

There is renewed confidence in India story: JSW Steel CEO



After a year-on-year (Y-o-Y) surge in net profit during Q2FY26 but sequential dip amid softer prices and higher imports, JSW Steel remains upbeat on domestic demand. Joint managing director and chief executive officer **Jayant Acharya** discusses the outlook, trade safeguards, and expansion plans with **Ishita Ayan Dutt** in a telephonic interview. Edited excerpts:

JSW Steel's net profit jumped nearly fourfold Y-o-Y but fell over 25 per cent sequentially. What's your outlook for the rest of the year?

■ Quarter-on-quarter (Q-o-Q), the prices dropped in a seasonally weak market. Sentiments were also slightly weaker in August and September, and the imports went up a little. So, the price increase in the first quarter, corrected downwards. The forex loss also impacted profit after tax (PAT) Q-o-Q. We mitigated part of that impact through cost measures and a better product mix. But we had our second highest sales in the July-September quarter, which is seasonally weak.

What is the outlook, going forward?

■ Steel consumption growth projections are in the range of 9 per cent for the year. That means about 13.5-14 million tonnes (mt) in terms of overall increase incrementally. From a consumption perspective, the goods and services tax (GST) reforms combined with lower interest rate, inflation and income tax, created an uptick in sentiment. The impact of government capital expenditure

(capex) will play out better in H2. As far as private capex is concerned, a lot of people are now looking at expansion. So, there is now renewed confidence that the India story is good.

Are you seeing increased orders from your consumer-facing customers like automotive and consumer durables?

■ In automotive, our sales have been the highest. And, H2 is always better because festivities are driving factors for consuming items. Yes, we are seeing improved orders on the ground.

Domestic steel prices have been muted and they are currently below import offers...why?

■ That's an anomaly. While imports have gone down directionally, it picked up a little in the second quarter. That had an impact on sentiment. The ongoing overall tariffs in the world also led to uncertainty. Because of this, buying was a little guarded. But post-monsoons, these things have settled down. And, we should be looking at a better H2.

Is there a case for a higher safeguard duty given the European Union's (EU's) proposed import quota cuts and doubling of tariff for out-of-quota shipments?

■ In Europe, the eight-year safeguard is getting over. But not only are they reinstating a safeguard, they are trying to reduce the quota by half and double the (tariff) rate. This is a signal in response to what's happening in the US market — they are fearful that the steel which may not get into the US is likely to hit Europe. The same holds for us because we are a consuming economy — the fastest growing in steel demand today.

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