



CA-17(44)/2024-25

17<sup>th</sup> February, 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 12<sup>th</sup> February, 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)/2024-25 dated 12<sup>th</sup> February, 2025, intimating the link to the Audio Recording of the Conference Call held on 12<sup>th</sup> February, 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's Q3 & 9M FY'25 Post-Result Conference Call"

**February 12, 2025**



**MANAGEMENT: SHRI PRAVEEN NIGAM, EXECUTIVE DIRECTOR, FINANCE,  
STEEL AUTHORITY OF INDIA**

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



*Steel Authority of India  
February 12, 2025*

**Moderator:** Ladies and gentlemen, good day and welcome to the Steel Authority of India Q3 FY25 Earnings Conference Call hosted by Nuvama Wealth Management Limited.

As a reminder, all participant lines will be in 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 from Nuvama Wealth Management Limited. Thank you and over to you, Sir.

**Ashish Kejriwal:** Thank you, Sejal. Good morning, everyone. On behalf of Nuvama Institutional Equities, we welcome you again on SAIL Q3 FY25 Post-Result Con Call.

We are delighted to have Executive Director – Finance Mr. Praveen Nigam along with his team. Now, I will request “Mr. Nigam for his Opening Remarks” and then we can open the floor for “Q&A.” Over to you, sir.

**Praveen Nigam:** Yes, thank you, Mr. Kejriwal. Good morning, everyone. I welcome all our investors and analysts who are joining this Result con-call for the Financial Result of SAIL for the period Q3 and 9M Financial Year ‘25.

Before I present the highlights of the result, I would like to briefly apprise the house about the global as well as the domestic economic scenario in which we are operating of late as these impact the result significantly.



*Steel Authority of India  
February 12, 2025*

After the presentation on the economic scenario and the result, we shall take up your queries in the Q&A session.

Now, as far as the world economic scenario is concerned, the current global economic landscape is characterized by moderate growth with the International Monetary Fund projecting a global GDP increase of 3.3% for both 2025 and 2026. This growth is, however, uneven across the regions, influenced by factors such as trade, policies, inflation rate and geopolitical tension. The projection for emerging and developing economy stand at similar level as of 2025 and 2026, that is at 4.2% to 4.3%.

On the other hand, the advanced economy sees a margin improvement in the projection for the two years that is 2025 and 2026 at 1.9% and 1.8% respectively compared to the estimate for the 2023 at 1.7%.

The announcement of 25% tariff on all steel and aluminum import into the US has raised concern among global producers about the potential retaliatory measure and impact on the global trade pattern.

The imposition of tariff by US has also led to increased volatility in the global market. While US steel market stock has surged in anticipation of gaining a competitive advantage, global producers are experiencing decline.

Additionally, concern about rising inflation and protectionist policies has emerged with varying impact depending upon countries and industries involved.

As far as the global steel industry is concerned, global steel industry is navigating a complex landscape influenced by economic trends, trade



*Steel Authority of India  
February 12, 2025*

policies and technological advancements. The global economic scenario in 2025 presents both challenges and opportunities for the steel industry. While certain regions may benefit from protective trade measures, the overall impact is complex with potential for increased cost, market volatility and shift in global trade dynamics. The World Steel Association forecasts a 0.9% decline in global steel demand for 2024, reaching 1,751 mt, modest recovery is anticipated in 2025 with the demand expected to increase by 1.2% to 1,772 mt. Meanwhile, the steel industry is increasingly focusing on sustainability and technological advancement. There is a growing emphasis on reducing carbon emission through innovative production method and adoption of renewable energy sources. The integration of artificial intelligence and automation is enhancing manufacturing processes, improving efficiency and reducing costs.

In Indian economy, the Indian economy has also been impacted on global cues with the advanced estimate for the GDP growth for Financial Year '25 being estimated at 6.4%, down from 8.2% achieved during financial year '24.

The Reserve Bank of India has reduced its repo rate by 25 basis points to 6.25%, marking the first rate cut in nearly five years. This decision aims to stimulate economic growth amid easing inflation, which is approaching the RBI's target of 4%. The RBI anticipates a growth rate of 6.7% in the fiscal year 2025-26, slightly higher than 6.4% estimated for the Current Fiscal Year.

India is, however, facing much better than its counterpart, bolstered by strengthening of policy framework and increasing demand.



*Steel Authority of India  
February 12, 2025*

The World Bank notes that India service export have remained robust, and the current account deficit is narrowing, indicating a strong external economic position. The Indian economy has countered the forces of inflation better than the other economies, thereby maintaining relative stability in the domestic market. Despite the projection for GDP growth rate in near future is coming down in the range of 6.5% to 6.7%, India continues to maintain its position as one of the fastest growing among the major economies.

Now, let me talk about the “Indian Steel Industry”:

India steel industry is experiencing significant growth, driven by robust domestic demand and strategic investment. Despite all challenges including the softening of the steel prices, Indian steel industry has consistently been growing in terms of production as well as consumption. During Financial Year '25, that is till January '25, crude steel production has grown by 4.5% over CPLY, at the same time, finished steel consumption has grown by 10.8% during the period over CPLY.

As per the World Steel Association, India has emerged as the strongest driver of demand for steel since 2021 and projected to grow at more than 8% during '25 and '26. Indian steel demand will continue to charge ahead, driven by continued growth in all steel using sectors and especially by continued strong growth in infrastructure investment.

The top line and the bottom line for Indian producers have been impacted as the prices declined consistently. We are hopeful that the prices have bottomed out and considering that we are now in the fourth quarter, which is traditionally the strongest for the steel industry, the industry is hopeful for better results in the coming quarter.



*Steel Authority of India  
February 12, 2025*

With the prices of imported coal also remaining in check, flat index for hard coking coal of Australian origin stands at USD188 per ton. The industry can also have a sigh of relief on the cost front.

The Indian steel industry is poised to continued growth, supported by strong domestic demand, strategic investment, however, addressing challenges such as import competition and environmental sustainability, will be crucial for maintaining this positive trajectory as far as your Company performance is concerned in the nine months period.

Coming to the performance of the Company during this nine-month period stand as below:

The crude steel production at 14.1 mt stood at similar level as compared to CPLY when it was 14.2 mt, at the same time, salable steel sales volume was at 12.5 for mt, was also in the similar range of the CPLY which was 12.46 mt.

The performance of the CMO, that is the Central Marketing Organization in the domestic market has been higher by 1.8% over CPLY, while the sales by the plant have also grown by 25.8% during the period over CPLY.

The export, however, have come down by 73.7% over CPLY. While the NSR declining by more than 6.5%, the turnover fell by 5.5% over CPLY and stands at 72,595 crores.

On the profitability front, the Company registered an EBITDA of 7,983 crores, profit before tax of 1,445 crores and PAT of 970 crores.



*Steel Authority of India  
February 12, 2025*

With the concern of rising borrowing, we are happy to share that the borrowings during the quarter have been reduced by 1,700 crores. Borrowing at the end of Q3 of Financial Year '25 stood at 33,097 crores as compared to 35,596 crores in Q2 of Financial Year '25. The borrowings as on date stand at 32,600 crores as against 30,593 crores which was at 31st March 2024.

As far as the sustenance and operational efficiency is concerned, in the area of operational efficiency, the Company has been making steady progress for reducing coal co-consumption, increasing the uses of CDI, bringing down the specific energy consumption and improving the blast furnace productivity.

SAIL is undertaking various drives towards decarbonization in three phases. With the first phase having brought down the specific CO2 emission by almost 20%, the Company is now gearing up to bring it down further by 12% to 2.19 per ton of crude steel by 2031. SAIL plant and units have entered into number of MoUs with the renowned suppliers, technology providers, etc., towards decarbonization drive.

Continuing with the drive towards improving the product mix, the proportion of semis in the sellable steel production stood at less than 14%. By engaging conversion services in and around the plant or demand sector, the percentage share of semis in sales has been even lower at 8%. Steps are being envisaged for further reduction in the proportion of semis in the product mix under the next phase of expansion.

Going forward, the boost from the various measures announced by the Government of India in the recent union budget like 1.5 lakh crores outlay in the infrastructure, extension of Jal Jeevan Mission up to 2028,





*Steel Authority of India  
February 12, 2025*

incentivization of power sector reform, creation of 1 lakh crore Urban Challenge Fund, creation of Maritime Development Fund of 25,000 crores, etc., augurs well for steel demand in the country. We are hopeful of realization and consequent margin will improve for the Company in the quarter to come as the overall outlook positive for sustained growth in the domestic consumption.

With these words, I hand it back to Mr. Kejriwal for the opening of the Q&A Session. I am sure you all have lots of queries on our performance.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press ‘\*’ and ‘1’ on their touchtone telephone. If you wish to remove yourself from the question queue, you may press ‘\*’ and ‘2’. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Ritesh Shah from Investec. Please go ahead.

**Ritesh Shah:**

Yes, hi, sir. Thanks for the opportunity. Sir, my first question is, what should we make of government's thinking of potential safeguard duties, import duties? We have heard a lot about it, but nothing has happened as yet. So, how are you looking at it? That's the first question. The second question is on the cascading royalty. I think the Supreme Court had given a deadline of 7th of Jan. It got pushed out to 7th of Feb. Is there specific update over there? That's the second question. And the third question, sir, if you could give your thoughts on Karnataka proposed access on which way it can actually go forward or can the centre put a tap on the extent of levy that the state government can potentially propose? These are the three questions. Thank you.



*Steel Authority of India  
February 12, 2025*

**Praveen Nigam:** As far as safeguard duty is concerned, as you are aware, that we have given all our input to the ministry, whatever was required and there was a demand of 25% of the safeguard duty. The issue is still pending with the finance ministry. We are also waiting for the outcome of the decision of the finance ministry. As of now, there is no such communication from ministry to us, which we can share. The only thing we can share is that we have given all the input which are required and now we are waiting for the decision of the ministry. As far as the royalty is concerned, that is based on the Supreme Court decision. We have our mines at three locations: Chhattisgarh, Jharkhand and Odisha. In Jharkhand, they have already levied a cess of Rs.100 per ton on the minerals, Odisha and Chhattisgarh have not yet come out with any such proposition. We are waiting. The moment something comes from the government, we will be in a position to update you. As far as Karnataka is concerned, see, we do not have any operation in Karnataka or any mines in Karnataka. So, that is not going to have any impact as far as SAIL is concerned.

**Ritesh Shah:** Sure. That's helpful. And sir, just a bookkeeping question. Sir, how did the flat and the long prices move from Q2 to Q3? And if you could highlight with the current spot prices also that will be quite useful? Thank you.

**Praveen Nigam:** Yes. As far as the long is concerned, from Q2 to Q3, Q2 it was around 52,000 which has increased in the Q3 to 53,400, you can say roughly 1,300 has increased as far as long is concerned from Q2 to Q3. Flat also was 49,000 which has come down to 46,800. You can say roughly Rs.2,000 per ton the prices has gone down. Overall, if you see that both flat and long, in Q2 it was around 50,500, which has come down to 49,700 or you can say roughly 800. So, there has been some decline because of the stress in the flat market. And as far as the future is concerned, yes, we



*Steel Authority of India  
February 12, 2025*

have a positive indication for the market, we are expecting that the prices will increase in the coming months, exact price we cannot declare right now because it is still in the consideration, but yes, there is a positive sentiment in the market particularly for the flat.

**Ritesh Shah:** Sure. Thank you so much. I will join back in the queue.

**Moderator:** Thank you. The next question is from the line of Amit Dixit from ICICI Securities. Please go ahead.

**Amit Dixit:** Yes, hi. Good morning, everyone, and thanks for the opportunity. Congratulations for good performance in a very challenging quarter. Three questions if I may from my side. The first one is on sales volume growth, which we saw at 16%-odd YoY in the quarter. Now, this quarter I understand was a period of very tepid consumption at least in December and none of your peers have shown this kind of growth. So, just wanted to understand the specific areas where we saw the demand in this particular quarter?

**Praveen Nigam:** You are talking in terms of volume?

**Amit Dixit:** Volume, yes. sales volume.

**Praveen Nigam:** Carry on. What is your next question?

**Amit Dixit:** The next question is essentially if I look at your plant wise EBIT, so Rourkela has turned around very well in this quarter and Bhilai if I exclude the rail price revision adjustment in last quarter has also turned around. So, just wanted to understand the drivers for that? The third one is on coal cost. If you could just let us know the coal cost that was there last



*Steel Authority of India  
February 12, 2025*

quarter and what you see it going in this quarter? These are the three questions from my side.

**Praveen Nigam:** Okay. So, I will start with your last question first, that is the coal cost. I will talk about the blend cost. The blend cost in last quarter was around 20,600, which has come down to 19,200. So, you can say overall there has been reduction as far the coal cost is concerned. That is mainly because of the reduction in the coal prices as far as the imported coal is concerned. What was the second question?

**Management:** Bhilai.

**Praveen Nigam:** Yes, as far as the performance is concerned, as you talked about Bhilai and Rourkela also, there has been consistent improvement as far as the techno-economic parameters are concerned. Apart from that, we have got as you know that referring the input prices. And input prices basically has let other than the techno-economic parameter for improvement in the performance. And your first question was regarding sales volume growth. So, last year in Q3, our total sales was 3.81 mt, which has increased to 4.43 mt in this particular quarter. So, there has been an increase in the volume. That is why the above performance has improved. And if you compare with the Q2 also, then also there has been a growth because in the Q2 it was 4.10 mt and in the Q3 of financial year '24-25 it was 4.143. We have also said in our opening remarks that the total improvement was around 16.3% as far as the volume is concerned.

**Amit Dixit:** No, sir. Wanted to understand the drivers behind that because we have not seen this kind of growth in your peer Company in this quarter. Which area... which sector did you see this demand traction?



*Steel Authority of India  
February 12, 2025*

**Praveen Nigam:** Mainly the increase in the consumer sector, that is infrastructure sector where the increase has happened. In fact, if you see that in the last quarter, the sales was on the lower side, which actually is now a substantial increase and the main is this consumer sector.

**Amit Dixit:** Okay. How is the coal cost expected to move in this Q4?

**Praveen Nigam:** Coal cost in Q4 is expected to come down further because the imported coal prices have further come down. Expected is that the imported coal will come down to roughly 19,000 you can say. So, there will be further reprices for coal is concerned.

**Amit Dixit:** So, you mentioned 19,200 as coal cost in this quarter and you are saying that -?

**Praveen Nigam:** Rs.19,200 was the blend cost. Now, if we say specific to imported coals, imported coals price in Q3 was 20,000 which we are expecting will come down by another 1,000 in Q4.

**Amit Dixit:** Okay. On a blended basis, we can expect another Rs.1,000 or -

**Praveen Nigam:** Roughly Rs.1,000.

**Amit Dixit:** Got it, sir. Thank you so much and all the best.

**Moderator:** Thank you. The next question is from the line of Sumangal from Kotak Securities. Please go ahead.

**Sumangal:** Hi, thank you for the chance. The first question is on the prices. So, you mentioned average was around 49,700 in 3Q. So, can you share in January what was the average price or blended price for us?



*Steel Authority of India  
February 12, 2025*

- Praveen Nigam:** Average blended price in January is 48,400 you can see.
- Sumangal:** Okay. So, it is around Rs.1,200 down versus 3Q average, right?
- Praveen Nigam:** Yes.
- Sumangal:** Understood. Sir, the next question is on the CAPEX. So, first, can you share what is the nine months CAPEX, full year guidance and FY26?
- Praveen Nigam:** Nine months CAPEX is around Rs.3,900 crores. As far as the expansion is concerned, as we have told in the last con call that Stage-I approval for the steel plant was given by the board. The process is on for forming of this order. Bokaro and Durgapur Stage-I approval has also been given by the board. So, now that is coal steel plant, Bokaro and Durgapur, we are in the process of forming of the cost. Once the cost is finalized, we will go for the Stage-II approval.
- Sumangal:** Understood. While we are working on this, what could be the CAPEX for FY26 because this we believe will be more from FY27 onwards, right?
- Praveen Nigam:** Yes, it will be in the range of 7,500 roughly you can say because the expansion CAPEX will also start happening in FY26.
- Sumangal:** And so these three plants put together, what is the capacity we are looking to add?
- Praveen Nigam:** So, it will be roughly 7.5 mt all the three plants together.
- Sumangal:** Okay, sir. Can you give us rough gross CAPEX, this 7, 8 million tons expansion will take, would it be around -?
- Praveen Nigam:** Yes, it will be in the range of around 55,000 to 56,000 crores.



*Steel Authority of India  
February 12, 2025*

- Sumangal:** Okay. And spread across how many years?
- Praveen Nigam:** This plan is for 2031 as we said in the previous con call also that our expansion which is going to come across sale, it will be happening by 2031.
- Sumangal:** Okay. But sir, that we believe was for 15 million tons, right, I mean this is only 7.5 mt.
- Praveen Nigam:** 15 mt. We are going for the phase wise expansion. In this Phase-III plant have already got the Stage-I approval. We are in the process of getting the Stage-I approval of the rest two plants also and the total expansion what we are expecting by 2031 is 15 mt. So, you can say this also will come that the production or the facility will become operational by 2031.
- Sumangal:** Understood. That's very clear. Sir, one question on the overall net debt. So, net-debt we were guiding for around 5,000, 6,000 crores of reduction this year. I think we started the year with 30,000 crores net debt. So, can you kind of share the latest thoughts on debt reduction by say fourth quarter end?
- Praveen Nigam:** As I told in my opening remarks also that as of now the total debt is around 32,600, which is slightly higher than what it was in 31st March 2024; it was around 30,500. In last con-call, we said the same thing that we are planning to reduce our debt and bring down to the level of 31st March 2024. As we have said that in the Q2 our total debt was around 35,000. This has already come down to 32,600 level and we are expecting that by the end of this particular financial year, our debt will be in the similar range as it was in 31st March 2024.



*Steel Authority of India  
February 12, 2025*

**Sumangal:** Understood. Understood. And lastly, sir, any guidance on the volume front for this year and next year?

**Praveen Nigam:** For next year, we are still in the process of finalizing our business plan. We cannot exactly comment. But this time it is around 18.5 mt crude steel.

**Sumangal:** Understood. Okay. Thank you so much. All the best, sir.

**Moderator:** Thank you. The next question is from the line of Mohit Bansali from Aryan Group. Please go ahead.

**Mohit Bansali:** Yes. Thanks for the opportunity. I want to know what the current inventory is and what is the value of that inventory?

**Praveen Nigam:** So, total inventory of finished and semi-finished goods is 2.98 mt and the value of this is around 12,000, 13,000 crores.

**Mohit Bansali:** Okay, sir. So, second question is regarding expansion or CAPEX. Since you are going for a very huge CAPEX, I just want to understand what is the peak debt level SAIL wants to maintain because already the debt is increasing without expansion since the last two years, your debt was around 13,000 at the end of March '22 as I see in the presentation, now, it has gone up to around 32,000, 33,000. So, without any major significant expansion, your debt is going up. So, when you go through this CAPEX, further, you will take the debt from the bank. That is what I think. So, do you have any picture about what is the peak level of debt SAIL is thinking about?

**Praveen Nigam:** First of all, let me answer your query that the debt has increased. You see, the debt increase was because of the abnormal increase in the imported coal prices which has cooled down substantially. So, going forward, you





*Steel Authority of India  
February 12, 2025*

can see there has been consistent reduction as far as the debt is concerned without any expansion which was in the range of 35,000 in the month of September, has already come down to 32,600. And as we told that, it will further come down by the end of this financial year and we will be maintaining at least that level of 31st March 2024 if not less. As far as the expansion is concerned, our projection is that it should remain 1:1. But at the peak sometimes it might go up to 1.2 but not beyond that whatever the projection we have made.

**Mohit Bansali:**

Okay, sir. Sir, this expansion, don't you think that first of all you should control your cost like your employee cost, your operational cost, even your net sales realization is not good as compared to private players, so don't you think that first you should improve overall your own performance, because right now your capacity is around 20 million crude steel that you are not able to produce because market is not that favorable, so don't you think first of all you should improve all your parameters and generate some good cash and then you should go for the expansion, sir?

**Praveen Nigam:**

As you see, one of the investors has asked a query what was the reason for a better performance as compared to a peer in the previous question, we said that we are in the process of improving our techno-economic parameters as there has been substantial improvements. So, that result will come, as far as the cost is concerned, the cost will further come down and will give benefit to us. Now, it's a continuous process, it's not that first we have to do this and then we go for the expansion. We are continuously focusing on improving our performance as far as the cost is concerned, improving our product mix, which will ultimately give benefit as far as the cash realization is concerned. We are expecting that going forward, the NSR will also strengthen, because we are expecting there will be some



*Steel Authority of India  
February 12, 2025*

relief from the government as far as the safeguard duty is concerned and the coal prices which are continuously coming down and maintaining a level of \$188 to \$190 per ton. So, this all will give generation of additional cash. So, we will be in a position to maintain a debt-equity ratio of 1:1 on an overall basis, and I think debt-equity ratio of 1:1 with the expansion of 15 mt is a quality good proposition.

**Mohit Bansali:** Okay, sir. Got it. Got it. Sir, third question is, are we going to get revised rail prices next year or what is the current rail price you're getting from the railways?

**Praveen Nigam:** You see, price declaration probably would not be very good in this forum. We will give you offline. We have got the rail price for '22-23 from the CA cost. As far as '23-24 is concerned, yes, all is to the CA cost as you are aware, therefore rail price, railways has given this responsibility to chief adviser cost, it is a department of expenditure in the Ministry of Finance, they give the fair value of a particular product. For '23-24, we are in the process of finalizing a price. It has not yet come. And we are expecting that soon it will come and will give benefit to us.

**Moderator:** Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all the participants, please limit your question to two per participant. If you have a follow up question, I would request you to rejoin the queue. The next question is from the line of Pallav Agrawal from Antique Stock Broking. Please go ahead.

**Pallav Agrawal:** Yes. Good afternoon, sir. So, first question was on -

**Moderator:** Sorry to interrupt, sir. I would request you to please use your handset.



*Steel Authority of India  
February 12, 2025*

- Pallav Agrawal:** Yes, I am using the handset. Am I audible now?
- Pallav Agrawal:** Sir, first question was on the coking coal. So, with imported coking coal prices coming down, is there an indexation for domestic coal as well or domestic coal prices stay the same despite imported coking coal prices coming down?
- Praveen Nigam:** Actually, this domestic coal prices have import parity with both upper and lower capping. So, there is a parity with the imported coal. So, naturally when there is a parity, so there will be some reduction in the domestic coal price also.
- Pallav Agrawal:** Okay, but may not be in the same proportion as a fall in import?
- Praveen Nigam:** Not be in the same because there is upper capping or lower capping involved, so they may not be in the same proportion, but yes, reduction will be there.
- Pallav Agrawal:** Okay. And what would be the proportion – is it 85-15% mix between domestic and imported?
- Praveen Nigam:** We are using a blend of you can say almost 85% of the imported coal and 15% of the domestic coal at SAIL as a whole.
- Pallav Agrawal:** Okay. And do we purchase any coke externally or most of it is captive coke?
- Praveen Nigam:** No, no, no, we are producing, we are not procuring, there could be one-off cases when we might have procured, but otherwise no, as a policy we are not procuring.



*Steel Authority of India  
February 12, 2025*

**Pallav Agrawal:** Sure, sir. Okay. And I just missed the CAPEX number that you mentioned for the nine months FY25 and FY25 guidance. If you could just -

**Praveen Nigam:** I said that it was 3,900 crores in this particular financial year till December and next year that is FY26 expected is 7,500.

**Pallav Agrawal:** Right. Thank you. That's it.

**Moderator:** Thank you. The next question is from the line of Pratim Roy from B&K Securities. Please go ahead.

**Pratim Roy:** Hi, sir. Thank you for the opportunity. You mentioned that 15 mt capacity will come into play and what will be the timeline for that? You said that it is by 2031. And if you could give me the detailed breakup of 15 mt? And secondly, how much cost will be incurred on that basis? And if the capacity go up, then how much will be funded through internal cash and how much will be the debt portion on that? Thank you.

**Praveen Nigam:** Yes. As we said that our total expansion envisaged by 2031 is 15 mt, out of which around 7 mt has already got the first phase expansion in IISCO, Bokaro and Durgapur. And for this Rourkela and this Bhilai steel plant, we are still in the process of getting this first stage approval. We cannot exactly tell the quantity or quantum which is going to come in these two plants, but roughly it will be in the range of Rourkela say around 3.5 mt additional and rest will be in Durgapur in the second phase.

**Pratim Roy:** Okay, sir. What is the CAPEX impact of 15 mt expansion?

**Praveen Nigam:** Roughly, if you say, thumb rule figure that it would be in the range of 1,10,000 to 1,20,000 crores of 15 mt. As far as the funding is concerned, we are maintaining 1:1, that is the debt-equity ratio.



*Steel Authority of India  
February 12, 2025*

- Pratim Roy:** Okay, sir. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Tushar Chaudhari from Prabhudas Lilladher Capital. Please go ahead.
- Tushar Chaudhari:** Yes, good afternoon, sir. Thanks for the question and thanks for the opportunity. Sir. in earlier con calls once we had discussed in 1Q FY25 that we had a few long-term agreements for coking coal with few of the coal miners. Just wanted to know, are they over and when will we get the benefit of lower coking coal over the period, can the imported coal cost to go down to Rs.16,000, Rs.17,000 per ton in the next few quarters?
- Praveen Nigam:** Yes. As we said in the previous con-call also, the long-term contract what we are having is a continuous process and it will keep moving in the similar fashion. So, there is no issue as far as the contract is concerned for the coal mines is concerned.
- Tushar Chaudhari:** So, now with the lower prices also we are doing long-term agreement?
- Praveen Nigam:** Yes, yes. Actually, you see, we have a long-term contract, but the prices are determined by the average of flat and long index, the discounts are given based on that on the monthly basis. So, there is no issue as far as the price is concerned. The moment this index come down, the prices will come down automatically.
- Tushar Chaudhari:** And secondly, sir, in this result, do we have any one-off item in other expenses, because if I do it on per ton basis, it is quite low?
- Praveen Nigam:** Can you repeat your question?



*Steel Authority of India  
February 12, 2025*

**Tushar Chaudhari:** Is there any one-off item in lower other expenses? Basically, other expenses is lower vis-à-vis the prior quarters on per ton basis which is around Rs.16,000.

**Praveen Nigam:** No, there is no specific item under the other expenses which we can mention here. It's a general improvement you can say in all.

**Tushar Chaudhari:** Great. Thanks a lot.

**Moderator:** Thank you. The next question is from the line of Vikas Singh from PhillipCapital. Please go ahead.

**Vikas Singh:** Good afternoon, sir, and thank you for the opportunity. Sir, just wanted to understand one thing, out of all our plants, Durgapur has the largest semis component. So, basically any downstream projects which we are taking to bring down this semis content if you could give us some insight into it?

**Praveen Nigam:** Yes, we have a plan to bring down this 1 mt TMT mill and also on BU basis 0.4 mt TMT mill. So, the plan is to utilize the semis as much as possible internally.

**Vikas Singh:** So, by when this TMT mills are supposed to come?

**Praveen Nigam:** The process is on. The starting stage has already been received, we are in the process of as I told the forming of the cost, and after that you can say roughly it will take another three to four years.

**Vikas Singh:** So, till then this semis component will continue as it is, right?

**Praveen Nigam:** No. As we said in our opening remarks that we are in the process of tying up with the conversion agent and our semis in the sales has come down



*Steel Authority of India  
February 12, 2025*

substantially. So, we are continuing in that process. We will further increase our conversion agreement with the various parties. The efforts are already on to reduce the semis portion as far as the saleable steel is concerned.

**Vikas Singh:** Understood. And sir, just couple of calls back, you have given us some insight into our low grade iron ore as well as pellet plant capacity to utilize this low grade further. So, any further update on the same, what is happening in the Jharkhand, whether we got the approval and when our pellet plants are coming up so that we can utilize Goa ore which is not unutilized as of now?

**Praveen Nigam:** As far as the Goa iron ore is concerned, that is subgrade iron ore fines which is lying there. For conversion of that into the pelletization, we are yet to get this first stage approval from the board. We are in the process of forming of the board note and if we put to the board and once the approval is given, we'll go ahead, but the plan is there to convert it to pellet. Am I clear?

**Vikas Singh:** Mostly. So, any near-term plan to sell iron ore as well because we still have a permission in Odisha and Chhattisgarh?

**Praveen Nigam:** We have a permission in Odisha and Chhattisgarh. There we are selling also. In Jharkhand, we are yet to get that local approval from the state government. If we get the approval from the state government, which we are pursuing with the government, we will sell also, there is no such thing that we cannot sell. But till the time we get the approval, we have to use it domestically internally only.



*Steel Authority of India  
February 12, 2025*

**Moderator:** Thank you. The next question is from the line of Rashi Chopra from Citigroup. Please go ahead.

**Rashi Chopra:** Thank you. Just some bookkeeping questions. What is the current NSR for flats and long separately?

**Praveen Nigam:** You mean to say for Q3?

**Rashi Chopra:** No, current. You give us a blended for January was 48,400.

**Praveen Nigam:** For January, the NSR in the long was 51,500 and this flat was 45,800 and blended was 48,400.

**Rashi Chopra:** Got it. In FY25, what is your CAPEX target as in what is remaining for the fourth quarter?

**Praveen Nigam:** In FY25, our total CAPEX target is 5,700, out of which 3,900 we have already incurred by December, so the remaining you can say 1,800 in the next three months, that is January, February and March.

**Rashi Chopra:** Got it. You've given us a crude steel target for the year, but sales volume wise, how much have you done in January, and what is the target for the full year?

**Praveen Nigam:** Up to January, we have achieved the sales target of 1.57 mt and our total target is around 17.5 mt for the whole year.

**Rashi Chopra:** Got it. And just a last question from me. You gave the total inventory for semi-finished and finished, 2.98. What is the finished goods amount in there?

**Praveen Nigam:** Finished goods is 1.79 mt.





*Steel Authority of India  
February 12, 2025*

**Rashi Chopra:** And this was 1.93 mt as of September, right?

**Praveen Nigam:** Yes, it was 1.93 mt number, that's right.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

**Praveen Nigam:** Yes, thank you very much. My closing comments are, the forecast of the Indian economy by various agencies have been quite encouraging and the support by the government is strengthening the belief that the economy will continue to do well, steel demand also continues to prosper, and we are hopeful that the price will maintain the momentum that has gained post-monsoon. Apart from the improvement in the operational performance, the Company also remains committed towards sustainable performance including emphasis on the decarbonization, improving capacity utilization, value addition and achieving cost competitiveness. I thank all the investor for their reposing faith in us and I am hopeful that the same will continue in the future as well. Thank you.

**Moderator:** On behalf of Nuvama Wealth Management Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.