

JSW Steel, along with JVs, eyes 80 mt capacity by 2030, says Joint MD & CEO

bl.interview

Suresh P Iyengar
Mumbai

Aided by a rally in prices and low-cost inventory, JSW Steel has posted much better profits in the March quarter. With joint ventures with the world's two largest steel companies JFE and POSCO, JSW Steel is bullish on future growth, though near-term prospects appear hazy due to the West Asia war. Jayant Acharya, Joint MD & CEO, JSW Steel, on the way forward.

Edited excerpts:

performance?

The main drivers are strong operational performance on the back of better volumes. We were able to increase our domestic sales and liquidate inventories.

We improved value-added and premium and special product mix, which has grown sharply.

In spite of the BF3 (blast furnace) shutdown, we were able to do a 96 per cent capacity utilisation through better plant reliability.

In the last two years, we worked on various digitalisation efforts and placed sensors on various parts of the plant for preventive maintenance.

Has the rise in steel prices also helped?

Yes. However, steel prices in Q3 were one of the lowest and touched a six-year low in December.

Later, the safeguard and seasonal domestic demand picked up.

This resulted in price increase, gradually, between January and April.

Internationally also prices have improved. Prices in Europe were at \$830 a tonne and \$1,100/tonne in the US.

It was about \$620 in India. Indian domestic prices are where it was three years back.

How do you view steel prices going ahead?

The prices will be range bound. We need to watch how the geopolitical situation plays out.

The IMF has said that the world has been very resilient and has given positive forecast, unless the war gets prolonged. We feel India is much better placed for good growth.

Do you see raw material prices going up further with the war in West Asia?

Coking coal prices last quarter went up by \$16/tonne. We will see another increase in this quarter — \$12-\$15.

The impact of higher cost of limestone and fluxes, plus the foreign exchange, will

We will expand BPSL capacity to 10 mt from 4.5 mt. We should start the construction once the joint venture board takes a decision by next year

JAYANT ACHARYA
Joint MD & CEO, JSW Steel



certainly increase cost in June quarter.

How do you rate FY26 for JSW Steel?

We delivered strong operational numbers because of the domestic market and better asset utilisation. We have also concluded our joint ventures with JFE and POSCO.

The company, along with JVs and US operations, is targeting 80 million tonne (mt) capacity by 2030.

We have ramped up operations at our JVML (JSW Vijayanagar Metallics: 5 mtpa),

started the Utkal phase, and have worked on expansion in Kharagpur.

We are adding coking coal and iron ore mines in the domestic market. We have completed the acquisition of high-grade coking coal in Mozambique. It will enhance raw material security further.

What would be the investment for reaching 80 mtpa by 2030?

The board has already approved an investment of ₹1,26,000 crore. Additionally, we will be spending over

₹200,000 crore, at about ₹25,000 crore to ₹30,000 crore a year.

What are your fund raising plans?

We take enabling provisions to raise debt every year. However, our next phase of capex will mostly be funded through internal accruals.

The second tranche of JFE joint venture amount will be used to further deleverage the existing debt of ₹54,000 crore as of March-end.

We expect better cash flows in this year with better volumes.

This will also support capex spend.

We will be more comfortable with net debt to EBITDA of below 2.5 times against the current level of 3.

Will the West Asia war slow down private capex revival?

Private capex has started flowing. The automotive industry has announced close to ₹80,000 crore of investment.

Of course, people are con-

scious about the West risk and they will assess the risk.

When will the JV with JFE and POSCO take shape?

We are targeting 6 mt integrated greenfield steel plant with POSCO in Odisha. We expect to start the project sometime next year and complete it by 2031.

POSCO would certainly bring in technology for automotive grade steel, which will attract Korean customers. Imports from Korea will probably slow down.

Currently, POSCO is importing steel for its cold rolling plant in Maharashtra. The JV company will supply the steel once it becomes operational.

We will expand BPSL capacity to 10 mt from 4.5 mt. We should start the construction once the joint venture board takes a decision by next year.

It will be an expansion of 5.5 mt in one go. We are putting the plans together for technology, equipments and product mix.