

Here's a **simple, step-by-step explanation** of the article on **SAIL's ₹36,000 crore capex plan and financial update**:

1. Big Expansion Plan at IISCO Steel Plant

- SAIL (Steel Authority of India Ltd) is planning a **₹36,000 crore investment** to expand its **IISCO Steel Plant**.
 - The goal is to **increase steel-making capacity by 4.5 million tonnes per year (mtpa)**.
 - This will start **next fiscal (FY27)** and finish by around **FY30**.
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2. Current Status

- The **SAIL Board has approved** the plan.
 - But **financial closure** (finalising funding and contracts) is **still pending**.
 - Final approvals for tenders (bids) may happen by **late Q3 or early Q4 FY26** (i.e., Dec 2025 – Mar 2026).
 - Actual spending will **pick up next year onwards**.
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3. Capex in FY26 (Current Year)

- SAIL's **capex budget for FY26 is ₹7,500 crore**, up 25% from last year (₹5,700-6,000 crore).
 - In **Q1FY26**, it already spent **₹1,642 crore**, which is **ahead of schedule**.
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4. Delays in Execution

- Since tenders are still being processed and orders will be placed only in **late FY26**, the **timeline has slipped**.
 - The plan is part of a **larger ₹1 lakh crore investment** to increase capacity by **15 mtpa** across all plants.
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5. Debt Situation

- SAIL's **total debt stood at ₹28,741 crore** at the end of **Q1FY26**, a **₹1,100 crore drop** from FY25-end.
 - Debt-to-equity ratio improved to **0.51 in Q1FY26** from **0.54** earlier.
 - But the **debt is still considered high**.
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6. Pricing Pressure

- Steel prices are **soft**:
 - **Long products**: ₹51,500/tonne (July)
 - **Flat products**: ₹48,600/tonne (July)
 - **Net sales realization (NSR)** is expected to **fall in Q2FY26**, adding **earnings pressure**.
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7. Sales Target

- **FY26 sales target** is **18.5 million tonnes**, up from **17.9 mt in FY25**.
 - This **depends on strong domestic demand**, which has been **growing at over 8%**.
 - Steel **imports are under control**, and **prices have recently stabilised**, offering **hope for better margins ahead**.
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Summary of Key Points:

Aspect	Status/Plan
Capex Plan (IISCO)	₹36,000 crore, 4.5 mtpa capacity, FY27–FY30
Current FY Capex (FY26)	₹7,500 crore budget, ₹1,642 crore already spent
Tender Status	Finalisation expected in Q3/Q4 FY26
Debt	₹28,741 crore (down ₹1,100 cr); ratio: 0.51
Steel Prices	Softening; NSR expected to dip in Q2FY26
Sales Target (FY26)	18.5 mt (vs 17.9 mt in FY25); reliant on demand

Let me know if you'd like a chart or visual summary as well.