in the EBITDA bridge in the presentation, I think there is some raw material saving also between the third and fourth quarter. So could you just quantify -- I guess, it's primarily from coking coal cost. So could you just quantify what was the coking coal consumption cost in Q3 and Q4?
- Ashok Panda:** Yes. Between Q3 and Q4, raw material -- you mean to say what? Input price, it is negative actually. In Q4, the prices of coal was more as compared to quarter 3, and it had an impact of INR272 crores. But so far as raw material usage is concerned, because of better usage in quarter 4, we've gained around INR429 crores. So it has offset the impact of input price increase.
- Pallav Agarwal:** Okay. This is because of higher PCI and more oxygen usage?
- Ashok Panda:** More oxygen, higher PCI and better usage of iron ore, etcetera. And quarter 4 being a dry month and production remaining pretty high, all equipments are good in quarter 4 after capital repair. So performance has been better. Operational efficiency, you can say, because of that reason.
- Pallav Agarwal:** Sure, sir. Also, in terms of our iron ore mines, so is there any risk to our mines expiring 2030, or we will not face that problem of the different lease periods for our mine?



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Ashok Panda:

We don't have major problems, risk to our mines, and the productions are going to go up, because last year we produced 38 million tons, while this year, we have kept a target of 56 million tons, out of which some quantity will be sold. And going forward, we are trying to ramp up to 80 million tons. So major issues are not there. There are stray cases, stray issues, those we are taking up. So far as renewals are concerned, major renewals, no issues, except the Chiria thing, which everybody knows about it.

In Chiria mines, we are looking at getting that mining lease. It's not a renewal actually, it's a new mining lease. So that would enhance our capacity. But notwithstanding that, today, whatever mining capacity we have, we are going to ramp up and our mines are quite good enough, and there are no renewal issues in that. No major renewal issues in those.

Moderator:

We'll take the next question from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah:

Sir, I have 3 questions. Sir, first question is, is there a way in which a government can allocate iron ore lease to any company? This is -- given post MMDR options is a way. But is it possible, say, if there is some backward district, government can allocate an iron ore mine to a company?

Ashok Panda:

Government can allocate a mine through auction process to any private company through NPP process. So there is a set procedure for that. They can do that. So far as allocation to public sector is concerned, it forms a different way. The methodology is different, everything is different.

Ritesh Shah:

Right. Sir, I didn't understand. You said for private sector, allocation is possible?

Ashok Panda:

For private sector, allocation is possible through auction route.

Ritesh Shah:

Through auction route only. Okay, fine. Okay. That's great. Yes. Sir, my second question is, sir, you indicated on rail price revision with the benefit likely to come in FY27. If you had to look at, say, spot prices or look at the average pricing, is there a number that you would like to give out how much could be the benefit because of rail price revision in FY27?

Ashok Panda:

I said that actually. What I said is that in '24-'25, we had rail price revision arrear of INR1,800 crores, which had gone into the P&L account of '24-'25. In '25-'26, there is no rail price revision arrear. So in spite of not having INR1,800 crores advantage in '25-'26, still we posted 50% additional profit as compared to '24-'25. So far as '26-'27 is concerned, we can't say anything about whether we'll get an advantage from rail price revision or we'll get a negative on rail price revision. So things are not very clear at this point of time.

Ritesh Shah:

Perfect. And sir, just last question, you indicated flats and longs prices at INR51,000 and INR53,400 for Q4. Just wanted to understand how much was the price increases that were taken in the month of March?



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- Ashok Panda:** In the month of March, long products prices were INR55,500 and flat was INR52,778.
- Ritesh Shah:** Sir, I'm asking the price increase which happened from 1st of March to, say, 31st of March, because there might be the benefit which will come into Q1?.
- Ashok Panda:** So it is around INR1,400 per ton.
- Ritesh Shah:** Sir, that is for longs. And for flats, sir?
- Ashok Panda:** For flat, it is INR1,400.
- Ritesh Shah:** And for longs?
- Ashok Panda:** INR1,500.
- Moderator:** The next question is from the line of Parthiv Jhonsa from Anand Rathi. Please go ahead.
- Parthiv Jhonsa:** So my first question is pertaining to your debt levels. Now considering that you are in one of the best state of balance sheet after many, many years. And you just indicated that next year, rather in '27, your capex is INR15,000 crores, and eventually going to INR20,000 crores, INR22,000 crores over next couple of years.
- Considering your cash flows are at similar levels, would it mean that you'll be funding a lot of these capex? Apart from internal accrual, majority of the capex would come in through debt basically over the next couple of years?
- Ashok Panda:** Yes. Let me tell you that. Actually, we're trying to ramp up our steel production as well as sales. And on the face of a good market, we will try to improve our profitability. We'll have focus on cost reduction as well. So going forward, in '26-'27, the capex guidance is INR15,000 crores, suppose it happens, INR14,000 crores, INR15,000 crores, we will see how to meet it from the internal accruals, because that is our personal target.
- So that means in other words, actually, we will try to improve our profitability to a level in which the cash flows will be better, means the profitability plus depreciation will give us a cash flow, which probably will be able to take care of this year's capex to a large extent. But going forward, the same level of profitability we are trying to maintain. And beyond that, the incremental will come from the long-term loans, borrowings.
- Parthiv Jhonsa:** Okay. But you're considering the cash flows sustain at the current level with the same kind of steel prices, right? If by any chance, the steel prices go down, maybe in the next couple of quarters or a couple of years down the line, then I think your balance sheet would have to -- you might have to borrow higher quantum, right, at the end of the day?
- Ashok Panda:** So that what I'm telling actually. We are trying to increase our profitability on an average over the years, because during the year, in different quarters, steel prices travel differently. And it is



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not only a journey of steel price, it is a journey of steel price as well as coal price. And on the top of that, our own operational efficiencies.

We'll be focusing more on operational efficiency as well as on the special steel component, so that we will ramp up our kind of profitability as well. So this profitability on an average over the year, over various quarters in the year, should remain at a high level, by which we can fund our capex through internal accruals. This is our expectation in this year, and we are working towards that.

Parthiv Jhonsa:

Okay. So my second question is pertaining to your guidance, what you have basically given at 22 million tons, 22.5 million tons. Theoretically speaking, you are at a 21.5 million ton kind of installed capacity. Even if you take a couple of million tons of debottlenecking, the capacity utilization will be over 90%, 95%, which is practically unheard of in the industry. How do you basically justify that at 21.5 million tons or maybe 22.5 million tons, you're going to do over 100% kind of utilization when theoretically, it's not possible.

Ashok Panda:

See, actually, in steel making and iron making, actually, theoretical calculations do not hold good. This is what we have experienced over a period of time. By giving better enablers and raw materials, the blast furnace productivity levels, they go much beyond their DPR capacities. If DPR said it is 2.3, they can easily go to 3 for productivity. This is what is happening with us, with JSW, with Tata Steel and everybody.

So there is per se no theoretical capacity for a blast furnace or Steel Melt Shop. It is only enablers and the raw material and the practices which we improve, by which we can easily go beyond 100%. And we have already seen in the past and more of such things will be exhibited going forward in the future.

Parthiv Jhonsa:

Okay, sir. And any threshold limit for the net debt-to-equity or leverage, if you can give?

Ashok Panda:

Our net debt to equity right now is around 0.33, how much? Right now it is 0.37. And as you said, in this year, we are trying to improve our profitability by various actions and debt level should not increase in this year. This is what we are looking at. So if that is so, then 0.37 will further come down in '26-'27, if that happens. So that it will give a good room for huge capex going forward.

Moderator:

The next question is from the line of Rajesh Majumdar from 360 One Capital. Please go ahead.

Rajesh Majumdar:

Sir, my first question was on the sharp reduction in debt in this quarter, which has been achieved on account of some liquidation of inventories. So looking at this sharp rise in steel prices and the forthcoming monsoon season, do we anticipate that there will be some inventory buildup, which will lead to, again, working capital rising a little bit in the coming months?

Ashok Panda:

Yes. What we are looking at actually, we are personally looking at no increase in inventory during quarter 1, but that is a wish list. It again depends on the market conditions and

geopolitical situations. We are looking at zero-zero in quarter 1. I mean, let's look at that. Let's see how it works out. So after quarter 1, quarter 2 becomes a little sluggish. And again, it will start picking up from quarter 3 onwards.

So quarter 3 and quarter 4 will have good amount of inventory reduction. So quarter 2 will be quite challenging as compared to quarter 1. We are making our strategies towards that to see how less increase of inventory can take place during quarter 1 and mostly in quarter 2, so that all of that can be taken care of in quarter 3 and quarter 4, and we will attempt at further reduction in inventory.

Rajesh Majumdar:

Right, sir. And sir, my second question is on the stainless steel setup we have. They are still bleeding and we don't have any plans of expansion. So do we have any plans on selling -- what do you want to do with this asset?

Ashok Panda:

Yes. So far as Salem is concerned, the bleeding, as you're correct, but we are trying -- we have got a plan to reduce the bleeding and improve the EBITDA levels over there. So there, the main concern is the operational efficiency in the CR mill. So in CR mill, where the yield right now is only 84%, 83%, we are trying to increase it to 90%. We have taken a couple of other actions like replacing LPG with PNG, which has given quite good benefit.

And we are trying to replace costlier power with cheaper sources also. That is number three. Thereby the cost of production will go down. Number 4 is we are trying to ramp up the production of the mills, because the mills have the spare capacities, CR mill and SR mill, they have got the spare capacity as compared to SMS.

So we'll be feeding stainless steel slabs from imported sources to increase their production. So the management guidance is to increase the production from Salem Steel Plant, whereby the losses will come down and more availability of stainless steel within the market. Once that happens, then we'll have a look at further expansion over there, if it is feasible.

Rajesh Majumdar:

And BISL?

Ashok Panda:

BISL, right now, it is in that list of disinvestment. So we are looking at getting a comfort from the government. After that, we'll have some plan for specialty steel.

Moderator:

Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over back to Mr. Ashish Kejriwal for his closing comments. Thank you, and over to you.

Ashish Kejriwal:

Yes. Thank you, Michelle. Thank you, everyone. Sir, quickly last question for me. Two things, because the kind of price increase which we have seen until April, and you mentioned that May was more or less, you can say, rollover from April.



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So by looking at the current prices, do you think that there is a possibility of some kind of demand slowdown or buyers are resisting the price hikes? As well as the way government capex has been there in fourth quarter, do you think that there could be a possibility of some slowdown in that, especially in the environment on the back of this Middle East crisis? That's one.

And secondly, in terms of cost, you have mentioned about the cost increase of coking coal in first quarter. But overall cost guidance, if you can help us what kind of cost increase you are witnessing in first quarter versus fourth quarter, that will be helpful. Thank you.

Ashok Panda:

Yes. So let me give my explanations. First one is demand. Generally, demand remains muted in quarter 1 and quarter 2, as all of us have seen, on the back of more sales in quarter 4. So there are events of destocking in quarter 1, which is taking place and this time also it is there.

So price levels are almost the same level because internationally, the prices are going up, and dollar versus rupee also, rupee is depreciating. So landed cost is remaining pretty on the higher side. So far as flat products are concerned, we have a safeguard duty in place also. That is why blended cost of imported goods is less. That's the reason why imports are not taking place in that great number.

But demand is a little muted. It remains in those ranges in quarter 1 and quarter 2. But after that, again, it starts picking up. So that is on the demand front. On the cost front, as we have told that the imported coal rates have increased. So in April, around say how much, say, average of quarter 4 is somewhere around INR19,500. And right now, it is INR21,500.

So you can say around INR2,000 increase in quarter 1 as compared to quarter 4. So when it is INR2,000 increase, that means its impact on the cost of production will be somewhere around INR1,400 to INR1,500 if you look at cold, hot, and the blend with indigenous coal, etcetera, put together.

So you can say that the cost impact will be around INR1,400 to INR1,500 per ton. So that will be the impact in quarter 1 from there, but the NSR, the sales price levels are supporting this. And on the top of that, we'll have to increase our sales volumes, so that inventory reduction will be there and it will give us working capital comfort.

Ashish Kejriwal:

Great, sir. Thank you so much. And I would request you for our closing remarks then.

Ashok Panda:

Yes. Thank you very much. Thank you for your patient hearing as well as Q&A session. The domestic market has remained fairly stable despite challenging scenario outside. As the company continues to take actions on efficiency improvement and cost reduction front, we are hopeful of delivering even better results and value addition for all our stakeholders going forward.



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Also, the company remains committed towards sustainable performance, including emphasis on decarbonization, improving capacity utilization, value addition, and achieving cost competitiveness in this year and in future. I thank all our investors for their reposing faith in us, and I'm hopeful that the same will continue in future as well. Thank you very much.

Moderator:

Thank you, sir. Thank you, members of the management. On behalf of Nuvama Institutional Equities, that concludes this conference. We thank you for joining us, and you may disconnect your lines now. Thank you.