

'My last name should not give me the right to run JSW cos'

Staff Writer

feedback@livemint.com

MUMBAI

Parth Jindal, the scion of the Jindal family and current managing director of JSW Cement and JSW Paints, said that he might not be the best person to lead JSW Steel or JSW Energy 'just because of his last name'.

Jindal, 32, addressed attendees at the Mint India Investment Summit 2023 and shared insights regarding the group's cement, paints, and sports businesses. He clarified that his position as a promoter-shareholder does not automatically entitle him to lead the group's companies.

"I am very clear that I may not be the right person to take JSW Steel forward. I may not be the right person to take JSW Energy forward just because of my last name. It (my name) should not give me any benefit or privileges or any rights to take any of these businesses forward because these are public companies, and the shareholders are the most important," Jindal said.

Parth's father, Sajjan Jindal, is JSW Steel's chairman and managing director. Sajjan Jindal is also the chairman and managing director of JSW Energy, whose chief executive is Prashant Jain, a former JSW Steel executive. "As someone from the (promoter) family, we should delineate what we do for work, what we do as an investor and what we do as a capital allocator. That is something I am trying to put into practice", he said.

Jindal spoke about how his experience working at Japan's JFE Steel Corp. and before that



Parth Jindal, the scion of the Jindal family and managing director of JSW Cement and JSW Paints.

at a hedge fund abroad had underlined the importance of professionalism and corporate governance for him.

"Yes, I can sit on the board as a shareholder from the family, but am I the right person to lead those businesses?" Jindal said in a fireside interaction with the Mint editor-in-chief Sruthi-jith K.K. at the Mint's flagship annual investment conclave last week.

"Ten years ago, being the chairman's son was much more important than it is today. In 10 years (from now), I hope it is irrelevant. And I see that happening, the way things are professionalising in the country, and the way compensation levels are changing, it is a matter of time before it becomes less relevant than it is today," Jindal said, responding to a question on him inheriting the JSW family legacy.

Jindal also spoke about how investing in sports had elevated the JSW brand across the country. Unlike a consumer goods company, JSW could not buy advertisements on television, so it chose to invest in sports to build its brand. It also helped

that Jindal, himself, is an avid sportsman and fan.

The JSW group has built an Olympic training Institute in Karnataka, which trains athletes for Olympic medals. It also owns Delhi Capital, an IPL team for women's and men's cricket, the Bengaluru FC club, a football club, and the kabaddi team Haryana Steeler.

"For me, the franchises are a for-profit business. But the real work we are doing in sports is the Olympic centre," he said. "We are targeting five medals for India in Paris in 2024 (Olympics)," Jindal said.

Olympians Sakshi Malik, Neeraj Chopra, and Bajrang Punia are from the JSW programme, he added.

Jindal also spoke about the evolving ecosystem in cement and paints.

"If India grows 7% a year, the cement industry will likely grow about 7-10%. Every year, an additional capacity of 30-40 million tonnes of cement will get consumed. So the future is extremely bright in the cement segment with the government spending as much as they are in infrastructure, with what is happening in the housing segment, and with the rebound in real estate, we can expect 7-10% growth for a fairly long time," he said.

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