

Easy Reading/Study Material

B.A. (Final Year)- Semester VI

Subject: Compulsory English (Emanating Voices)

Unit 2: Personalities (Prose)

Rahul Bajaj

1. Introduction:

This prose lesson is an impressive and inspirational account of the life and career of Rahul Bajaj, a well-known Indian billionaire businessman. The lesson gives a comprehensive picture of his brilliant career as a successful businessman, spanning a long period of over five decades and it highlights the major milestones of his stellar achievements which continue to be a source of encouragement to many aspiring individuals – to follow his extraordinary example as a role model in the world of business and entrepreneurship.

2. Summary:

Rahul Bajaj was a dynamic and influential Indian businessman. Besides he was also a great philanthropist. During his lifetime, he was the chairman of the Indian Business Conglomerate, the Bajaj Group, and a Member of Parliament (Rajya Sabha). He was the recipient of India's third highest prestigious civilian award, the Padma Bhushan of 2001.

Jamnalal Bajaj, a Rajasthani Marwadi businessman and a close ally of Mahatma Gandhi, was the founding father of the Bajaj business house. Rahul Kumar Bajaj was Jamnalal Bajaj's grandson and was born in 1938. His mother's name was Savitri and Kamalnayan was his father's name. In those days, the Baja family was financially well-off and the Bajaj Group of companies was initially involved in the field of trading different useful commodities. The two brothers, Kamalnayan and Ramkrishna handled the business affairs jointly, and were busy in slowly moving their business venture into the area of manufacturing vehicles.

Rahul spent his early childhood days in the city of Mumbai and did his schooling from Cathedral and John Connon School. He grew up at a time when the Indian national freedom struggle was at its peak. Rahul's father and uncle actively participated in the freedom movement, and were also jailed for a short duration. In this way the Bajaj family supported the nationalistic ideals wholeheartedly.

After finishing his schooling in 1956, Rahul joined Delhi's St. Stephen's College to pursue his graduation in economics. Soon after completing his graduation from there, Rahul returned to Mumbai and started working in one of the companies owned by his family, the famous 'Bajaj Electricals'. He spent two years working there while also simultaneously studying law. During the morning hours he used to attend the Government Law College in Mumbai and after attending the college lectures there, he would spend long hours- working hard in the office of the Bajaj Electricals. Here he was assigned the responsible position and duties of the 'Junior Purchase Officer'.

Rahul was keenly aware of the need to run the company with improved competence and professionalism. Therefore, he took a timely and firm decision to further his educational potential, and in 1962, he went all the way to Harvard University to study business

management. He finished his MBA in 1964, and returned to India to take on his family business with better preparedness and technical know-how.

Rahul then took charge as the Deputy General Manager of 'Bajaj Auto' and supervised the commercial functions of the company. He was fortunate to gain the required guidance from the then Chief Executive of Bajaj Auto, Mr. Naval K. Firodia and was soon able to learn the nuances of this business thoroughly. He had to learn these business skills like everyone else and no special concessions were made to him despite being from the Bajaj family. With this fairly large responsibility on his shoulders, Rahul was made to involve himself in almost all the major departments of the company. These included the key divisions of Marketing, Accounts, Purchase and Audit.

To begin with, Bajaj Auto had started manufacturing automobiles in a garage outside Mumbai. Soon the company started gaining prominence as the two-wheeler market began to expand more and more rapidly. As it needed to step up its production, the company factory then shifted the base to sprawling premises in Akurdi, Pune. After the death of his father in 1972, Rahul became the Managing Director (MD) of Bajaj Auto. By that time, Naval Firodia and the Bajajs had parted ways and as a result of it, Rahul now became the sole leading driving force of a company was well-balanced for tremendous growth.

Over the next 30 years (three decades), Rahul ran Bajaj Auto with all his passion, enthusiasm and tireless efforts. He was able to increase the company's revenues exponentially (rapidly) and thus converted the Bajaj Scooters into the most sought-after and highly admired possession of the middle-class people in India. The then popular advertisements of 'Hamara Bajaj', sung by Udit Narayan set the right tone in linking the company's growth with the country's growth. The Bajaj Chetak scooter, Rahul's pet project, went on to become a huge success story.

At that time, Honda and Vespa were the two other leading giant companies that had come up with their own stylish scooters, and were directly competing with Bajaj in the Indian market. As a consequence, the monopoly of Bajaj did not last long. This was bound to happen, Rahul had anticipated this outcome, and with his foresight he had already appointed a vast number of new dealers throughout the country. He also succeeded in improving the 'brand' recall of his company in the minds of his customers by initiating a series of excellent advertising campaigns. Rahul was committed to ensure that his products were in no way inferior to those of the main competitors. He, therefore, invested more time and money in undertaking extensive research and development (R&D). His earnest efforts in this direction paid off and Bajaj soon made a grand comeback and retained its top position in the Indian scooter industry.

However, his life had its own share of low points and occasional setbacks. He had had a really tough time parting ways with Naval Firodia, and then the Italian automobile major, 'Piaggio'. When the Bajaj Group lost the favour of the government, the company had to suffer a lot as they were not allowed to expand their facilities to meet the growing market demand. With the 'labour-union'-related problems at his factory turning violent, another setback gave rise to questions being raised about the style of management that the Bajaj Group followed. The company received a terrible blow with the recession and the stock market collapse of 2001, and it was predicted that the glorious days of Bajaj were soon going to be numbered beyond recovery.

The stout Bajaj Auto did not, however, lose its confidence and courage. It reinvented itself, soon established a world-class factory in Chakan, invested more in Research and Development (R&D), and came up victoriously with the swift launch of the Bajaj Pulsar

motorcycle. The same Bajaj Pulsar is currently a top leader in its segment and has always enjoyed a high demand in the ever-expanding two-wheeler market.

The growth trajectory of the Bajaj Group has its special and unique significance as Bajaj today has a 60% market share in the world's two-wheeler market. It has been the outcome of Rahul Bajaj's pioneering efforts which made Bajaj Auto the 'fourth-largest' two-wheeler manufacturer in the world.

As a business leader, Rahul Bajaj contributed richly to facilitate the growth of the automobile industry in India. He also scaled the top-notch positions and served as the president of the Confederation of Indian Industry (CII) and the Society of Indian Automobile Manufacturers (SIAM).

The Government of India took notice of his special contribution to the Indian corporate sector and appointed Rahul Bajaj to various other important positions of honour. These included the Chairmanship of the Development Council for Automobiles and Allied Industries in 1975-1977; of Indian Airlines between 1986 and 1989, and of the Technology Development Advisory Group on 'Technology Trends in Automobiles' in August 1991. He also served as a member of the Indo-German Consultative Group in August 1992. Besides Rahul Bajaj also chaired the World Economic Forum in Davos, Switzerland. He also acted as the president of the Confederation of Indian Industry (CII) in 1979-1980 and 1999-2000. Rahul Kumar Bajaj breathed his last recently in February, 2022.

3. Glossary:

- *philanthropist*: an individual/person who donates money/amount in charity which is intended to improve human well-being
- *at the helm*: in control of, in charge of, in the central position
- *audit*: inspection of procedures and overall records
- *sprawling*: spread out in a bigger area and in all directions (here the company set up)
- *elan*: (here) liveliness and enthusiastic vigour
- *monopoly*: a market in which there are many buyers but only one seller; exclusive control or possession of something
- *fall foul of*: to be out of someone's favour
- *reinvent*: to discover new strength by changing something so that it appears to be much better than before
- *segment*: business category

4. Comprehension:

***Answer each of the following questions in about 150 words:**

Q.1] How did Rahul Bajaj prepare himself to take over the family business? How did it help him?

Answer: After finishing his schooling in 1956, Rahul joined Delhi's St. Stephen's College to pursue his graduation in economics. Soon after completing his graduation from there, Rahul returned to Mumbai and started working in one of the companies owned by his family, the famous 'Bajaj Electricals'. He spent two years working there while also simultaneously studying law. During the morning hours he used to attend the Government Law College in Mumbai and after attending the college lectures there, he would spend long hours- working

hard in the office of the Bajaj Electricals. Here he was assigned the responsible position and duties of the 'Junior Purchase Officer'.

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Rahul then took charge as the Deputy General Manager of 'Bajaj Auto' and supervised the commercial functions of the company. He was fortunate to gain the required guidance from the then Chief Executive of Bajaj Auto, Mr. Naval K. Firodia and was soon able to learn the nuances of this business thoroughly. He had to learn these business skills like everyone else and no special concessions were made to him despite being from the Bajaj family. With this fairly large responsibility on his shoulders, Rahul was made to involve himself in almost all the major departments of the company. These included the key divisions of Marketing, Accounts, Purchase and Audit. His family business helped him a lot in gaining wholesome experience and getting to know all the techniques of running an existing business successfully and taking it to newer heights of global accomplishments.

Q.2] How did Bajaj scooters change the Indian auto market?

Answer: To begin with, Bajaj Auto had started manufacturing automobiles in a garage outside Mumbai. Soon the company started gaining prominence as the two-wheeler market began to expand more and more rapidly. As it needed to step up its production, the company factory then shifted the base to sprawling premises in Akurdi, Pune. After the death of his father in 1972, Rahul became the Managing Director (MD) of Bajaj Auto. By that time, Naval Firodia and the Bajajs had parted ways and as a result of it, Rahul now became the sole leading driving force of a company was well-balanced for tremendous growth.

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Q.3] What difficulties did Bajaj Auto face, and how did it reinvent itself?

Answer: The Bajaj Chetak scooter, Rahul's pet project, went on to become a huge success story.

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Q.4] From your reading of this biography, write a brief character sketch of Rahul Bajaj in your own words.

Answer: Rahul Bajaj was an Indian businessman and philanthropist who inherited the Bajaj business house founded by his grandfather, Jamnalal Bajaj. Rahul was born to Kamalnayan and Savitri Bajaj in 1938. His family was quite well-off financially. Initially his father, Kamalnayan and uncle Ramakrishna, were at the helm of business affairs and were slowly moving their business into the area of manufacturing vehicles.

Rahul's childhood was mostly spent in Mumbai. He completed his schooling at Cathedral and John Connon School. He grew up at a time when the freedom struggle was at its peak. He was very good at learning and after schooling, he completed his graduation in economics from St. Stephen's College in New Delhi. Soon after, he started working in one of the companies owned by the family, the Bajaj Electricals and with active interest learnt some of the basic things related to the running of his family business as an apprentice. But he wanted to perform better and to take the Bajaj Group to newer heights of achievements. So to run the company with competence and professionalism, he completed his MBA from Harvard University in 1964, and returned to India to tackle his family business with improved technical training.

He was always eager to learn more about how to improve his business prospects and by the time he joined Bajaj Auto, he did his best to turn the guidance he received from Naval K.

Firodia, the Chief executive of Bajaj Auto. He was quick to learn the nuances of this business with rare eagerness and enthusiasm. He did his best while involving himself in almost all the major departments of the company such as Marketing, Accounts, Purchase and Audit. Since the company needed to step up its production, like a true entrepreneur, he took the quick decision to move the company factory base to Akurdi, Pune. After the passing away of his father, he assumed the charge of the Managing Director of the Bajaj Group with courage at a decisive point when the company was poised for tremendous growth, the Bajaj's had parted ways with Naval Firodia and his father was no more to guide this business progression.

He was very keen to increase the company's revenues rapidly and as planned, he succeeded in reaching this goal. He made Bajaj scooter the most admired and sought-after possession of middle-class India. Coming up with his pet project, the Bajaj Chetak Scooter, he converted it into a huge success story with confidence and perseverance. He had his strong competitors in the Indian automobile industry and market and had a really tough time competing with them. However, he managed to retain the top position of the Bajaj Group by appointing a vast number of new dealers throughout the country and by investing more time and money in extensive research and development.

His life had its share of low points and a number of difficult challenges like losing favour of the government, the sudden wave of recession, parting ways with the Italian major 'Piaggio', and many more. The stock market collapse of 2001 hit the Bajaj Company hard and it was feared that the company was almost on the verge of complete loss. But Rahul Bajaj did not lose hope, reinvented Bajaj Auto, established a world-class factory in Chakan, invested more in R&D, and quite impressively made a grand comeback with the Bajaj Pulsar Motorcycle. Rahul Bajaj achieved the almost unbelievable 60% of total market share for his company in the world's two-wheeler market. With his pioneering and untiring efforts, Rahul transformed Bajaj Auto into the 'fourth- largest' two-wheeler manufacturer in the world.

Q.5] In your opinion, how much does family background contribute to the successful career of a person like Rahul Bajaj?

Answer: It is certainly a well-known fact that Rahul Bajaj was born into a family of financially well-off businessmen and was fortunate to inherit an already existing business house founded by his grandfather and managed well by both his father and uncle. It is surely a matter of good luck and a blessing to be from such a sound and well-to-do family background. But that much is never enough to ensure success and a very bright future business career for anyone. It does help anyone to take on similar interests and aspirations. But the individual personality of the successor, his particular qualities of head and heart, his spirit of unflagging energy and enterprise are also some of the decisive factors in the grooming of a successful businessman. The same proved to be true in the life and business career of a person like Rahul Bajaj.

Rahul Bajaj, right from his childhood days, showed keen interest in his school studies. Even while educating himself at the college level, he had his own choice of subjects he preferred. But by the time he finished his graduation from St. Stephen College in New Delhi and started working in one of the companies owned by the Bajaj family, he came to realize something very important as a youngster when he thought deeply about his future life and career. It is quite likely to happen in anyone's life at a stage when one is mature and grown up to be able to give special attention to these matters of priority. In his case, the family business set-up was already and doing well by the time he attained his youth. However, after considering his particular example and rare heights of achievements he went on to touch, we have to

acknowledge that mere family background is not the only essential requirement for any person to script such an impressive success story. We can say that family background surely contributes to a certain extent in making a bright career. But what matters more is the individual efforts, keen interest and passion for doing one's best, be it any field of activity or enterprise. Rahul Bajaj's particular success story proves quite convincingly that he was born into a rich family, inherited a business house which was doing well and was busy trying to enter into new areas of manufacturing newer products. But, in the long run, after the death of his father and a number of serious challenges, it was his management skills, active interest and a passion to give his best – that took him and his company to the topmost rankings and market shares in the global market. In other words, everyone is born with a unique potential and there are certain qualities in every person which could take him to his rightfully deserved place of attainment and glory.

5. Choose the correct answer from the options given below (MCQs):

1. Who founded the Bajaj Group?
 - a. Rahul Bajaj
 - b. Kamalnayan Bajaj
 - c. Savitri Bajaj
 - d. Jammalal Bajaj

Answer: Jammalal Bajaj

2. What position was Rahul Bajaj given when he started working at Bajaj Electricals?
 - a. Chief Executive Officer
 - b. Junior Purchase Officer
 - c. Deputy General Manager
 - d. Managing Director

Answer: Junior Purchase Officer

3. Rahul Bajaj succeeded in business because.....
 - a. he involved himself in all departments in the company.
 - b. he went to Harvard.
 - c. he belonged to the owner's family.
 - d. he studied automobile management.

Answer: he involved himself in all departments in the company.

4. Where was the Bajaj Auto factory moved to increase its production?
 - a. Mumbai
 - b. Chakan
 - c. Rajasthan
 - d. Akurdi

Answer: Akurdi

5. Rahul Bajaj became Managing Director of Bajaj Auto.....
- a. after he came back from Harvard
 - b. after his father's death
 - c. after his graduation
 - d. after he was awarded the Padma Bhushan
- Answer: after his father's death**

6. What popular tagline was featured in Bajaj advertisements?
- a. 'Shandaar Bajaj'
 - b. 'Bajaj for speed'
 - c. 'Hamara Bajaj'
 - d. 'Chetak is best'
- Answer: 'Hamara Bajaj'**

7. Which of the following was Rahul Bajaj's 'pet project'?
- a. Bajaj Pulsar
 - b. LML Vespa
 - c. Bajaj Chetak
 - d. Bajaj CT
- Answer: Bajaj Chetak**

8. Which companies were Bajaj scooter's main competitors?
- a. Pulsar and Chetak
 - b. Piaggio and Hayabusa
 - c. Honda and Vespa
 - d. Vespa and Suzuki
- Answer: Honda and Vespa**

9. Bajaj has a _____ market share in the world's two-wheeler market.
- a. 50%
 - b. 30%
 - c. 80%
 - d. 60%
- Answer: 60%**

10. Rahul Bajaj was the chairman of Indian Airlines between.....
- a. 1986 and 1989
 - b. 1989 and 2002
 - c. 1975 and 1977
 - d. 1991 and 1992
- Answer: 1986 and 1989**

11. Rahul Bajaj was awarded India's third highest civilian award in the year.....
- a. 2022
 - b. 2007
 - c. 2001
 - d. 2005
- Answer: 2001**
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