

Show steeler

Steel baron, parliamentarian, or dyed-in-the-Tricolour patriot, Naveen Jindal, executive vice-chairman & managing director of the ₹13,111-crore Jindal Steel & Power, plays all his roles to the hilt, say Sukalp Sharma & Diksha Dutta

NAVEEN JINDAL

Executive vice-chairman & MD, JSPL

BIRTHDAY: March 9, 1970

FAMILY: Married, with two children

EDUCATION: Commerce graduate from Hans Raj College, University of Delhi (1990)

MBA from the University of Texas, Dallas (1992)

AWARDS:

◆ Ernst and Young Entrepreneur of the Year Award 2010 in the field of energy and infrastructure

◆ Distinguished Alumni Award for 2010 by the University of Texas, Dallas

◆ Listed among 25 Indians who were part of the annual list of 250 Global Young Leaders in 2007 prepared by the Geneva-based World Economic Forum (WEF)



OF THE many objects that adorn the office of steel baron and Congress MP from Kurukshetra, Naveen Jindal, the most ubiquitous is the Tricolour, one for every corner of the building. Even on the day of our meeting, he is excited about a t-shirt bearing the Tricolour that he bought from New Delhi's 73 terminal. To be able to wear the national flag on his chest was a dream for which he fought an 11-year-long legal battle, which culminated in 2004 when the Supreme Court recognised the right to hoist the national flag as a fundamental right, forcing the government to amend the Flag Code of India.

"The Tricolour is a symbol of national identity and is something which is as much yours as it is mine. When I was a student in the US, I saw my American friends flaunting their flag with pride. We couldn't do that in India, which I felt was absurd," he says, asking us, "Have you ever held the Indian flag? The feeling of hoisting the flag is difficult to express in words."

His company, Jindal Steel and Power Ltd (JSPL), today may have a healthy consolidated sales of ₹13,111 crore and over ₹3,800 crore in profits, but for 41-year-old Jindal, the highs in life obviously have nothing to do with scale or size.

In the same vein, though business and politics run in his blood, the youngest son of late businessman and

Congress leader OP Jindal likes to chart his own course. From forcing the government to make amendments in the Flag Code to turning an almost defunct factory into one of the leading steel manufacturing companies in the country, Jindal has charted success in his own distinct way. In fact, his turnaround of the embattled sponge iron-based Raigarh plant in the early 1990s is almost business legend, with a few media reports even claiming that Jindal, in his twenties then, had to pop sleeping pills.

He admits it has been his toughest business assignment yet, but he never became an insomniac. "I was misquoted there. When I told my father that the situation was very bad, he told me about a time when he did not have money to pay salaries and had to take sleeping pills to sleep. My father asked me if my situation was that bad? I said no. He then said this too shall pass and we'll see good days ahead," remembers Jindal.

And they did. Through the backward integration approach suggested by his father, Jindal has been able to secure his own sources of raw material by acquiring coal and iron ore mines in India and places like Bolivia, where JSPL outbid the world's largest steelmaker, Arcelor-Mittal, in 2007 for the right to develop iron ore mines with reserves of around 20 billion tonnes. This backward integration helps insulate JSPL from volatile raw material prices, helping it bring down production costs and buoy

its finances. Riding on its success, JSPL has now set ambitious targets of reaching steel capacity of 20 million tonnes per annum (up six-fold from the current 3 mtpa) and produce 15,000 mw power (current production, around 1,400 mw) over the next decade.

While his brothers—Prithvi Jindal who runs Jindal SAW; JSW's Sajjan Jindal and Jindal Stainless Steel's Ratan Jindal—kept a safe distance from politics, Naveen Jindal followed in his father's footsteps by winning the Lok Sabha election in 2004, and then again in



With his father and brothers

2009 on a Congress ticket. So who weighs more in his personality—the industrialist or the politician? His answer is politically correct: "both in substantial measure", but by his own admission, politics takes up the bulk of his time. "60% of my time goes to politics and 25% to business". He tells us that every month he spends at least a week in his constituency, but is quick to add that he makes sure his parallel association with business and politics doesn't lead to a conflict of interests.

Hailing from Hisar in Haryana, the four brothers lead their respective companies independently, but their umbilical cords are still tied to the family. All their companies are part of the \$15-billion OP Jindal Group, chaired by mother Savitri Jindal. The family also saw a smooth succession, a rarity in family-led businesses in India. Like most other things in his life and career, Naveen credits the foresight and vision of his late father. "He always told us that when he and his brothers separated in business, it was over dinner in just half an hour. They never bickered or fought and were happy with what they got. With us, too, he divided the business equally. He ensured that each one handled his respective company separately. He always had it in mind that we all should eat together, live together, own together, but not work together," he says.

But isn't there the possibility of brothers ending up competing against each other? Jindal, always a family

man, is confident that if such a situation arises wherein two brothers are vying for the same asset, then one will back out in favour of the other, because, after all, "it's all in the family". "If I'm really keen on an asset and I tell one of my brothers that it has better synergy with my company and please let me do it, he'll say, 'okay you do it'. And so will I if any of them asks me. That is the kind of understanding that we have. We realise that together we are a lot more stronger," he says.

Known to be a sports buff, particularly interested in shooting and polo, Jindal, like most youngsters, went through a phase when he aspired to be a sportsman. "My love for sports will never die, but I was drawn towards public service as I grew older," he says. So is he still able to make time for sports?

"It's tough, given how busy our lives have become, but I still manage to squeeze it in," he adds.

Born in wealth, how does Jindal remember his growing up years? "I don't think my parents pampered any of us. They were strict disciplinarians." Naveen has two children, a son and a daughter, with wife Shalini. So is he like his parents too, a strict disciplinarian? "We can't follow the same policies with our children. They are like friends to me. They won't take all that discipline; they would just rebel. But it's perfectly fine. I mean with changing times, things should change as well," he quips.

INTERVIEW: NAVEEN JINDAL

EXECUTIVE VICE-CHAIRMAN & MANAGING DIRECTOR, JSPL

JSPL is now also focusing on other areas besides steel and power. How is this diversification shaping up?

As much as 90% of our investment is in our core competence—steel and power. And mining is a related activity to steel that I do not consider different. So I would not really term it as diversification. There are other segments like oil and gas that we are involved in, specifically in Bolivia, Georgia and other locations. As for our presence in real estate, we don't have plans to expand, but whatever few projects we have, we'll do a good job of them.

After JSPL acquired Oman's Shadeed Iron & Steel Co in July last year, there is again noise about you bidding for Australian mining company Rocklands Richfields Ltd. Do you feel you are too aggressive on acquisitions?

No, I don't think we have been aggressive at all. We just acquired one steel plant in Oman last year for \$500 million. We have been trying for the Rocklands acquisition, but it has had its own challenges. In the broader picture, mines in Bolivia, coal mines in South Africa or Mozambique, all these are essential. And the steel plant in

Oman, even though it was pretty expensive, is still an important one. The plant is already making minor profits and things look good for the future.

How did the backward integration policy come about?

It has all been the vision of my father. He was always clear that we must have backward integration. Our employees refused to use the iron ore and coal mines that we had, but my father insisted we use this raw material only. Through beneficiation of ore and technology we have been successful in making high quality products with what-

ever raw material was at our disposal.

We hear a lot of buzz about your interest in the education sector.

We are very keen on education, but as a philanthropic effort and not a business. I have a dream to train one lakh youngsters every year in vocational training, which is not an easy job. My favourite project is the OP Jindal University. We have a law school and a good business school too. We are starting a school of international affairs and are also interested in starting a school of public policy and government.

