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FOREWORD

The Birlas are known for their entrepreneurship in the corporate world. In their phenomenal rise B.M. Birla has played a significant role. He was a man of great ability and vision. The book brings out the qualities of not only the industrialist B.M. Birla but also the man. Shri B.M. Birla was full of generosity and humanism and was gifted with a sense of total dedication to his work. The B.M. Birla Planetarium and Lord Lakshmi Narayan Temple at Jaipur, the Calcutta Medical Research Institute, the B.M. Birla Heart Research Centre in Calcutta, the B.M. Birla Science Museum at Hyderabad are symbols of his dedication to humanist goals and his keenness to disseminate the scientific temper.

Dr. Taknet's book is a reference work full of information about the industriousness and patriotism of the Birla family, which is written in simple prose and easy to read and understand. The present work, despite being a research study, is extremely interesting because of its style and is thus a challenge to scholars in proving that authentic research works can also be an attractive reading. The younger generation will definitely feel inspired by reading it and learning from it a lesson in dedication, industry, patriotism and true service of humanity.

P. Chidambaram
Minister of State for
Commerce

PREFACE

The Birlas form an important chapter in the economic history of India. From humble origins, they reached the very summit of success in the world of business and industry because of their remarkable foresight and dynamism. The social and cultural background of the Birla family played a crucial role in shaping their progress. The book presents a vivid account of the numerous services rendered by the Birlas in the Country's social, cultural and industrial fields. The contribution of the youngest of the four brothers, Braj Mohan Birla, was particularly outstanding. Knowing that without freedom all efforts at economic development in India were meaningless, he gave massive financial support to the national leaders as well as the revolutionaries during the freedom struggle. After Independence, he successfully launched numerous big, high-tech industrial projects, with a view to strengthening the economy and making India self-reliant.

B.M. was a strong advocate for making the country prosperous and was always searching for new possibilities for national growth. He was constantly in touch with the world's top industrialists and invited them to explore new areas of investment in India. With all this, his enthusiasm for welfare activities never flagged. He believed that if we really wanted to serve the poor and make the country prosperous, we would have to produce massive wealth. While dealing with his philosophy and work ethic, this book discusses the various facets of his personality.

B.M. established a new business culture which was a judicious combination of traditional values and modern technology. Though a visionary, he was a pragmatist who believed in a speedy, result-oriented approach together with excellence, and pleaded for industries based on advanced scientific research. He firmly believed that we could capture world markets for Indian goods only after we became technologically advanced. In all walks of life, he said, we were content with low work quality and paid no heed to excellence. We possessed all the talent and the means to achieve excellence. The only thing we had to do was to concentrate and put in extra effort with high managerial skill. B.M. was convinced that, given the appropriate policies and close co-operation between the government and the people, India was capable of making speedy progress, ushering in a new and a progressive economic order by the beginning of the next century.

The most remarkable quality of B.M. was his ability to foresee coming changes in advance. Visualizing the India of the twenty-first century, he believed that, backed by the strength of its human and natural resources, it could emerge as a powerful nation equal to western countries in prosperity. He maintained that an unrealistic tax structure and an impractical price policy, which have done so much damage to the economy, must change. He rightly said that it was time we opened our doors and let fresh winds blow in the country to make it strong

and prosperous. His views on social and economic matters were highly respected not only by the business community but also by other sections of society. The changing social and economic scene today has started the process of securing countrywide prosperity through an unfettered economy for which B.M. pleaded.

Much of the material in the present book is based on my earlier studies. I offer my gratitude to the members of the Birla family and to all those who have helped me in writing this book. I also acknowledge my debt of gratitude to Hon'ble Shri P. Chidambaram, Minister of State for Commerce, Government of India, for his perceptive foreword. It is hoped that the book will serve as a source of inspiration to the youth of the country.

D.K. Taknet

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Chapter 1 HEROES OF A DESERT LAND

Rajputana, which is now called Rajasthan, is regarded as the herald of Indian culture. It has been well-known, throughout the world, for the spirit of chivalry, valour, loyalty and endurance of its people. Its historical ballads recited by bards and folk-singers inspire heroism. This led Colonel James Tod to remark, "There is not a petty state in Rajasthan that has not had its Thermopylae, and scarcely a city that has not produced its Leonidas."¹ The brave sons of its soil have always been willing to sacrifice their lives for their motherland.

Paying his tribute to this heroic land, the national poet Ramdhari Singh Dinkar remarked, "Whenever I tread the soil of Rajasthan - the mother of valiant warriors - I shiver with fear lest I should trample upon the mortal remains of a male or a female warrior." The mothers of this land infuse bravery and patriotism into the hearts of their children right from the time they are in the cradle. No wonder the whole of Rajasthan is replete with examples of unparalleled heroism. But what amazes one is the fact that besides battlefields, the people of Rajasthan have unfurled the banner of triumphant success also in the field of trade and commerce.

MARWARI : A DESERT BLOSSOM

Despite inclement weather and adverse natural conditions, the region never bred despair among its people. Living among barren *babul* trees, thorny shrubs and burning sands was no easy task, but the people living there refused to be daunted by nature's lack of hospitality. On the contrary, they accepted it as a challenge. Their hard work and indomitable spirit made the place habitable. Nature taught them to follow its rhythm, dust storms and famines inspired them to tolerate pain and suffering. Lack of resources motivated them to work assiduously, hot winds and burning sun strengthened their vigour, and scarcity of water urged them to adopt a frugal way of life. Had they not learnt these lessons from adversity, they would not have turned out to be nationally reputed warriors and top industrialists.

The Marwaris² - an outstanding product of this intractable, barren land - have made a monumental contribution to the industrial development of the country through their indomitable courage and indefatigable spirit. Natural calamities and deteriorating economic conditions compelled them to migrate³ to all parts of the country. Those who were indigent and penniless at the time of migration became uncrowned kings, first of trade and business and, later on, of industries, in most parts of the country. Starting as modest businessmen and commission agents of European firms, they, in the course of time, added a golden chapter to India's economic and social history. Today, there is hardly any field of activity, be it business, public welfare, education, art, literature, culture,

sports, politics, science, medicine, engineering or any other human activity, where Marwaris have not manifested their multi-dimensional talents. Thus, in whatever field the Marwaris entered, they outshone everybody else. Their contribution to the nation's varied achievements has indeed been remarkable and unprecedented. Among Marwaris, the progress of the Birla family, which hails from Pilani in Shekhawati, deserves special mention.

The Shekhawati region of Rajasthan, also known as the Scotland of India, is the heart of Marwari entrepreneurship. It has a glorious past. It was the largest *Nizamat* of the old princely state of Jaipur and was named after one Rao Shekha and his ancestors.⁴ Endowed with rich historical, geographical,⁵ social and cultural traditions, Shekhawati has become a symbol of courage and fortitude. Besides its legendary warriors, Shekhawati has an enviable reputation of being the home of a host of wealthy merchants and industrialists who have earned laurels and scaled great heights of business success both at home and abroad. In this region, in the estate of Nawalgarh, is situated Pilani village, which is the native place of the Birlas.

PILANI - UNIQUE AND BLISSFUL

Nawal Singh, the fifth son of Thakur Shardul Singh, founded a new township after his own name, Nawalgarh, on the second day of the moonlit half of the month of *Magh* in the *Vikram Samvat* 1794, according to the Hindu calendar. The ancestors of the Birla family lived in this very Nawalgarh, from where one of their branches went to the village of Pilani. Nawal Singh presented twelve villages to his fourth son, Dalel Singh, and made Pilani a base or an outpost.⁶ Pilani was originally called Dalelgarh after the name of Dalel Singh. Its name was changed to Pilani when a Paliania Jat showed exemplary bravery and saved it from an outside attack. It was situated amidst sand dunes between two small settlements, one inhabited by the Brahmins and the other by the Jats and other castes.

Initially Pilani's population was merely a thousand or so, of which there were a hundred houses of Vaishyas, mostly belonging to the Agrawals, with only ten or fifteen houses belonging to the Maheshwaris. Among these was a house belonging to the Birla family. The most remarkable object in Pilani in those days was a banyan tree, spanning a radius of about a furlong and reaching a height of more than 150 feet. It was a major attraction not only for the locals but also for people living far away from Pilani. On account of this, the place also came to be called *Barwali Pilani*, the Pilani of the banyan tree.⁷ In the course of time, the Birla family poured its munificence into the village for its betterment and well-being. The place was therefore given yet another name - *Sethonwali Pilani*, the Pilani of the *seths*.

Old Pilani was a cohesive place where everyone shared the joys and sorrows of everyone else. Expressing his deep love for the place, G.D. Birla remarked, "Because of the people's industry and honesty, old Pilani enjoyed a

wide reputation. It was indeed blissful to be born in such a land. Both the land and its people were simply wonderful." Life was simple, shorn of all modern facilities. There was among the people a pronounced sense of bonhomie and fellow-feeling. The whole village felt proud if any one from amongst them earned a good name or attracted fame.

BIRLA'S ANCESTRY

The Birlas are Marwari Maheshwaris. It is said that the ancestors of the Maheshwaris were *Kshatriyas*. As regards their origin it is believed that in the eight century a branch of Maheshwaris broke off from a section of the *Vaishya Dharmai Chauhan Kshatriyas*. This section which was originally that of Kshatriyas came to be called Maheshwaris. There is also a popular saying that it was at the bidding of Lord Maheshwar that this group separated from the Kshatriyas and adopted the Vaishya canon, and so came to be called Maheshwaris. The history of their caste mentions that originally seventy-two warriors formed the chain of Maheshwaris. Among these was one Behar Singh of the Panwar family. His successors came to be successively known as *Behra*, *Beharla* and *Berla*, which later on became Birla.⁸

The first Birla family to come and settle in Pilani was that of Bhudharmal Birla. The present Birla. The present Birla dynasty originated from Udai Ram, who has three sons - Shobha Ram, Ramdhan Das and Chunni Lal. Of these three, the last had no children. The sons of Ramdhan Das went and settled in Gwalior. In Udai Ram's own time the Birla family had become quite affluent. However, his son Shobha Ram took up a job at Seth Puran Mal Ganeriwal's firm in Ajmer. Puran Mal had a big banking business in Hyderabad and Shobha Ram was employed at an annual salary of three hundred and one rupees, in addition to some bonuses.⁹

Shobha Ram died in 1859. At that time his son Shiv Narayan was only sixteen years old. That was the time when the British Raj had already come into being. Its chief aim was economic exploitation. Consequently, the British imposed many financial controls and manipulated the wholesale markets to their own advantage. Bombay and Calcutta became the main trade and business centers of the country. As a result, businessmen started leaving their native land, migrating to these two distant centers in view of enormous business opportunities available there. Shiv Narayan was conscious of these favourable prospects. Though he was quite young then, the untimely burden of looking after the family made it imperative for him to discover new sources of income. At the same time, he had an intense desire to do business on his own. At last he decided to go to Bombay to realize his dreams.

ON THE LADDER OF PROGRESS

Since his father had worked for Ganeriwals at Ajmer, Shiv Narayan though it fit to seek their blessing before leaving for Bombay. They cautioned him against any

misadventure since he had the heavy responsibility of providing for the entire family. They tried to dissuade him from going to Bombay and even offered him a job. But Shiv Narayan was firm. Blessed with self-respect, single-mindedness of purpose and a capacity for hard work, he decided not to serve as an employee. He was determined to achieve success through his own hard work. Accordingly, he returned to Pilani from Ajmer, took some money from his mother and prepared himself to depart for Bombay.

At long last the moment of departure arrived. During his travels he also took with him the fourteen year old Sukhdev Das Birls, son of Manak Ram of his village. The village elders gave him all kinds of practical advice about travel and general behaviour and went as far as *Kankar*, the border of the village, to see him off. The family *pundit* put the auspicious sandal-paste mark on his forehead and wished him a happy journey. Shiv Narayan reverentially touched the feet of his elders, hugged his peers and along with Sukhdev Das accompanied a caravan of camel riders. Today it is not possible to imagine the nature and intensity of the adversities they encountered during their journey - dust storms, scorching heat, inhospitable terrain and the threat of thieves and robbers, among others. People, therefore, traveled in groups called *saga* and he became a member of one of these. In those days even the finest camel could not cover more than sixty miles a day.

The nearest station for going to Bombay was Ahmedabad. Shiv Narayan somehow managed to reach Ahmedabad after a thousand mile long, arduous journey, partly walking and partly on camel back. It was a long wait before the train arrived. Unruly scenes were witnessed on its arrival with people rushing, pulling and pushing each other. The train was already jam-packed with no room even to stand. The trains of those days used to have double decks, the upper one was meant for the Indians and the lower one for the British. There was no proper ventilation, nor was there any drinking water or toilet facility on those crowded trains. Surrounded by strangers, Shiv Narayan's heart was saddened with the remembrance of the people at home. All the familiar scenes of Pilani flashed past his mind. But what caused the greatest anguish was the thought of his four-and-a-half year old son, Baldeo Das. All those notwithstanding, the desire to promote the interests of the family and his personal ambition were uppermost in his mind, urging him on to complete the journey. At long last, he did reach Bombay. The Marwaris already settled there had made arrangements for board and lodging for those arriving from the homeland - those places were called *basa*.¹⁰ In one of the *basas*, called *Pilani Mandal*, stayed Shiv Narayan and Sukhdev Das. Not worried at all about their ordinary comforts, they jointly started trading in speculation with one Hardayal Padia of Pilani.

FIRST EARNINGS

In those days India used to have a large-scale trade in opium with China. Poppy cultivation took place in Malwa and opium was exported from Bombay. So most businessmen trading in opium settled in Bombay and, among them, the Gujaratis

predominated. The exporters used to buy opium through public auction and much speculation took place throughout the day on the likely final bid. Besides this, people also speculated on the prices of the opium being supplied to China. Success in speculation required both luck and foresightedness. Shiv Narayan earned lacs of rupees in speculative transactions within a brief period of three years. He said, "So far my profits have run into lacs but my losses do not amount to more than eight-thousand rupees".¹¹

Sukhdev Das also earned a good deal but satisfied with what he had already earned, he decided to return to Pilani. When Shiv Narayan asked him why he wanted to return home, he said, "I have sent a hundred and fifty rupees home and have a similar amount left with me which is enough for me to go back home." When Shiv Narayan asked him when he intended to come back to Bombay again, he replied, "I'll stay in Pilani so long as I can get wheat bread there, and will return here only when I begin having millet bread." After the departure of Sukhdev Das, Shiv Narayan applied all his energies to reaching the pinnacle of success, and never looked back until he achieved his goal. During the first phase of his stay in Bombay he received a lot of support from the firm of the Poddar family, CHeniram Jesram. He, therefore, deposited his first earnings with them and started his separate business from their business office.¹² His regulated and disciplined life¹³ led him from success to success.

Meanwhile news came from Pilani that Baldeo Das had turned nine and his sacred thread ceremony had to be performed. It reminded Shiv Narayan of his family at Pilani and he returned home and had his son's sacred thread ceremony performed at Pushkar. By now he had become a wealthy merchant. In 1862 the foundation of his *haveli* was laid. It cost him seven-thousand rupees to get the structure of the haveli erected. A variety of frescoes were painted on the inside walls of the haveli and, at an auspicious moment, the family moved in.

REWARDS OF HONESTY

Shiv Narayan thought that not only his family but the whole of Pilani had claims on his wealth. Therefore, he decided first to construct a well, a *Dharamashala* and a Shiva temple in Pilani. The risk involved in digging a well in a desert is known only to those who live there, for even if water could be struck at a great depth, it might more often than not, turn out to be brackish, unfit for drinking, and lack of resources might prevent a second attempt. It was believed that a well constructed with money honestly earned yields sweet water. The well that Shiv Narayan constructed had sweet water and people attributed it to his righteousness. His wife showed still greater concern for the well-being of the villagers. She invariably sent one of her servants into the village to ensure that not a single person starved or shivered in cold. She firmly believed that the good deeds towards a person always helped him overcome his difficulties.

The inhabitants of Pilani complained to the Thakur (landlord) of Nawalgarh when he visited Pilani about acute water shortage. He agreed to

donate two hundred and fifty *bighas* of land for the construction of a pond. Another two hundred and fifty *bighas* came from a second source and five hundred *bighas* was donated by the Thakur of Dundlod. The construction of the village pond started on this one thousand *bigha* stretch of land. Shiv Narayan raised about two and a half to three thousand rupees as contribution from the villagers and invested twenty thousand rupees himself to get the pond constructed.¹⁴ Most ponds in the Rajasthan desert dry up in summer, even when they are fully filled during the rainy season. But the pond at Pilani never dried up.

BIRLA FAMILY'S *SADAVARTA*

The Birla family arranged for a *Sadavarta* during the terrible Chhapanniya famine.¹⁵ Arrangements were also made for supplying water and fodder to the cattle. Even those who came to Pilani from other places were given at least a modicum of food. During winters the aged were given quilts free and *laddus* of *methi*. Repair work on existing ponds and wells was undertaken to provide employment to the people. THE munificence of the Birla family attracted people from far-off places but no one was denied assistance and no one went back empty-handed. The acuteness of hunger and famine could be judged from the fact that quite often people ate the raw grain as they did not have the patience to wait for the food to be cooked.

Shiv Narayan was a pious man. He knew that nothing goes with a person after death and so he believed in spending money earned through honest means on public weal. In fact, he dedicated his entire life to the development and progress of Pilani. No wonder the people of his village used to call him "a tree bearing sweet fruits". Preserving the ancestral tradition, Shiv Narayan never forgot the land and the people of his birthplace.