



# **B. M. BIRLA**

*His Deeds & Dreams*

*P. CHENTSAL RAO*

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By  
P. CHENTSAL RAO

ARNOLD HEINEMANN

***THE GREATEST USE OF LIFE  
IS TO SPEND IT FOR SOMETHING  
THAT WILL OUTLAST IT.***



Mr. Braj Mohan Birla  
November 19, 1905—January 11, 1982



Mrs. Rukmani Devi Birla  
1905-1982

# Foreword

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I FIRST MET Mr. B. M. Birla when I was posted to Calcutta during World War II. However, it was not until I came to the Ministry of Commerce & Industry, particularly when I was chairing the Automobile Inquiry Committee in the '50s, that I had occasion to know him well. Thereafter, he used to meet me from time to time, regardless of the office I was holding, and talk to me not of his own enterprises but about the nation's economic policy as a whole. These conversations gave me an insight into his thinking which was very different from the impression that I had formed of him and his functioning as an industrialist. His biography by Chentsal Rao goes to confirm much of my own assessment of *BM*. In addition, it throws light on certain facets of his personality and activities of which I was totally unaware, even though I thought I knew him reasonably well.

For *BM*, capitalism was an article of faith. He was against controls and against high taxation. He championed private enterprise, free competition and encouragement to private foreign investment. But talking to him it was clear that his advocacy of capitalism was not based on the consideration that it benefited the capitalist but on the ground that it would benefit the masses. The country which he admired most was the U.S.A. and he was convinced that the pursuit of the kind of policies which the U.S.A. had followed would enable India to emerge as a rich and powerful nation within a generation or two. One does not have to agree with his views to recognise that he had a vision, and it was the vision of a great and glorious India that seemed to excite and inspire him.

Whenever I pointed out to him that the paucity of resources which beset us made it absolutely necessary to ensure that they were invested with a due sense of national priorities, this inevitably meant planning of one kind or another and not letting those who could muster resources for investment use them in ways which would be most profitable to them, but not so good for the economy, he rejected my basic premise of the

scarcity of capital. The vast potential for profitable investment in India, he argued, would bring in all the capital we needed provided we opened our doors and encouraged the inflow, instead of looking at each investment proposal with so much suspicion.

Even though there were many issues on which we could not see eye to eye, what impressed me was his capacity to think big and his concern for the poor. He spoke not just of industry but even more of agriculture. Even before the Green Revolution, he was talking of how agricultural productivity could be raised by making agriculture a paying business for the farmer and not just a means of his subsistence. Education was another area to which he attached great importance. The shortage of housing and the consequent deterioration in living conditions of the people who live and work in metropolitan cities, particularly Calcutta, moved him deeply. No matter what subject he was talking about, he always produced a mass of facts and figures, for which he had a fantastic memory, to sustain his reasoning.

A dreamer he undoubtedly was and quite aptly his biography has been captioned "His Deeds and Dreams" bringing out the two facets of his personality: of a doer presiding over an expanding industrial empire and of a dreamer cherishing the vision of a great future for his country and countrymen.

The totally new facet of *BM's* personality which this book brings out is his behind-the-scenes support to the freedom fighters who, in the days of World War II, had gone underground to carry on their struggle instead of courting arrest and going to jail. The close association between *BM's* elder brother, *GD*, with national leaders, particularly Mahatma Gandhi and Sardar Vallabhbhai Patel is well known. But *BM's* involvement with freedom fighters, so far as I am aware, has been revealed in this book for the first time.

Chentsal Rao has in the following pages tried to present a more com-

plete and rounded picture of *BM's* deeds and dreams than has been available so far. Despite *BM's* involvement in many charitable activities and his generosity, somehow most of his noble qualities have received inadequate notice. Chentsal Rao has done well to include in his book many of his speeches and writings, through which we get an insight into his perceptions and aspirations.

What makes the biography so particularly worth reading is that it is so readable. Chentsal Rao's style would do credit to a professional writer, while all his life he has been engaged in dealing with the mundane problems which engage the attention of Chambers of Commerce and Industry.

L. K. Jha

10, Janpath,  
New Delhi.  
July 26, 1983.



# Preface

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PREFACES GO EXTENSIVELY unread. This is unfortunate. It is only here the writer fulfills his duties to the reader. There is much to tell, albeit briefly: Why, in the first instance, has the subject been chosen? What is the rationale behind the composition? Why, the particular title? Who all helped in the undertaking?

Braj Mohan Birla, popularly *BM*, was the youngest of the famed four Birla Brothers, whose contribution to the economic development of India has been notable. Their title to fame is not confined to business success alone. This family has sponsored and supported many deserving causes—educational, social and cultural—and has set an example for all those blessed with riches to emulate and follow. *BM* commands attention because of his endearing personal qualities, apart from his business achievements and public spirited services.

My association with *BM* began in April, 1944, and lasted his lifetime till January, 1982. We were and were not in the same league. There was the vocational link. We both belonged to the Chamber of Commerce Movement. But our roles were different. He was elected to head public organisations, while I was in the permanent secretariat. His knowledge of business was firsthand, and mine was one removed. The hiatus in our economic standing was as huge as it was inevitable. Despite differences in our stations in life, and sometimes in the approach to issues, we developed an empathy. I had always the benefit of his friendliness.

I came to know *BM* this way: It was in April, 1944 that I joined the Indian Chamber of Commerce, Calcutta, as Assistant Secretary. He was the President for the year. For him it was the second term, the earlier one being in 1936. Even in the first few weeks of my joining the Chamber, I had several occasions to meet him. He was in his prime—majestic, impatient and idealistic, but never indifferent or intolerant to ideas. These traits persisted over the years, but with time the sterner aspects mellowed and his humanism became more luminous.

From 1949 to 1981 in my career with the Federation of Indian Chambers of Commerce and Industry (FICCI) and its associate bodies, it was given to me to move with many stalwarts, not only in business, but in different professions, not only from different parts of India, but from many countries. However, *BM* stood out in my mind predominantly as one of the few original thinkers, who can be trusted to keep his head cool and hand steady in the roughest of weathers. I was ever impressed by the fullness and suggestiveness of his mind. Everything about him was big, vital, national. He was able to see great problems in their true perspective.

His interests were varied. To him, business was a means to an end. Even while he looked upon business activity as a vital force for society, he was concerned with the larger socio-economic problem of raising the standard of living of the people, as well as strengthening the economy as an indispensable adjunct to the defences of the nation. The latest in the field of science and technology dominated his thoughts, so also the preservation of old and dilapidated temples and the setting up of new ones as cultural centres. His versatility was no less than his certitude. He was at home in every company and in any surrounding.

Every calling becomes great when greatly pursued. This idea was central to his philosophy. One of his convictions was that the respect accorded to the business community could be measured by the respect the community itself demanded and commanded. Why should those who earned a living be rendered contemptible in the eyes of the public as they have it in their power to be respectable? To him personal endeavour and achievement were the kingpins to the development of individual personality and national integrity. Flowing from this, he was wary of governmental support to business organisations, as he was opposed to governmental intervention.

He chose to identify business and national interest so closely that it would not occur to him to accept the validity of any kind of dissent. This was not due to lack of wider understanding. It was an article of faith. Similarly, he was impatient of policies and theories that were hesitant to eliminate poverty, lock, stock and barrel. In his view, the rich deserved their riches, but the poor did not deserve their poverty.

He favoured Hinduism because he was born into it. As a good Hindu, which he was, *BM* insisted on action to meet the obligations and duties of life in the spirit of the Bhagavad Gita. The Gita underlines that action and life have to be in accordance with the highest ideals of the particular age. Nothing, in the view of *BM*, was needed more in Modern India, as action for economic development, which is the only source for social betterment.

There was a definite theory behind his activities though he might have denied it if put before him. He did what he did because he believed that in no other way could the foundations of a reasonable social order be truly laid. His main purpose was educational, whether in building villages or temples. There is no way of making good citizens except by education, and there is no way of so educating them save by providing an environment in which their talents as well as better natures could be encouraged to grow. Mind and body together must be well cared for. And it can be done only through productive labour, decent earnings, and fair amount of leisure.

His large mindedness was matched by his personal generosity. He was companionable and charming, lavish with his energy and friendship. He devoted as much time in helping others to settle down in business, as he spent in expanding his own. This was so in the case of ideas also.

*BM* was great man in his own right, but he did not make any attempt to publicize his views or the services he rendered to public causes in his lifetime. Although he spoke from many fora, his thoughts were not garnered between the pages of a book.

When I met *BM* last in Calcutta on December 23, 1981, I had, as usual, a pleasant hour, when he covered a wide ground—from the economics of family planning to the economics of nuclear war. The extent of his knowledge was almost incredible. His mind was as agile as ever. To talk with him was always an adventure, for his words always carried a special exhilaration. However, he looked tired, and confessed to a feeling of weariness.

After getting back to Madras, where I have settled down since retirement, I wanted to write to *BM* and suggest that it was time he commissioned a biographer. Things turned out differently. Learning on January 1, 1982 that *BM* had suffered yet another heart attack—the fourth—I apprised his son, Ganga Prasad Birla, of my unexpressed suggestion to his father. *BM* passed away 10 days later, on January 11.

A knowledgeable old class fellow of mine, a distinguished economic journalist, V. Balasubramaniam cautioned me. He felt that writing a biography may not be well up my street, because it required a special skill. If I went wrong, it would be unworthy of the man to be honoured, he said. I was uneasy myself for other reasons as well. Source material was scarce. *BM's* life was not documented. Indians rarely keep diaries. He was no exception. His habit of destroying correspondence, once in three years or so, was by no means helpful. It would be foolish to make a fable of a man who was with us only till the other day. There was the question of synthesising chronology and theme. The tributaries of *BM's* mind ran in several directions and to trace their channels into the main stream

could not be easy. It would be wrong and infelicitous to force the multitudinous events of his life and his equally multitudinous thoughts into an arbitrary pattern.

Moreover, my purpose and perspective might easily be misunderstood. I had to reckon with the twin hysterics of denunciation and exaltation that surround the House of Birlas. The most unlikely reason could be attributed and gain credence, given the temperament and disposition of the time. Nevertheless, I thought that I should make an effort, if only as a token of affection and regard for my old friend and mentor.

This is not a biography in the accepted sense, but mainly a delineation of the personality of *BM*, his thoughts and activities. The focus is on his ideas and what they show concerning the man that held them. It has not always been possible to keep out some evaluation of the validity of his ideas.

The title of the book is *His Deeds and Dreams*. It briefly sums up the achievements of Braj Mohan Birla and gives a glimpse of the mettle he was made of.

The fates which helped him achieve much, denied him so much more, for, many of his dreams remained unfulfilled. He wanted India to become a healthy and strong nation. His thesis was that the strength of a nation was not a cause, but an effect, and that before a nation could get strong, strength must be widely scattered among the people. This cannot be brought about, except by giving people opportunities to earn a decent living on the farms, in industries and in services. The lesson of history, in *BM*'s view, was clear. There has to be a diffusion of power to sustain a society on a stable basis. Social, political, economic and other groups must compete openly with one another. Only, then, could there be such a balance of power that no one group can ride roughshod over the others.

He was unashamedly for capitalism in the sense of encouraging everyone to work hard to acquire capital so that it might be put to use in creating not only jobs but also material welfare. He regretted that the tax structure got so convoluted that it did not permit genuine and legitimate savings, and if anything, encouraged evasion. On the same count, he was against what he considered ill-informed laws and regulations, which placed restraints on individual initiative to work and earn, and thereby reduced one's capacity to serve the people. For his part he tried to do his bit and more, in the direction of assisting his countrymen, untempted by the lure of public acclaim.

He was an achiever, no less a perfectionist. As a craftsman he wholeheartedly gave himself over to his calling and more. The first duty of the craftsman is to be lovable, a duty which *BM* fulfilled with unconscious ease. Business for him was a passionate enterprise rooted in

human sympathies and aspirations. The dream of perfection in any craft has its own pitfalls and disappointments. But the pursuit is not given up nor does the mind get seared. To the end, *BM* never gave up hope that the next generation, if not, the generation after that, would grow up in comfort, free from the fear of poverty and all the ills that poverty breeds. That hope, for a man of his virile temperament, did not diminish with the disappointment that the desired goal could not be speeded up in his lifetime.

There is undoubtedly a close-knit Birla Family, but there is no Birla Group; the enterprises or companies run by different members of the family are independent of each other. The Board of Directors are different, so also the shareholders. However, some enterprises could be identified as coming under the operations of lineal descendants, though this is not always so. In the case of *BM*, however, the fact is that his son, *GP*, and his grandson, Chandrakant, have been associated with *BM*'s business and other ventures.

I planned to have some long sessions with Mrs. Rukmani Devi Birla, who was companion of all seasons to her husband for over 64 years. I gave her time to recover from the shock she had suffered, but the interview did not take place. She died at midnight, June 26, 1982, six months after her husband passed away, apparently having lost the will to live and waiting for his call, as she said. In truth, she dreamt a few days before her departure of her loving husband bidding her to come.

There are many debts to acknowledge. *GP* extended to me generous co-operation. My heartfelt thanks to him and to members of his family, as well as to his father's circle of friends. Most of them were already known to me, and they responded very willingly. I express my gratitude to all those who wrote down their impressions of *BM*. They have been woven into the text, but not always in extensio. Persons whose names do not appear have given me no less encouragement, and I am gladly grateful to them also. Errors of omission and commission and in value judgements are entirely mine. To the administrator statesman L. K. Jha, I am beholden for his perceptive Foreword. It has given weight to my piece. I am obliged to the Printers and Publishers, who have redressed some unforeseen delay by speedy execution, and for making the book assume its present form.

58, Seethamma Road  
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August 5, 1983.

P. Chentsal Rao

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# The Birla Family — The Early Years

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**L**IKE ALL MIGHTY rivers, the beginnings of Birlas have been small. They hail from Rajasthan, a State in North-West India, which in Indian history has been in the forefront for romance as well as turbulence. It was a region where careless bravery was commonplace, where deeds were daring, and where the rich tapestry of life was matched by an indifferent, fierce, stormy and mysterious desert. Some of the elemental impulses seem to have transmuted themselves into business insights, and hardy optimism. For, the business community of Rajasthan, to which Birlas belong, is one of the most successful in business in modern India. They have sprawled all over the country, graduated from trade to industry in an incredibly big and speedy way.

The place called Marwar is in Rajasthan. The businessmen of Marwar got to be known as Marwaris and the term Marwari came to cover the entire business community of Rajasthan. They mainly hail from Shekhawati, which comprises the two present-day districts of Sikar and Jhunjhunu, and is located to the north-west of the old princely State of Jaipur. The land is still poor, semi-desert, bounded in the east by the rugged Aravalli Hills and drifting in the west into shrubs and duneland. There are few towns worth the name within its borders and Pilani, the hometown of Birlas, is one of them, made famous by the establishment of the Birla Institute of Technology and Science (BITS), attracting students from different parts of India.

The history of the Birla family reflects the course of the economic history of India since the turn of the present century.

India's industrial development falls into two distinct phases—one, which took place haltingly in the pre-independence era, and the other, thereafter. The post-independence progress has, no doubt, been faster, but it has also been checkered on account of paucity of resources, policy constraints, and a lack of sustained political will.

Even before 1947, the Birlas established themselves in a fair way,

fighting heavy odds and overcoming the discriminatory treatment meted out to the Indian commercial community by the erstwhile rulers. The Swadeshi Movement (buy Indian goods) of the period, which urged the boycott of foreign manufactures, and the development of indigenous industries were only an aspect of the broader purpose which was soon to grow into the demand for Swaraj (Independence). Indian business and the Indian National Congress, the only political party in India of eminence and with a wide coverage, interacted to bring out economic and political awakening. The House of Birlas was in the thick of the economic and political movements.

For some years now, Birlas are a household name in India. There is hardly any State in India where there is no Birla presence. In terms of the value of assets, Birlas run neck to neck with Tatas, another big house in common parlance. Tatas were far ahead once. The competition for place is only in the domestic context. Abroad Birlas have outpaced Tatas.

Birlas have spread their wings, and are operating industrial enterprises in quite a few countries. In addition, they undertake turnkey projects overseas, and this is a measure of the reputation this house has acquired in the international industrial circuit. Immediately after India gained political independence, Birlas were tempted to accept an offer to explore oil in Trinidad, a source of energy which was destined three decades later to cause a trauma in international economic relations. Deputy Prime Minister, Sardar Vallabhbhai Patel persuaded Birlas not to go overseas but to concentrate on the development of the Indian economy. Opportunities abroad, as well as legal restraint on domestic expansion induced Birlas to go overseas.

The accounting system followed by Birlas has evoked international interest—following recent write-ups in *London Financial Times* and The New York based Business International Money Report. This system, called Parta accounting, originated from trading practices, and is now applied with refinement to industrial operations. The annual budget is divided into a monthly basis, and further subdivided for daily evaluation. The budget itself is comprehensive, covering all items of expenditure grouped under broad heads. Each machine also is separately costed, and its daily output then rated. This reveals daily machinewise production, cost realisation and profit or loss. A daily performance report is prepared to indicate deviations from the budgeted figures in respect of each item of expenditure and realisation. This helps to take corrective measures, if any. In short, the accounting procedure places emphasis on efficiency and serves as a warning system to check losses.

The success saga is not without publicity and controversy. Even folklores have grown in the corridors of power and in the columns of the



Press. Even as early as 1932, the then alien government instituted a politically motivated enquiry against Birlas. The fault was that they befriended Mahatma Gandhi. This kind of enquiries continued off and on and developed into a habit which was inherited by the National Government after Independence. In almost every session of Parliament, the business activities of Birlas are raised in the Question Hour or during the No Confidence Motion moved by the Opposition against Government (whichever party is in power). From all counts, the Birlas have come unscathed.

The assemblage of political, cultural, religious and psychological influences has converged on the topic of wealth creation, which is essentially the function of business. It is inevitable that in the political and social milieu where rhetoric on equality is predominant, informed as well as partisan opinion, should be uneasy over outstanding individual successes in any field.

There is a generalised distrust of business, and an unwillingness to reconcile self-advancement with the advancement of large and generous social issues. In actual fact, however, time and again in every country, those who are successful have tended to be most progressive on social issues. Birlas themselves are no exception. For instance, they have donated their palatial residence in the Ballygunge area of Calcutta to the nation for setting up a "Technological Museum". Apart from financing the Planetariums in Calcutta and Bombay, the number of hospitals, dispensaries, sanatoriums, orphanages, libraries, schools and colleges established by Birlas is legion.

The phenomenal growth achieved by the Birlas cannot be accidental. Obviously, it is the result of the most careful and unvarying attention to the broad objectives as much as to the details in all dealings. In a large measure, the character of the Family is made up of the personal character of each member of it. There seems to be an implicit recognition that the Family is more important than the individual, and the nation, of course, is much larger than any Family. There is also another living faith in all the members that if the times seem exceptionally difficult and the future exceptionally uncertain, this has been so always, and man must cope. There have been and always will be ups and downs, crises, bottoms falling from markets since markets began. This is fortified by an unswerving belief in the future of India. A large country with great resources, human and material, cannot be dormant for long. Growth is an inevitable as day following the night; a cloudy sky or a stormy weather cannot obscure the emergence of the bright sun sooner or later.

Birlas are Maheshwari Vaishyas (business community) who were originally Kshatriyas (Warrior Class). Some time in the ninth century, the