सेल SAIL

CA-17(44)/2025-26

6th February, 2026

The General Manager (MO) Bombay Stock Exchange Through BSE Listing Centre	The Asstt. Vice President National Stock Exchange of India Ltd. Through NEAPS

Sub: Transcript of conference call held with Analysts & Investors on 2nd February, 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)/2025-26 dated 2nd February, 2026, intimating the link to the Audio Recording of the Conference Call held on 2nd February, 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

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SAIL PAN No. AAACS7062F SAIL Corporate Identity Number : L27109DL1973GOI006454

"Steel Authority of India Limited Q3 FY26 Earnings Conference Call"

February 02, 2026

MANAGEMENT:	**MR. ASHOK PANDA – DIRECTOR (FINANCE), STEEL AUTHORITY OF INDIA LIMITED**
MODERATOR:	**MR. ASHISH KEJRIWAL – NUVAMA INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Steel Authority of India Q3 FY26 Earnings Conference call hosted by Nuvama Institutional Equities.

As a reminder, all participants' 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 call, please signal an operator by pressing '*' then '0' on your touchtone phone.

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

Ashish Kejriwal: Thank you, Reyo. Good afternoon, everyone. Once again, we welcome you all for Q3 FY26 Post-Result Concall of Steel Authority of India. We are pleased to host Dr. Ashok Panda – Director (Finance), who is along with his team.

Now, I would request Mr. Panda for his opening remarks and thereafter, we will open the floor for Q&A. Over to you, sir.

Ashok Panda: Thank you, Mr. Ashish Kejriwal. Good morning, everyone. I welcome all our investors and analysts who are joining this result concall for the financial results of SAIL for the Quarter Q3 and nine-monthly FY25-26.

Before we move to Q&A session, let me brief you on the results for the period. In the economic scenario front, beginning with global economic scenario, the certainties and volatilities are almost stabilizing right now, as it seems. Global inflation has also been largely steady as of now. The projections for GDP has improved in line with the same for economies individually as well as the regional as well as global averages. Global growth is projected to remain resilient at 3.3% in 2026 and expected to be 3.2% in 2027, rates similar to estimated 3.3% outturn in 2025. The forecast marks a small upward revision for 2026 from the present levels.

The projections for India have also been revised upwards to 6.4%, from 6.4% to 7.3% by various agencies. So, it seems the economy is going to grow at a better rate. So far as global steel industry is concerned, the landscape for the global steel industry is influenced by economic trends, trade policies and technological advancements. Of late, it has seen positive movement in the demand and cost push in the prices, primarily because of increasing coal price as of now.

In the Indian steel industry front, Indian steel industry continues to enjoy robust demand for steel, with consumption during nine-monthly FY25-26 grown by almost 7% over CPLY. The growth in production of crude steel has been still higher, at around 9.5% during the same period. This has led to India again becoming a net exporter, as exports grew by around 33% to stand at 4.8 million tonnes, vis-à-vis imports, which has reduced by about 37% to stand at 4.65 million tonnes this time. When we compare to last year, the scenario is totally different, because this time the exports have been much more than the imports, and of course the safeguard duty also is playing a role in this. We can find that there is some sort of stability in the domestic markets from December onwards.

We will now discuss about the company performance of sale for Q3 and nine-monthly FY25-26:

Coming to the performance of the company during nine-monthly FY25-26, the highlights are as follows:

Crude steel production grew by 2% from 14.08 to 14.35 million tonnes, whereas saleable steel has grown by around 4%-5%. Sales volume grew by 16.3% for the company and we have started outreaching to the retail as well as other consumers, and because of this huge growth in sales volume in nine-monthly, it has resulted in an inventory reduction by a good number, as well as reduction in borrowings.

Revenue increased by 9% from Rs 73,152 crores to Rs 79,997 crores, broadly in line with the growth in the volume. And PAT increased by 60% in nine-monthly of this year as compared to CPLY last year. It is highlighting operational efficiency, liquidation of inventory due to sales growth, and cost optimisation as well as good treasury management. So, in other words, we can say it is due to better financial prudence.

Reduction in debt is close to Rs 5,000 crores in nine-monthly, and in January alone, we have again reduced by around Rs 2,000 crores, and momentum continues for February as well as March.

Going forward, as the monsoon season and festive seasons are already over, we hope that the market will see an uptick in terms of pricing in Quarter 4. As the coal prices continue to remain range-bound, in fact, a little on the higher side, and the market support is also there, so the margins will remain good in Quarter 4, this is what we are expecting. So, Quarter 4 again, there will be a better growth for sale.

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

Moderator: The first question is from Amit Lahoti from Emkay

Amit Lahoti: In the 1st Quarter of FY26, we took Rs. 1,000 crore of inventory write-off due to falling coking coal prices. And now that prices have gone up, was there any gain in Q3? And then how much it could be in Q4 at the current prices? That's my first question.

Ashok Panda: Answer to this question is that actually in the 1st Quarter, as you said correctly, it was close to Rs. 1,000 crores of impact in the stock valuation rate on P&L account. In Quarter 2, it was not much. In Quarter 3, we had a positive and that could be somewhere around a maximum Rs. 100 crores. In Quarter 4, because the coal prices are on the rise, we expect that the cost of production is going to go up in Quarter 4. So, we have not yet estimated, but yes, it will have a good positive impact on the profitability as well as the margins, so to say.

Amit Lahoti: Any broad number at the current prices, how much that could be?

Ashok Panda: We can't exactly say primarily because the coal price is increasing, but now it is a little bit stable at $251. But at the same time, production level is also increasing. So, they will nullify it to some extent. But even then, we believe there will be an upward positive impact on the profitability. The numbers, anybody could guess, could be around 200, 300, 400, but that we cannot say as of now. But obviously, it will be a positive one, based on our guess.

Amit Lahoti: My second question on the expansion plans, as we have a sizable cost disadvantage compared to our peers to start with on the margins and cost, how much it could narrow once we start getting in the incremental volumes from expansion projects, particularly IISCO, which is coming like two years from now? How to think about that?

Ashok Panda: As far as IISCO is concerned, actually, we have a project over there which is around Rs. 36,000 crores estimated. And most of the major packages have been already ordered out. So, the ground activities have already started. They are going to finish in three years' time. That is the timeline. And we believe after we get that, then the production volume as well as the margin which will come from there will really bolster our profitability to a greater extent. And for that matter, to accommodate those borrowings, we have already reduced our working capital borrowing quite a lot. As I already told, we are keeping a margin to accommodate for the expansion CAPEX.

Amit Lahoti: Is it possible to quantify that number either in terms of, say, EBITDA per ton or cost per ton? How much it could benefit once it comes in?

Ashok Panda: See, those will be new facilities. So, right now, our EBITDA per ton is, I think, just one second. Right now, we are hovering around Rs. 6,000 to Rs. 7,000 right now. So, Quarter 4 will be better than that. And we believe that ISP expansion, once expansion is over in time, then the numbers will be more than Rs. 10,000 per ton from ISP expansion.

Amit Lahoti: As a follow-up to this, is there any revised CAPEX guidance for FY26 and FY27?

Ashok Panda: The CAPEX guidance for FY 26-27 is Rs. 15,000 crores.

Amit Lahoti: Rs. 15,000 crores for FY27?

Ashok Panda: For FY26-27. Because, actually, some of the CAPEX payments towards ISP expansion, IISCO expansion will be there, actually, next year.

Moderator: The next question is from Pinakin Parekh from HSBC.

Pinakin Parekh: My first question is, can you quantify the price increases that you have taken in December and January across flat and long products?

Ashok Panda: You are talking about January or December?

Pinakin Parekh: December and January, total.

Ashok Panda: Actually, the market started improving from middle of December. Till November, it was subdued, kind of. September-October numbers were quite subdued situation. So, towards the end of December, it started increasing. Market started improving and started increasing prices in long as well as flat. So, in December, when we look at it, the actual impact, increase of the prices got reflected in January, did not get reflected in December, either for long or for flat. So, the real increase of around, say, Rs. 2,000 to Rs. 2,500 was reflected in January in long and around, say, Rs. 3,300 to Rs. 3,500 in flat in January so far as sales price is concerned. But the actual increases happened during the month of June in 2-3 tranches. So, all of that will get reflected in February. So, that means in February, the real increase in sales price will be quite encouraging. And primarily because the coal price also is having upward journey. So, that's the reason why it will be price increase in domestic market.

Pinakin Parekh: Now, what we understand is that the price increases at the trade level in India have been much larger, but the company level price increases have been lagging so far. So, do you expect further price hikes at the company level in February and March?

Ashok Panda: That's what I am saying, actually. In the month of January, because the price increase took place in 2 or 3 tranches during the month. So, all of that could not be reflected because it got averaged out in the sales price of January. So, that is getting spilled over to the next month. Means in February, actually, you will find a good jump in sales price. And at the same time, I am telling you that actually the coal price also there is a good jump. So, kind of, they are going in the same, in tandem.

Pinakin Parekh: What is the coking coal cost increase that you see in the 4th Quarter? Because spot prices have surged to $250, average $184 in 3Q. So, what kind of cost increase should we see?

Ashok Panda: When we talk about imported coal price, like in January, the average imported coal price is Rs.18,500 and which is expected to increase by Rs.1,200 in February, which is Rs.19,700. And this is because of the weighted average arrivals and the stock quantities and all that. But otherwise, as you said correctly, the index has gone up to $251 per ton. It was hovering around $190, $185, $190. So, in February, we are expecting around Rs.1,200 increase in consumption rate will be there. And in March, there could be an increase of another Rs.1,000 over and above this. And we don't know whether it will further increase beyond Rs.251 or it will then taper down. I personally feel that actually it should not increase much. It will stabilize and after that, after the situation improves in Australia, probably it will taper down.

Pinakin Parekh: My last question is that if you look at the sales volume that you quoted, steel sales volume, how much was NMDC volumes in this and what would be the margins in that?

Ashok Panda: NMDC volume. Total sales volume is 14.6 million tons and NSL is almost 1 million tons.

Pinakin Parekh: Out of that, NMDC is 1 million tons.

Ashok Panda: Yes, NSL is 1 million tons.

Pinakin Parekh: The margins on that steel sales would broadly be the same as what you are seeing at your operating company. They are higher, lower. I mean, how long will this arrangement continue?

Ashok Panda: See, this pricing is exactly as per SAIL, Steel Authority of India Limited. So, we are targeting the products mostly in the South market. So, that is going exactly in line with our own products. So, there is no difference in their pricing compared to the pricing of SAIL so far as the quantities that we are handling. There are some quantities which they are handling. We can't comment on that. So, this is at par with SAIL products in whichever market it is going.

Pinakin Parekh: And the pricing is the same, but what about the cost, sir?

Ashok Panda: It is kind of an arrangement between NSL and SAIL. So, the delta, we can't exactly say right now. I have to check it out. But mostly, we are maintaining a price parity in the market without any disadvantage to SAIL or NSL. So, it is to an advantage to SAIL as well as NSL as well as to the marketplace.

Moderator: Next question is from Vikas Singh from ICICI Securities.

Vikas Singh: My first question pertains to our employee cost, which has surprisingly gone down on sequential basis. So, first thing, what is the main reason? Secondly, how should we look at the employee cost going ahead in the next year since there is a mandatory wage revision would be coming in?

Ashok Panda: Actually, salary wages would be around 11.5% right now. So, as compared to last year, it is almost at the same level if you look at last year. You are talking about Quarter 3 or what?

Vikas Singh: Sequential was a decline.

Ashok Panda: No, it is almost at the same level because I am finding that whether it is Quarter 3 to Quarter 3 or even if you look at Quarter 2 to Quarter 3, then there is a reduction that is just an adjustment of the actuary and all that. So, that is a different thing. But broadly, if you look at 9M to 9M, both are remaining almost at the same level of 3100 crores. Last year also, 9M was 5943 and now it is 6080, broadly at the same level.

Vikas Singh: I was looking at the 3Q. If you look at the last quarter was 2939 crore. So, it has come down almost 100 crore basically on a sequential basis. So, what was the actual valuation difference which had not come this quarter or there was a reversal or provision if you could give me that number?

Ashok Panda: There are two reasons for it. One is actuary which is depending on the discounting factor. That is a different thing and factor is increasing. The other thing is basically the gratuity component. As you can see that in H1 we have taken a hit because of that 25 lakhs. After achieving 50% in IDA, then it was increased to 25 lakhs. So, that was the reason why actually Q2 was appearing to be on the higher side and also the discounting rate is increasing. So, all put together in Q3 we are finding that it is appearing to be little less than that and the same thing will continue in Quarter 4 as well. Now coming to your other question of salary revision that will happen from 2027-2028 onwards. It is not from 2026 to 2027 just to clarify because it will be applicable from 1st January 2027. So, most of that impact will come in 2027-28. At the same time as you are finding we are having around 50,000 number of employees on our rolls right now who are legacy people. So, every year there is a hefty reduction in the manpower. So, on the whole because of manpower reduction the cost is going to go down and because of the salary revision which we do not know how much it will be. It will be calculated based on the guidelines. Guidelines are not there in position right now. So, we will see there will be plus and minus both the sides. So, there will be some net impact maybe but that will come in 2027-28, not now.

Vikas Singh: My second question pertains to our product mix. Since we have already reached at least the production volume peak out has happened, is there any scope for us to enrich our product mix, bring down the semis for the next year and bring up the EBITDA pattern or the demand of these products are such a way that this would be difficult to do. So, if you could give us some thought process on the commissioning side on this.

Ashok Panda: Before I give the number, let me tell you the context, is that we have been trying to reduce the semis as much as possible. One is by increasing our own production. And right now, semis percentage is 10%. If you compare the previous years it is less because our focus is on having finished products more than the semis by taking 3-4 prompt actions. One is in the mills we are trying to increase the production as much as possible by having more availability, better availability of the mills, better care regarding the equipment, etc. Number two, we are having conversion contracts in place as well. We are maximizing that. So, through these two things actually we are trying to have more finished products in the market compared to the semis. So, the semis percentage has been coming down gradually. And number two, at Durgapur Steel Plant we have started one project which is 1-million-ton TMT bar mill. So, that will come up maybe 2 years from now. Already ground activity started. Once that comes up you will find that semis will be almost very close to zero percentage at that point of time. So, it is only a matter of time that we will see that semis will be zero.

Vikas Singh: And by when this could be possible.

Ashok Panda: It will take around 2 years' time from now. It will take 18 months' time. Ground work is already started. So, if we are end of 2025-26 right now, 18 to 24 months is the timeline. You can say 18 months' timeline for that. For completion of project activities and after that stabilization and commissioning those things will be there.

Vikas Singh: One last question about the news on the accident at the plant during 3Q. So, wanted to understand had this anything spilled over to 1Q as well or overall production wise, etc., there was no loss? Basically, because we are having this kind of incident every year. So, any plan how to control this?

Ashok Panda: If you are talking about the incident of Bhilai Steel Plant SMS because you are not specific on that. Are you asking about that question?

Vikas Singh: One incident happened in Bokaro and then just recently in Bhilai within a span of 4 months there were 2 incidents. So, I want more understand about the recent Bhilai which could have impacted the 4Q performance.

Ashok Panda: Let me address these 2 questions. One is the Bokaro which we also discussed during H1, and one is the Bhilai which happened right now. So, far as Bokaro is concerned actually that is already sorted out. It impacted us in Quarter 2 greatly and now the SMS both the converters in SMS, Steel Melting Shop, so they are in full gear, and they are producing at almost 100% target levels. So, there SMS is alright because of which blast furnace they did not have any problem. So, blast furnace is picked up, hot metal is picked up, cold steel is picked up. They are almost operating at 98% to 100% capacity right now. That is a story regarding Bokaro and they will go like this in Quarter 4 and going forward also like that because we have taken certain actions that in future such tube leakages can be avoided in the converters because we got the spare parts and all that. Now, so far as the Bhilai SMS is concerned again it is back on rail. In Bhilai SMS the converter which had the vessel changed, after that actually there is a bit of problem because of which spillover of metal had taken place, and it had burnt the electrical cables. And it was down for around 15-20 days. Now, it has come back. So, the production at Bhilai Steel Plant has again picked up to its normal level of around 18,000 to 18,500 tons per day of hot metal. So, it had impacted us around 15 days to some extent. Around 2000 tons per day was the impact in physical terms for around 15 to 16 days. Now, it is completely alright and in future also in Quarter 4 it is not going to have any problem. So, all our 5 ISPs are full blast right now. They are producing at the highest levels, and this trend will continue for Quarter 4.

Moderator: The next question is from Pallav Agarwal from Antique Stock Broking.

Pallav Agarwal: First question was on the EBITDA bridge in your presentation from 2Q to 3Q. There, one of the negative things has been shown as the volume impact. But I thought we had an increase in volumes compared to on a sequential basis. Any reason for that negative impact due to volume?

Ashok Panda: Between Quarter 2 to Quarter 3. That's primarily because of the reduction in production of saleable steel. Even if there is improvement in hot metal and cold steel to some extent, but saleable steel came down because of the reason that actually in the previous quarters at RSP, New Hot Strip Mill has more capacity. So, they were producing more by taking slabs from the excessive stock of Bokaro Steel Plant. So, right now because in Bokaro Hot Strip Mill has picked up and everywhere it has picked up, so, in-process stock has come down at Bokaro Steel Plant. That is the reason why actually at RSP, the saleable steel level remained low. So, that was the primary reason for reduction in saleable steel volume in Quarter 3 compared to Quarter 2. In Quarter 4, all the 5 plants, they have already increased their production because all the capital and everything is over. So, all the mills are in full blast. Blast furnace as well as SMS, they are at 100% level or more than 100% level. So, availability of slabs for Rourkela Steel Plant to meet more requirement, the higher requirement of SSM 2 will be there. Will be sourcing slabs from Bokaro as well as Bhilai to Rourkela to have that delta production at SSM 2 at Rourkela Steel Plant. So, that was the reason.

Pallav Agarwal: So, primarily it is because of lower saleable steel production, not the sales volume.

Ashok Panda: Yes. As you can see, sales volumes have picked up like anything. Despite having bad market, it was around 16% growth in 9 monthly compared to previous year.

Pallav Agarwal: The other thing, the same thing, input price cost, there is a positive number. I thought coking coal cost would have gone up sequentially. So, could you just clarify that as well?

Ashok Panda: Coking coal cost actually went up after December. After December and it is also having a savings of the power cost in that. Coking coal partly and mostly because of the power cost. Because we are trying to reduce our power cost by sourcing it from RE power sources. So, we have taken certain actions in different plant units and that has given rise to some savings.

Pallav Agarwal: So, this should be structural saving going in?

Ashok Panda: Yes, this will be structural. It is a part of that and we will further improve. We are working on that. It is a requirement as well. RE power is a requirement for us. As well as by going for RE power, we are getting also price advantage in certain cases.

Pallav Agarwal: Also, the NSL volumes you mentioned for the 9 months, could you also give us the 3rd Quarter volumes?

Ashok Panda: 0.37 million tons, Quarter 3.

Moderator: Next question is from Rashi Chopra from Citigroup.

Rashi Chopra: On your realization, what was the exact change in realization sequentially, NSR from 2Q to 3Q?

Ashok Panda: In Q2, if you look at average NSR, in average NSR, there is a drop. In Q2, it was 48,836. But in Q3, it was 47,735. But if you compare between long and flat, in long, it has increased from 48,885 to 49,021. In flat, it dropped from 48,790 to 46,580. So, there was a drop in NSR in flat as compared to long. So, average NSR also, there was a bit of drop.

Rashi Chopra: Then, on the coking coal cost, you mentioned that the Jan cost was Rs.18,500. I assume this is your blended coking cost, right?

Ashok Panda: That is actually average. Yes, you are correct.

Rashi Chopra: What was that number in the 3rd Quarter?

Ashok Panda: 3rd Quarter number was Rs.18,351.

Rashi Chopra: On the CAPEX, you mentioned that in FY27, the CAPEX was going to be Rs.15,000 crores. For this full year, FY26, what is the CAPEX going to be?

Ashok Panda: For the full year, initial guidance was Rs.7,500 and then final guidance is Rs.10,000 crores. It will be anything between these two.

Rashi Chopra: And how much has been spent in the 9 months?

Ashok Panda: 9-monthly figure was Rs.5,428 crores.

Rashi Chopra: On the volumes, what are you targeting for this year and next year?

Ashok Panda: This year if you see, April to December, hot metal volume is 15.14 million tonnes. And year ending figure of hot metal could be around 20.5 or something like that. Close to 21 million tonnes. So next year, we are targeting 22.5 million tonnes of hot metal.

Rashi Chopra: And on the sales side?

Ashok Panda: Sales volumes are on the higher side. So, if my total sales volume in 9-monthly is 14.6 million tonnes, so it is going beyond the production levels, and we are reducing our inventory. Our inventory levels have come down. In 9-monthly, if you look at, our inventory levels are down by around 0.3 million tonnes as compared to starting of the year. Both in in-process as well as saleable steel put together. So further reduction will be there. So going by this, we will be able to achieve a sales volume around 19.5 year ending which will be more than the production.

Moderator: Next question is from Sumangal Nevatia from Kotak Securities.

Sumangal Nevatia: First question is, I want to understand at the EBITDA level is there any contribution from this arrangement of NMDC volumes, NSL?

Ashok Panda: Let me tell you actually, as I have always told in case of NSL products, it is beneficial to NSL to SAIL as well as to the market players. So that is purely based on the arrangements we have made. But mostly, as I told you, it is just keeping a parity of the pricing strategies of SAIL in various regions. We are concentrating mostly on the south. We have concentrated mostly on the south so far as 9-monthly is concerned, the quantities have already been told. So, there are positive margins. However, the margins are small. It's not very high. But it has given a market stability. So, all three fronts, people have benefited out of this.

Sumangal Nevatia: So, this year when we are seeing about 16% growth, I mean ex of NSL, it's around 7%-8%. So, the guidance ex of NSL would be 18.5 million ton volumes for this year?

Ashok Panda: For this year, yes you are correct.

Sumangal Nevatia: But 1 million is already done in the 9 months, right?

Ashok Panda: 1 million is already done. And in Quarter 4, much of quantity may not come. So, in a way, if we try to end up at 19.5 sales figure, so our own figure could be somewhere around 18.5 or something like that.

Sumangal Nevatia: And in absence of new capacity, where can this 18.5 go in, say, next two years, 2027 and 2028?

Ashok Panda: Let me address this question for 2026-2027 first. While in this year, in 2025-2026, we were trying to finish hot metal at 20.5 million tons to 21 million tons. We are targeting 22.5 for 2026-2027. That means you can say around 21 million tons of saleable steel in 2026-2027. And then we can have further growth in 2027-2028. Once we achieve this particular growth, then we will have further growth in 2027-2028. So, you can say in 2027-2028, it could be 23 million tons of hot metal and 21.5 million tons of saleable steel. And after that, we will see that ISP modernization will be there.

Sumangal Nevatia: This is ex of NSL or including NSL is 1 million tons?

Ashok Panda: This is ex of NSL.

Sumangal Nevatia: Next year, CAPEX is substantially increased. I think earlier it was around 10,000. Now we are talking about 15,000. So, can you give a breakup? And in this IISCO expansion, how much are we spending and what is the time frame for the expenditure for the next 2-3 years?

Ashok Panda: IISCO expansion, CAPEX total will be around 36,000 crores. So, from 2026-2027, we will have major amount coming from IISCO. So IISCO amount could be maybe around 7,000 to 8,000 crores in case of IISCO so far as 2026-2027 is concerned. And after that, we can pick up. Means the peak figure will be in 2027-2028 and also, in 2028-2029 for IISCO.

Sumangal Nevatia: The completion could be towards the end of 2029 or maybe FY30 as well, right?

Ashok Panda: FY30, yes. Somewhere around FY30. End of 2029 or 2030 something like that.

Sumangal Nevatia: The coking coal cost which you shared, so the increase in February versus 3Q average is just around 7%-8%. Is that the right comparison? Because if you look at the Dollar price, it's gone up by more than 20%. So, have we got the numbers right? It is 19,700 versus some 18,000.

Ashok Panda: Which one you are talking about?

Sumangal Nevatia: The coal cost, sir.

Ashok Panda: Yes, coal cost.

Sumangal Nevatia: So average 3Q versus spot, can you explain us what is the increase?

Ashok Panda: The average 3Q actually, which we told, it is 18,351, that is basically because of the averaging of the stock out here as well as the supplies we are getting from time to time. But the spot prices have gone up. The spot price is $251, that is index price and based on that, actually we have 98%, 97%, etc., from different sources. So, these prices are getting reflected slowly and slowly, partly in February and partly in March. And also, the effect is going to come in April as well. As you know, there is a time lag of around 1.5 months to 2 months for these prices to get reflected in the consumption. And also, Dollar-Rupee parity is also impacting this.

Sumangal Nevatia: So, on consumption basis, what is the quarter-on-quarter increase? Can you explain that sir?

Ashok Panda: Because Quarter 2 was 18,158 and Quarter 3 is 18,351. There was not much of increase in Quarter 3. But in Quarter 4, you will find an increase of around Rs. 1,500 over Quarter 3. This is what I am getting.

Moderator: The next question is from Tushar Chaudhari from Prabhudas Lilladher.

Tushar Chaudhari: Last quarter we sold around Rs. 1,140 crores of sale of scrap. How much was this quarter? Scrap and by-products.

Ashok Panda: Can you ask the next question before you take up the first question?

Tushar Chaudhari: So, CAPEX, you are saying Rs. 7,500 to Rs. 10,000 crores for FY26. And FY27, it will be Rs. 15,000 crores odd. Am I right on this?

Ashok Panda: You are right.

Tushar Chaudhari: There were some debottlenecking projects at DSP, RSP, BSP, which you talked about earlier. Can you throw some light on how much CAPEX will do for them?

Ashok Panda: So far as RSP is concerned, they have already completed Caster No. 4, and the production is going to start now. It has already started over there. So, that part is over. So far as DSP is concerned, the debottlenecking downfield project has already started and that will take around 18 months to 20 months' time.

Tushar Chaudhari: Which you said the TMT mill.

Ashok Panda: TMT mill, yes. Which we said the TMT mill at the same time. After TMT mill also, we are starting one blast furnace over there. We will knock off one old blast furnace. We will start a new blast furnace. So, along with blast furnace, we have another converter, etc. So, beyond TMT mill, we have also approved another package for them. And which will also increase the overall capacity of Durgapur Steel Plant by 1 million tonnes. So, TMT is a mill which is 1 million tonnes and that activity has already started. It will be completed in another 18 months' time, and this will reduce the semis to zero. But after that, overall capacity of hot metal and cold steel will increase by 1 million tonnes through another debottlenecking activity in which we are going to put up one blast furnace, one converter and caster. And we will knock off the old one. Coming to your first question. Q2 was 1140, now it is 1279.

Tushar Chaudhari: How much is the finished steel inventory now?

Ashok Panda: Finished steel inventory sale as a whole is around 1.5 million tonnes and in-process inventory is 0.9 million tonnes. Together 2.4 million tonnes. As on 31st March, it was 2.7 million tonnes.

Moderator: We will take that as the last question. I would now like to hand the conference over to Mr. Ashish Kejriwal for closing comments.

Ashish Kejriwal: Thank you, sir. Just before closing, one question from me also. We are talking about 19.5 million tonnes of sales volume guidance for FY26 which means that in 9 months we have already done around 14.6. So, do you want to say that our 4th Quarter volume will be more or less lower than 3rd Quarter? Because 14.6 we have already done and we have done 5.15 in 3rd Quarter. So, how is the volume in 4th Quarter?

Ashok Panda: 14.5 is already done in 9M. And our Q4 volumes will be more than that of Q3. Only thing is that actually in case of NSL, we may not take much of a volume from NSL. That's the only consideration. We want to sell as compared to the other ones. So, the NSL numbers may be less in Quarter 4 as compared to 9M. That's the reason.

Ashish Kejriwal: But overall, do you think that we can do 5.5 million tonnes? Because if that happens, then total volume will cross 20 million tonnes.

Ashok Panda: Let's see. We are trying a lot. Because as you can see, in January also we had a stock reduction of around 0.3 million tonnes. And February and March, I am expecting optimistically 0.3-0.3 million tonnes. So, that's the reason we will make an endeavour towards that.

Ashish Kejriwal: Lastly, when you are talking about average price increase of around 3000 in tranches in January, so are you saying that we are going to increase further prices in February or it's because the average price in January will be lower than the spot price?

Ashok Panda: There is an upward movement in the market right now because of the coal prices. So, as you said correctly, the guidance is that it will be upward, even in March also.

Ashish Kejriwal: Thank you so much. Sir, any closing remarks from your side. We will then end the call. Thank you.

Ashok Panda: Thank you very much for the Q&A session. The second half of the financial year is always the best for steel industry. Things have already started looking up and we hope that the trend and momentum will continue. Meanwhile, steel demand is also significantly moving up and with the improvement on the efficiency front and cost control measures, it will improve the margins in the balance period of the year, that is, Quarter 4, despite the coal prices remaining high. And there will be a lot of inventory reduction in this Quarter 4, and borrowings will go down drastically. And because of the reduction in the borrowing so the interest cost is going down. As you know, in 9 monthly, our interest cost has come down by Rs. 500 crores. We expect that another 500 crores reduction in inventory will additionally happen in Quarter 4. So, overall, for the year, the interest cost reduction could be around Rs. 1000 crores. Also, the company remains committed towards sustainable performance including emphasis on decarbonization, improving capacity utilization, value addition, reducing semis, and achieving cost competitiveness. We are also trying to reduce the cost as well as improve the top line. And you will find that in this particular year, your top line, which was remaining almost at Rs. 1 lakh crores earlier, now it is going for a big number in this year. I thank all our investors for their reposing faith in Steel Authority of India Limited, and I am hopeful that the same shall continue in future as well. Thank you very much.

Moderator: Thank you very much. On behalf of Nuvama Institutional Equities, that concludes the conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.