

R.K. Talwar

Values in Leadership



N. Vaghul

R.K. Talwar

Values & Leadership

Printed in India

Printed: 2012

**Designed & Printed by
Parksons Graphics Pvt. Ltd.
Navi Mumbai**

**Reprint courtesy
Shrenuj & Company Limited**



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Introduction

The proposal to write a book on Talwar was entirely due to the perseverance of Shreyas Doshi, Chairman of Shrenuj, the well known diamond and jewellery company in Mumbai. Shreyas and I knew each other for over a decade now, but neither I knew about Talwar having ever been on his Board, nor was he aware of the very close acquaintance I had with Talwar. In January 2009, both of us were in Kolkatta to attend a wedding, and being chronic golf addicts, decided to spend the morning in the golf course. The conversation somehow turned to Talwar, and during the course of the next four hours or so, I found myself telling Shreyas a series of anecdotes relating to Talwar's working life. By the time we came to the 18th hole Shreyas became serious. Turning to me, he said "Vaghul, I have a proposition to make to you. Why don't you write a book on Talwar? I will take the responsibility of publishing it." I laughed off the suggestion but Shreyas was persistent. He followed it up with several phone calls, and the first question he would ask me whenever I met him was "When are you going to start the book?"

My reluctance to accept the proposition partly stemmed from my disinclination to write on anything, but more essentially because I knew if Talwar had been alive he would not have approved of it. On his 70th birthday, when Dave, who was Chairman, SEBI at that time and I jointly edited a small book containing tributes to Talwar, he was clearly unhappy about this initiative. But Shreyas was not in a mood to give up. Slowly I found that I was also getting infected with his enthusiasm. During one of the conversations with him, I suggested to him that I would be prepared to write a book, provided it was not a biography of Talwar, but an analysis of his leadership style and its relevance in the current context. He jumped at the idea and told me to go ahead and he would provide whatever support that was needed to complete the task. I was hooked and had no alternative but to respond positively.

I started planning and writing the book. I initially thought of dividing the book into two parts. In part one I planned to chronicle

the various anecdotes in Talwar's working life which I could recall from my memory. In part two, I was planning to critically analyze the work ethics of Talwar reflected in these anecdotes. In a sense, part two was intended more as a study of Talwar's philosophy in life and its relevance in the present context. My belief was that this would be useful particularly to those young minds who are struggling to find a sense of purpose and meaning in an environment marked by chaos and confusion. I found little difficulty in writing the first part, as fortunately I was blessed with a good memory and I could recall vividly the incidents in Talwar's working life during the time I was associated with him. Talwar had a habit of calling me up frequently and narrating to me in detail what happened in certain circumstances even when I was not physically present during the happening of an event. He would jokingly refer to me as his chronicler and biographer, even though at a later stage, he positively discouraged my writing any book on him. When I came to the second part, I hit a road block. Talwar's work philosophy was so unique that there was a considerable chance of it being construed as illogical to the modern mind. How do I interpret this philosophy in a manner which would appeal to the young managers of today?

Talwar was easily the most eminent banker of his times. His leadership was characterized by an outstanding intellect, honesty, integrity and a strong commitment of purpose. Above all, he possessed an indomitable courage which helped him to take on the political establishment. His personality was shaped by a strong faith in God and an unshakable belief that he was merely an instrument of the Divine, whose purpose it was, his bounden duty to carry out. It is this faith, which became the fulcrum of his personality and any analyses of his leadership traits would inevitably lead to an analyses of this characteristic. This does present a serious dilemma. We are living in a society where religion stands for bigotry, hatred and violence. There is no doubt that a large majority of the younger generation have come to regard religion with disfavour because of this negative connotation. At the same time, many of the values, which owe their origin to the religious thought process, are relevant for proper functioning of organizations and society. How are we going to reconcile these two

distinctly conflicting phenomena and develop a model, which could find acceptance to the students of management? I was searching for a possible answer and in the meanwhile had a series of health problems which forced me to suspend writing the book.

Towards the end of February 2012, a gentleman by name V.A.George, whom I had not known earlier, came and saw me. He told me that he was one of the persons whose life was significantly changed by Talwar. He recalled how he, a former Executive of Syndicate Bank, met Talwar casually while waiting at a hotel lobby, soon after his promotion as Deputy General Manager; and Talwar being free, was in a position to talk to him at length. Talwar found his excitement on being appointed to a senior position in the Bank at the age of 40 understandable, but strongly advised him that banking had become so politicized that he would personally not favour him to pursue this as a career. Instead he suggested that he join the corporate sector. Soon after, George joined a Company as Chief Executive, in which Talwar was on the Board and could work together for more than a decade developing a strong bonding with Talwar and his family. George explained how Talwar's strong influence had changed his entire perspective of life. He is now the President and CEO of Thejo Engineering Company. He had come to remind me that Talwar would have completed 90 years on June 3, 2012 and sought my permission to have the book edited by Dave and me on his 70th birthday republished. He also told me that he had been using this book as a reference for the students in management studies whenever he had occasion to teach in the institutes of management. He and his wife would appear to have met Talwar, a few days prior to his death, when Talwar handed over to him a couple of pieces he wrote on some incidents in his life both of which find a mention in part one of the book which I was planning. We decided that we along with Shreyas and other friends of Talwar who are still alive, should mark the 90th anniversary of his birthday and republish the book initially edited by Dave and me. We also decided that in case I was to complete the Book that was being planned we could also use this occasion to launch this book as well.

Within a few minutes of his leaving my room, I resumed writing the book which was left unfinished. Very soon I discovered that I still needed to do some more extensive research on the basic concepts of Talwar's work ethics and its relevance to the modern life, and hurrying through the book would only result in a half-baked attempt which would not serve any purpose. I found that it would be difficult to complete the task in time to catch the deadline of his 90th birthday. If, on the other hand, I was to delay the book till I assemble all the data, and complete the analysis, there is always the possibility that the book would never be completed, given the amount of work involved, and whatever little I had already written would never see the light of the day. I, therefore, decided that I could split the project into two phases – the first phase would consist of a brief synopsis, which would contain the essence of the book which I was planning to write, while the second phase would be the complete book which would incorporate a more detailed account of the events in his life based on a wider data gathered from all his friends and admirers and also a more convincing analysis of his work ethics and philosophy in life which could serve as a standard reference work. The synopsis could be published as a monograph on his 90th birthday while the launch of the book itself could be deferred to a later date. Once having reached this conclusion, I proceeded to complete whatever I had already started writing and the result is this short synopsis, which in a way contains the nucleus of the much larger work, which is on the anvil. In one sense this could even be termed as an Executive Summary and could give the reader enough insight into the personality of this great man.

The synopsis consists of seven chapters. Chapter 1 is a brief life sketch of Talwar and is primarily intended for those of the readers, who had no prior acquaintance of him nor have heard about him. This is not, however, a substitute for his biography which requires extensive research, for which I am not well equipped. Chapter 2 deals with the circumstances leading to his exit from the State Bank arising out of his differences with the Government. Chapter 3 deals with a major event soon after he assumed the high office-The All India Officers' strike and how he dealt with it. Chapter 4 deals with

his conflicts with the political system and the courage with which he faced the pressures on him. Chapter 5 is an account of his personality characteristics, which marked him out as an icon. Chapter 6 analyses the source of his courage and his deep conviction and devotion to the Divinity. Chapter 7 tries in a limited way to critically examine whether his work ethics and philosophy has a relevance in the current circumstances.

I came into contact with Talwar in 1962. I was one of the several young officers who came under his spell and looked up to him for inspiration and guidance. Right from the first meeting, I could sense that he had developed a special attachment for me and this continued right through four decades of our association. I became his private secretary when he was appointed Chairman of the State Bank in 1969 and had the unique experience of working closely with him for a period of three years. He would take me with him wherever he went, even when he had to meet ministers or senior officials of the Government, so that I could have a first hand experience of how banking was being conducted from the very top. He would call me his confidant, his bodyguard and alter ego. He would frequently refer to me as his “Boswell” and would talk to me in great detail about his meetings with various personalities. I never kept any record of these meetings but they are all very firmly etched in my memory cells.

Achyut Kumar Bommakanti was my successor in office as private secretary to Talwar and had the same type of relationship which I enjoyed with that great man. He used to refer both of us fondly as his chief disciples. Bommakanti left the State Bank to take up his career in ANZ Bank where he reached the very top before he retired and settled down in Australia. When the idea of writing a book became crystallized he was the person whom I had to turn to and he was very liberal with his time and guidance.

S.A. Dave became associated with Talwar in IDBI and like hundreds of other executives, came under his spell. It was his initiative that resulted in the publication of a small book containing tributes to Talwar on his 70th birthday, which invited his mild rebuke. He also

became an enthusiastic supporter of the idea of writing a book on his leadership and provided very valuable advice and guidance.

While a few of us could claim to be quite close to Talwar, our sense of closeness would be nothing compared to that of his son Parikshit, whose fund of knowledge and information about his father was an invaluable contribution to writing this piece. While I did have a long session with him when he filled me in with gaps in my understanding of the great personality, his sudden demise at an early age robbed me of further contacts with him.

Talwar's wife Mrs. Shakti Talwar was the person who could have given me very valuable insights about Talwar. She shared with him his passion for the spiritual journey and had stood by him during what many normal persons would have termed as adversities in his life. Had it not been for her support, he would have found it difficult to take certain decisions, such as exiting his chairmanship at the peak of his career. It mattered little to her, whether they lived in the sprawling bungalow in the Malabar Hills or a two-room apartment in Pondicherry. She was as deeply devoted to the Mother as he was and even now finds great comfort in quiet contemplation. I would have liked a longer session with her, but when I found that she was not in the best of health, I felt guilty about troubling her. She nevertheless filled me in with details, which I had no prior knowledge. I am grateful to her for this.

Parikshit's wife Amita was helpful in putting together a set of family photographs and also contributing a small piece on her reminiscences which is incorporated in the revised edition of the book, edited by Dave and me on Talwar's 70th birthday. I am indebted to her for her cooperation.

Talwar's second son, Pawan has settled down in USA, but was most helpful in providing some details of his early life. In a way he made up for what I should have more properly obtained from his mother. I should sincerely thank him for this help.

As I said earlier, there were hundreds of young officers whom Talwar inspired. I would have loved to meet at least a few such officers but, sadly, neither I had the energy nor the time to go through a thorough data gathering exercise. I was getting increasingly conscious of the fact that for the sake of perfection, if I were to delay writing this monograph, it would never be written during my lifetime. Therefore, in writing this monograph, I relied essentially on my memory and those of a few others whom I could conveniently interact without much effort.

Finally, I would like to acknowledge the tireless effort of my secretary Ms Chitra who was patient with me and put up with considerable difficulties, despite her ill health, in completing this task.



Inaugurating the Bank's International Division, 14 January 1970



Shri Pranab Kumar Mukherji, Union Minister for Revenue and Banking arrives at New Delhi Local Head Office to attend the Bank's Central Board meeting, 1 April 1976



At the inauguration ceremony of India/F.A.O. Seminar held at the State Bank Staff College, Hyderabad, 1973

Chapter I

Talwar – The Banking Legend

Talwar dominated the banking scene in India for close to two decades in the 1960s and 70s. He served during the period, when the concept of banking was undergoing a major shift from class banking to mass banking. This suited his strong patriotic fervour and nationalistic sentiments and he plunged into the change process with a missionary zeal. His sharp intellect and forcefulness of his personality marked him out as a leader of people and it was no wonder that he became the face of the Indian banking. Above all, he brought a moral and ethical dimension to banking, characteristics which were not generally associated with the bankers of his time. If a legend has to be defined as a person who can be distinguished from the average mankind by his ability to apply structures that reveal a moral definition to events, providing meaning that lifts them above the repetitions and constraints of average human lives, giving them a universality that makes them worth repeating through many generations, Talwar would certainly qualify to be called a banking legend. He constantly set higher and higher bars with regard to honesty and integrity spurring an entire generation of young officers of the Bank to raise their standards of their behaviour.

Raj Kumar Talwar, popularly known as R.K. Talwar, was born on June 3, 1922 in Jhelum, Punjab (which is now part of Pakistan). He went to college for his Bachelor's degree at Karachi at D J Sind College, which is now known as D J Science College. He went on to do his Masters in Mathematics at Government College, Lahore, where he broke the record of Punjab University for the highest score in Mathematics when he graduated.

Strangely, during the late 19th century and the early 20th century, the western Punjab (which is currently in Pakistan) produced a lot of eminent persons who have a common ground – a strong spiritual orientation. Not much has been known or written about these people but the fact that there were so many persons around the same time in a given location does not appear to be a matter of mere coincidence.

For example, five decades before Talwar was born, near about the place of Talwar's birth another great personality known as Swami Ramthirtha appeared, who created strong waves in spiritualism. He was a contemporary of Swami Vivekananda but not much is known or written about him. By a strange coincidence he also finished his post graduation in Mathematics in the Government College at Lahore, and like Talwar he also topped the university during his time.

Another strange coincidence was that when Swami Ramthirtha was approached by the then British Government to join the Punjab civil service, he politely turned it down saying that his knowledge was for distribution not for harvesting. Talwar also chose not to appear for the civil service examination but for a different reason. From his childhood days, he had developed a strong bias against Westernism and as civil service would require him to learn horse-riding, which was an integral element of the training of the civil service officers, he decided that he was not cut out for that job. He instead decided to go for a job in the Imperial Bank of India which was the predecessor of State Bank of India. He was called for an interview in the Bank and as Lahore fell under the jurisdiction of what was then known as the Bengal circle, he had to go to Kolkata for attending the interview.

He had never ventured out of Lahore and this was the first time he ever visited a big city. He decided to go to the Bank a day in advance just to check up where the interview was going to be held. When he went to the top floor in which the office of the Secretary and Treasurer (the Chief of the region in the Imperial Bank at that time) was located, a Jamedhar saw him and asked him what brought him there. When he mentioned the purpose of the visit, the messenger asked him, "Who is your father?" Somewhat taken aback, Talwar asked him, "How is this relevant?" The Jamedhar replied, "In this Bank they take as Probationary Officers only those who come from an impeccable family background. As far as I know, the selection of the Probationary Officers has already been done. One is the son of a High Court Judge in Mumbai and the other, the son of the Private Secretary to the Managing Director, etc., etc. I can see that you do not come from a similar family background and I do not know why

you are wasting your time here. If I were you, I would immediately pack up and go back to Lahore from where you came.” Talwar was taken aback, but nevertheless attended the interview the following day with very little hope of being selected. His academic record was so outstanding that the Bank found it impossible to ignore him and he was in for a pleasant surprise.

He joined the Bank as Probationary Officer in 1943 and was confirmed after the expiry of his training in 1946. He was posted to Lahore and got married to Shakti Chopra – daughter of Colonel L N Chopra on October 1, 1946. Lahore at that time was passing through a tumultuous period arising out of the Partition of the country and everyday there were reports of violent clashes between Hindus and Muslims who till then shared the common heritage and lived in perfect harmony. Talwar’s wife was pregnant with his first child, when riots broke out in more serious proportions as the event of Partition approached. Talwar had to send his wife and the infant son in a Pakistani military truck, which was arranged by his Muslim friends, across the border to India and did not know about their whereabouts for quite some time. He and his Hindu colleagues were obliged to take shelter within the Bank as the Muslim guard cautioned them against going out into the city, as they would surely be lynched by an agitating mob. He would recall later how the Muslim guards at the Bank took care of everybody, fetching food for them and made them as comfortable as possible in the given circumstances. The Senior officers of the Bank, who were still British were openly hostile and when Talwar applied for leave to go and look for his wife and infant son, the reply was characteristic of the British arrogance at that point of time “You people asked for Independence and you have got it. Why do you want “leave” now?”

After some time, Talwar was eventually reunited with his family and settled down at Jamshedpur before his posting at the Kolkata Local Head Office. His posting at Kolkata coincided with the nationalization of the Imperial Bank and this process gave him an opportunity not only for the advancement in his career but make a mark as an outstanding banker. He was one of the few picked up

for accelerated promotion and got posted to the Loans Department where his penchant for financial discipline won admiration from his peers and superiors, but caused irritation to the borrowers who enjoyed a cozy relationship with an obliging bank management. He got into problems not only with the borrowers but also with the trade unions which became militant at that point of time. His “no-nonsense” attitude in the matters of discipline was a red rag to the Unions with whom he had frequent encounters. He would recall that the successive bank managements at that point of time did not have a clue as to how to handle the militant trade unions and to what extent they could support Talwar in his approach to discipline. He, however, refused to compromise and held his ground on most issues.

A major shift occurred in his career in 1962 when he was posted as Deputy Secretary and Treasurer at Madras (Chennai) Circle – the No.2 position in Local Head Office now called General Manager. Seven years had passed since the nationalization of the Imperial Bank of India and the Bank was still undergoing a transition from a colonial institution to a national body. The rationale behind the nationalization was to extend the banking network across the country and provide support to the co-operative movement in providing finance to agriculturists with a view to displacing the money lenders from rural India. The State Bank of India was called upon by the Government to open 500 additional branches in a span of five years, which the then top management considered to be a daunting task. Talwar did not share the scepticism of the top management with regard to the expansion programme. He also disagreed with the Government that the State Bank of India should not provide direct finance to agriculture but only support the co-operative system, which should be charged with the primary responsibility of financing the agriculturalists. He, however, did not hold a senior enough position in the Bank to openly articulate his point of view.

Around the time he was posted to the Chennai circle, the State Bank of India was charged with yet another responsibility of extending credit to the small scale sector. As the top management of the Bank demurred with regard to this as well, the Government required the

Bank to launch a pilot scheme which could then be regularized if the experiment turned out to be successful. This eminently suited Talwar's own personal inclinations and he plunged into the activity with a great deal of enthusiasm. This was the time when the Guindy Industrial Estate was set up and R Venkataraman, who was then the State Minister for Industries in Tamil Nadu, planned a series of industrial estates in the major districts in the state. Talwar felt that the Bank should do everything it could, to promote this activity and toured all the parts of the state egging on the officers to ensure that the scheme was made a success. If Tamil Nadu today is among the top industrial states of the country, part of the credit should also accrue to Talwar.

When the Hyderabad circle consisting of the State of Andhra Pradesh was carved out of the Chennai circle in 1965, Talwar moved out as Chief of that circle, and was entrusted with the task of setting up the new office. The manner in which he went about creating the new circle office and the standards and benchmarks he established for performance, is still being talked about with awe and esteem by the colleagues who worked with him during that period. Soon after the establishment of the Hyderabad office, he was shifted to the Bombay circle, which was then the largest circle office in the Bank and was considered a step towards reaching the top position as the Managing Director. In 1967, at the age of 45, he became the youngest Managing Director of the Bank and two years later, he was appointed as Chairman at the age of 47. This was a remarkable achievement, as not only he was the youngest to assume charge of the largest Bank in the country but also because of the fact that he was the first career banker to be elevated to that position. The progression in 26 years from a young raw recruit, to a prestigious office in the country was an envious journey by all accounts.

Talwar's achievements in the Bank were truly legendary. There was a class behind every one of his activity. He was responsible for undertaking a major reorganization of the structure of the Bank to meet the competitive requirements demanded by the environment. There was initially a talk of engaging McKinsey as a consultant for

this purpose. McKinsey did not have an office in India at that time and when approached by the Bank, they quoted a fee of \$1 million, an astronomical figure at that time, to do what they termed as a feasibility study to decide whether to take up the assignment or not. Talwar, therefore, decided to approach Ravi Mathai who was then Director of the Indian Institute of Management, Ahmedabad and at his instance requested Prof. Ishwar Dayal and Prof. Bhattacharya, both senior Professors at the IIM to take up the assignment. The changes that were brought about as the result of this restructuring have been well documented and have laid the foundation of a very strong Bank which could stand up competition from its peers in the industry. His achievements on the industrial relations front were no less remarkable. He was responsible for setting up consultative bodies for bi-partite discussions with the clerical and officers unions and conflict resolution missionary for resolving disputes. Both these processes are extant and functioning in the Bank even now.

When the private banks were nationalized in 1969, the Government also took a decision that the banking system should provide direct finance to the agriculturists and become an instrument of socio-economic change in the country. He whole heartedly welcomed the shift on the part of the Government and passionately tried his level best to bring his long cherished dream to reality. Over a period of time, however, he became disenchanted with the growing politicization of the system, but this did not prevent him from ensuring that at least in so far as the State Bank of India was concerned, the task that was entrusted to it was performed with sincerity and commitment.

More than his achievements, the reputation for honesty and integrity enjoyed by him in the industry drew the admiration of everyone and both the Government and the Reserve Bank of India listened with respect to his views on banking issues and he was generally recognized as the spokesperson for the industry. He was appointed in 1969 as the Chairman initially for five years and his term was extended by another three years in 1974. In the normal course either he would have continued in the Bank till his retirement in 1982, or as was generally expected he would have risen further in his

professional career to occupy higher positions in the Government hierarchy. Unfortunately, however, his second tenure was cut short when he refused to compromise with the Government on certain issues leading to his exit prematurely in August 1976 before the expiry of his second term.

This hardly made any difference to him as by then his spiritual convictions became so strong that he had come sincerely to believe that he was nothing but an instrument of the Divine and everything that happened was due to the Divine Will. He happily retired to Pondicherry which was a revered venue for him because of the proximity of the Mother, who, he believed continued to provide vibrations in that place despite her physical disappearance. He was recalled in 1979 to take up the position of Chairman, IDBI, which he again accepted as a command from the Divine. He continued to make waves in that organization as well and left his footprints as a leader. When he got a hint that the Government would not like him to continue in that position, he decided to call it a day at the end of 1980 and moved over to Pondicherry where he had retained his rented apartment.

He joined a few select boards of companies but apart from that he decided to spend his time in quiet contemplation and meditation at the Samadhi of Aurobindo and the Mother. He passed away peacefully in 2002 after a brief illness when he was just about 80 years of age.



R.K. Talwar, Managing Director and V.T. Dehejia, Chairman, State Bank of India with Sir Leslie O'Brien, Governor, Bank of England in Bombay, 20 January 1969



Prime Minister Indira Gandhi at the Central Board meeting, 3 April 1970



With Smt. Talwar, Tony Lewis, MCC captain, Ajit Wadekar and Hanumant Singh, 1973

Chapter II

The Talwar Amendment

It was the darkest hour of the Indian democracy. Faced by the combined onslaught of the Opposition parties led by the charismatic Jaiprakash Narayan, Ms Gandhi proclaimed a State of Emergency, imprisoned most of the Opposition leaders and suspended the civil rights guaranteed under the Constitution. The nation was gripped with a sense of fear and uncertainty. Quite a few, however, welcomed the State of Emergency as it imposed a much needed discipline in an otherwise chaotic environment. No less than a person of Vinoba Bhave's stature, openly welcomed the Emergency and praised Ms Gandhi for the discipline she managed to bring about. It was widely believed that Ms Gandhi's second son Sanjay Gandhi was the architect of the Emergency and he believed that only under a disciplined environment and a determined leadership, could the problems of the country be overcome.

With most of the Opposition leaders in jail, Parliamentary debates became a matter of formality. The legislative business was conducted with utmost speed and during the brief period of Emergency hundreds of bills were introduced and passed without much of a debate or opposition. One such measure related to an innocuous amendment to the State Bank of India Act, 1955. The State Bank of India Act, as it originally stood, contained a clause in terms of which the Chairman of the Bank could not be removed before the expiry of the term of office unless there was misconduct on his part. It required that a show cause notice be given to the Chairman and his explanation sought for, before removing him from office. The amendment proposed was to provide for termination of the Chairman without any cause, by giving him a three months notice.

Even though under the present dispensation both in public and private sector, the Chief Executive of any Institution or Company holds office at the pleasure of the Government or the Board as the case may be, there was a reason why the State Bank of India Act 1955 guaranteed to the Chairman of the Bank a protection against the

removal, in line with the provisions of the Constitution applicable to the civil servants. The nationalization of the Imperial Bank of India was done at a point of time when the concept of the socialistic pattern of society was slowly emerging on the Indian economy. The Nehruvian concept provided for a mixed economy whereunder both the public and the private sector would flourish jointly without any discrimination. Even though Nehru believed strongly that in a developing country like India, the State had a major responsibility in filling the gap arising out of paucity of entrepreneurship; he was very clear in his mind that State-run companies would have to function autonomously and without interference from the Government. It was in this context, the State Bank Chairman was given the protection from removal in line with civil service. Even after the nationalization of the Imperial Bank of India, the Government maintained the convention of not sending any communication to the State Bank of India directly. It dealt with the Bank primarily through the Reserve Bank of India, unless a directive had to be issued in terms of the provisions of the State Bank of India Act in very rare occasions. (In fact, as far as I knew, there has been only one occasion during the last more than five decades in the history of the Bank, when the Government invoked the special provision of the Act to issue a directive and this pertained to a very insignificant issue of continuing the contributory pension scheme for officers, which the Board wanted to make it non-contributory in line with what was applicable to the workmen – the then Chairman John Mathai did not agree with the decision of the Government and resigned his position as Chairman after duly implementing the Government's directive.) When the major banks were nationalized in 1969, L K Jha who was then the Governor of the Reserve Bank of India, while addressing a meeting of the Chairmen of the nationalized banks in the premises of the State Bank of India, referred to this feature and said that the banks would have to look to only Reserve Bank of India for regulation and the role of the Government would be strictly confined to that of a responsible shareholder. Jha vigorously protested when the Government wanted to set up a banking department on the ground that this went against the spirit of assurance given at the time of nationalization. Of course, as subsequent events showed, the convention that was developed in

the earlier days was given up not only for the nationalized banks but for the State Bank as well.

In the banking circles, the Amendment was known as the Talwar Amendment. There was no doubt whatsoever that the Amendment was introduced with a single purpose of removing Talwar from the office of the Chairman, even though the bill was clothed in general terms and included several other provisions which were not quite significant. What did Talwar do to merit this extreme measure?

The problem in one sense was relatively simple and possibly an everyday occurrence in a banker's life. One of the borrowers of the Bank, a cement company, became sick with mounting losses and approached the Bank for restructuring assistance. The economy was undoubtedly passing through a difficult phase at that time. The 1971 war with Pakistan on the issue of Bangladesh had left many scars and several marginal companies were facing considerable difficulties. The State Bank of India, being the largest Bank was involved with most such enterprises and was always ready and willing to give a helping hand to rescue these companies. What made the problem difficult with respect to this specific company was the strong assessment by the Bank that much of the difficulties of the company were brought about due to gross mismanagement, and given this assessment, the Bank insisted that as a condition precedent to implementing the restructuring package, the Chairman of the company who was also the CEO should step down from the management and a professional management should take over the Company's management. This was a standard prescription by the Bank in similar circumstances, and it was invariably resisted by the promoters till they reached a stage when it was difficult for them to carry on without the Bank's help. In this specific case also the promoter strongly resisted any attempt to dislodge him from the management position but the Bank held its ground. But then this promoter turned out to be different. He was a friend of Sanjay Gandhi and decided to take his case directly to him. To Sanjay Gandhi who was grappling with more serious affairs of the country, this turned out to be a minor irritant. He called the Finance Minister and asked him to direct the Bank to waive this requirement.

As far as he was concerned he had given his decision and that should have seen the end of the matter. But the problem was the Government was dealing with a different person, Talwar who was not used to taking orders from the Government.

The Finance Minister telephoned Talwar and asked him not to insist on a change in management as a condition precedent to restructuring. Talwar called for the details from the department and having satisfied himself with the merits of the case, informed the Finance Minister that it would be difficult for the Bank to waive the requirement of change in management. The Finance Minister sent for Talwar and told him that he had received instructions from "the highest authority" in the country who expected him to carry out the orders without demur. Talwar stood his ground and told the Finance Minister in no uncertain terms that there was no way for him to waive this requirement and the Bank's position would remain unchanged. When this was communicated to Sanjay Gandhi, he must have been quite amused. During the period of about a little more than a year since the Emergency was declared, he had never met anybody who either disagreed with him or refused to carry out his orders. He decided to send for Talwar to personally talk to him and was shocked to hear from his intermediaries that Talwar refused to come and see him on the ground that he held no constitutional authority and he was accountable only to the Finance Minister. Sanjay Gandhi's response was swift and clear. He told the Finance Minister to sack Talwar.

But the Finance Minister faced two sets of problems. Talwar, during the seven years he was the Chairman of the Bank, had achieved a high sense of personal reputation and his removal from the office for what could be called a trivial issue would send shock waves in the industry. The Finance Minister could, however, manage this, because this was a period of emergency and what could have caused a stir in the normal times, would pass off as not unusual in the extraordinary circumstances prevailing in the country. The second problem was much more intractable. When the matter was referred to the Legal department, the Legal department pointed out to the specific provision in the State Bank of India Act which guaranteed

the Chairman the special protection against removal without sufficient cause. The Finance Minister, therefore, felt that a better course of action would be to offer Talwar a different assignment or seek his resignation. He sent for Talwar again and told him that the Government was planning to set up a Banking Commission to make recommendations with regard to the restructuring of the functioning of the banking system and whether he would be willing to accept the Chairmanship of the Commission. Without batting an eyelid, Talwar told the Finance Minister that he would indeed be happy to head the Commission and he could carry out this job simultaneous with his existing assignment as Chairman of State Bank. When the Finance Minister looked somewhat uncomfortable with this suggestion, Talwar very calmly looked the Finance Minister in his eyes and told him "Mr. Minister you seem to be very particular that I should not continue as the Chairman of the State Bank of India, is that correct?" The Finance Minister replied. "Yes Mr. Talwar, you know what the problem is. We all have the highest regard for your abilities but unfortunately you do not seem to be very flexible on this one issue which is of great importance to the highest authority in the country. If you do not want to accept any other position, I may have no option but to seek your resignation or in the alternative, to dismiss you from service. This would be extremely painful to me but I would be left with no other option." Talwar replied, "Mr. Minister I have no intention of resigning from my position. It is entirely up to you to decide whether you want to dismiss me. In any case, I have just about a little more than a year left in my second term and I see no reason why you should not allow me to complete it." The Finance Minister looked pained and miserable. He terminated the interview and hoped that some solution would be found. He reported the matter to Sanjay Gandhi who was infuriated and asked the CBI to investigate Talwar to find out whether there were any grounds on which he could be dismissed in terms of the Act.

Talwar's personal reputation for honesty and integrity was quite well known and in the normal course it would have been virtually impossible for any investigating agency to charge him with any misconduct. He, however, had two chinks in his armour. One was

his almost monthly visits to Pondicherry which attracted widespread attention both within the Bank and in the political circles. His attachment to the Mother and the Aurobindo Ashram was well known and he made it clear to the Government when this issue once came up for discussion that he needed these visits for what he called “recharging his batteries” and that if as a condition of his employment he were to stop these visits, he would as well step down from the Bank. In any case, this could not be construed as a sufficient cause for his dismissal in terms of the Act. The second one was a little more serious. Talwar had sent appeals on behalf of the Ashram to a large number of industrialists, many of whom were clients of the Bank, seeking donations for the Auroville project. Those of us who were close to him, feared that the Central Investigative Agency could focus on this issue and charge him with abuse of authority. While Talwar himself was completely unperturbed by the reported investigation, we came to know from several sources that the Agency was meeting several industrialists who had given donation to the project with a view to taking from them a statement that they were coerced into giving this donation at the instance of Talwar. At the end of the investigation, two things became very clear to the Agency. One was that not a single industrialist was willing to say that Talwar either spoke to them or in any way tried to persuade them to make the donation. The second was what all Talwar did was to forward to these clients an appeal signed by Prime Minister, Ms. Gandhi and the Secretary General of the United Nations, U Thant commending the Auroville project for support. The Agency found that under these circumstances, there was no way in which they could charge Talwar with abuse of his position. While the CBI closed the case, as far as the Finance Minister was concerned, it was back to square one and he faced the unpleasant task of reporting back to his political master his failure to carry out his diktat. Sanjay Gandhi lost his patience. He directed the Finance Minister to amend the State Bank of India Act to provide for a summary dismissal of the Chairman.

The Legislation amending the State Bank of India Act was passed in record time and received the assent of the President without any delay. Armed with the new provision in the Act, the Finance Minister

summoned Talwar once again and told him that if he did not resign from the service, there was no alternative but to remove him in terms of the new provision. But, Talwar was defiant. He told the Finance Minister that he had no intention of resigning and the Finance Minister could take whatever action he deemed appropriate. On the evening of the 4th of August, 1976 Talwar received a fax message from the Finance Minister sanctioning him 13 months leave and asking him to hand over charge to the Managing Director. It is amazing that with all the powers in their hands, the Government could not summon up enough courage to dismiss Talwar, but instead gave him leave preparatory to retirement for as long as 13 months, which he did not ask for!! This was the respect he commanded in the industry.

Talwar left the Bank promptly at 5.30 p.m. which was his usual time of departure. There was hardly anybody to see him off. Everyone was scared even to be seen to be associated with him. I had by then left the Bank service and joined the National Institute of Bank Management. The residence of the Chairman of the State Bank was just across the road and as soon as I received intimation that he had reached his home, I walked across to meet him. I found him smiling and cheerful. Extending his hand to greet me on my birthday (which by a curious coincidence happened to be 4th August) he said, "Vaghul, look at the Divine will. What a pleasure it is to be gifted with His blessings." I did not know what to say. I mumbled something to the effect that the Divine always tested His true *bhaktas* and every such test would only serve to reinforce the faith. He looked me at my eyes and said "How can you call this a test? As far as I am concerned, I am only an instrument of the Divine and His Will is the only thing that is important to me. If you see this as a suffering, it only shows your ignorance. We cannot sit in judgment over the Divine will." I then said, "I agree, Sir, that we have to accept the Divine Will with humility." But he was not finished with his lesson. "Where is the question of accepting or not accepting? You have to learn to enjoy all the time the Divine play. The work in the Bank is over. What the Divine has in store for me I do not know. Whatever it is, I will serve the Divine with devotion and always enjoy being His instrument." I could only think of one example when I looked at him – the picture

of Rama when he was told by Kaikeyi that he was not to be crowned as the King but had to go to the forest for 14 years. The Tamil poet Kamban says that when he heard this pronouncement from Kaikeyi, Rama's face resembled that of a lotus with a full bloom. He was happy to carry out the behest of his father. In the case of Talwar, it was the behest of the Divine. That was the only difference.

We then sat and discussed the way forward. Talwar talked to Palkhiwala who was his close friend and discussed the possibility of challenging the Government order. After all, the Government began its letter to him with a statement "As desired by you, we are granting you 13 months leave." He told Palkhiwala that he had at no time applied for leave and this should be sufficient ground for him to expose the Government's lie. Palkhiwala sounded caution. He told Talwar that the times were difficult and he strongly feared that any attempt on Talwar's part to challenge the Government could spell more trouble for him. He advised Talwar not to pursue the matter further. Talwar accepted the advice with reluctance, but nevertheless decided to write to the Prime Minister apprising her of the facts and seeking a meeting with her. The letter was duly ignored.

Talwar's own account of this incident given to George by Talwar is given below. The readers could see a few discrepancies in his account particularly with regard to the issue whether the Government on its own granted him leave, or he submitted his leave application. I am a bit puzzled by this statement of Talwar that he decided to submit his application for leave, as I recall vividly the discussions he had with Palkhiwala on this issue, when I was present with him. But for this difference, the substance of the account remains the same.

My last days in the Bank

My first tenure as Chairman was for 5 years ending on 28th February 1974. I got reappointed as Chairman for a further period of three years. But during January/February 1976, I started hearing rumours that I might be asked to proceed on leave till the end of my tenure. This seemed too absurd to me to be bothered about. However, the rumour bell went on ringing. When I met the FM in Delhi, he told me that the Prime Minister had decided to constitute a Banking Commission (BC) of which she would like me to be the Chairman. Such a suggestion coming on the heels of the rumours, I smelt a rat. I could see that for reasons quite unknown to me, Government of India was moving towards easing me out of SBI. I asked the Minister to tell me what the BC would be required to do. He explained to me at length and I said, "Sir, for this job I do not think it is necessary to appoint a DC; a Competent Committee could be appointed for this purpose and I would be willing to head it along with my current assignment." He was not in agreement with me and went on pressing me to accept the offer. I told him, "Sir, I can sense that Government's intentions are not too clean. The objective seems to be replace me, for which I see no justification whatsoever."

From Delhi itself, I telephoned my wife and told her of my meeting with the FM. I told her, "We are at the cross roads and we have to take an important decision; for this it is necessary that both of us must be on the same wave length." Before I could say more, she answered, "As the Mother always says. 'CLING TO THE TRUTH AND NOTHING BUT THE TRUTH.'" We can pack up and go to Pondicherry at any time. The answer was enough for comfort.

Next time, when I came to Delhi to meet the FM, I was carrying a book containing "Questions and Answers" from the Mother's works. One of the answers that struck me pointedly was that for one who turns to yoga, if he were to seek support and protection from any quarter other than the DIVINE, that support will break; and that is certain; the only support and protection that can never break is the one you can seek from and you can get from the DIVINE. I was happy to read

this because in my crisis, I had been relying only on the Mother and no one else.

The next passage that struck me even more related to an answer given by the Mother to some one enquiring how to know the DIVINE's Will, when one seeks to act only according to the Will of the DIVINE. Her answer was somewhat to this effect. "The Person who seeks to act in accordance with the Divine's Will must, at the outset, be sincere, totally sincere in his aspirations. This sincerity having been established, he must silence his whole being, totally calm – physically, vitally and mentally; he must have no preferences or desires. If all these requirements are truly met, the Divine's answer will certainly come. A stage will be reached, over time, when you will even hear the Divine's answer but such a stage can be reached only after years of Sadhana. Meanwhile, your question would be if I have to act, how do I know the Divine's Will when I cannot hear His message. The Mother added, "If all the requirements I have indicated have been met, the circumstances will so organize themselves that you will do what the Divine Wills you to do." I then met the FM. He started, "The highest in the land acknowledges that you are the best banker we have. But you are undesirable for State Bank." I retorted, "Sir, how on earth, can you utter these two absolutely contrary statements in the same breath. If I am truly the best, I have not claimed it; you say, the PM says so; how can I be undesirable for State Bank?" The Minister retorted, "Look you are being unnecessarily difficult. I am not willing to lose my job for your sake. You have to go on leave."

Minister: We will give leave right up to the end of your tenure.

My answer: I am not prepared to oblige you.

Minister: If you do not do what I am telling you, we will have no alternative but to issue you a charge sheet.

My answer: That is fine, at least I will then know the charges against me.

After my return to Bombay, I learnt that hectic activities had been going on to collect evidence to charge sheet me. Nothing was found. Besides, Government was unable to send me out under the provisions of the SBI Act. Then they decided to amend the Act. When the bill was introduced in Parliament, it acquired the name as the “Talwar Hatao Act” in the banking circles. The Act was duly passed and very soon, I learnt that the matter was cleared at the highest level. I then realized that the next step from the Government would be to send a cheque for three months’ salary and ease me out.

The circumstances had so organized themselves that what was clearly the Will of the Divine was before me. Viz., that the Divine had decided that the time had come for me to say goodbye to State Bank. I immediately submitted my papers to Government for retirement in terms of my service contract – I was then only 54. The Government was extremely happy – in fact relieved; they demonstrated this by giving me the benefit of special leave up to the end of my tenure.

Throughout my service of 33 years, I had been, from the outset, a fighter against arbitrariness. I had over the years established working practices to ensure that in the Bank, no arbitrary decisions are taken in any matter, particularly where the interest of an employee is involved. I had never known the true value that could be put on the maintenance of this practice over the years. The incident that I had myself gone through was surely an example of extreme arbitrariness. Thanks to the Mother, I had remained calm throughout this “ordeal”. I had no grudge against anybody, not even the Government or PM. I believed that I was carrying out the Will of the Mother and that the Mother had, through this incident shown me the value of the battle I had waged against arbitrariness all these years.



Talking with the leader of the World Bank Study Team at Bangalore, 9 June 1972



Distributing loans at the Pondicherry ADB for purchase of milch animals, 3 January 1972

Chapter III

The All India Officers' Strike

The 1950s marked the beginning of a militant trade union movement in the banking industry. The movement, however, was confined to the clerical and subordinate staff of the banks. While the then Imperial Bank of India had a trade union led by its own employees, the unions of the rest of the banking industry were controlled by the Communist leaders. The workmen, as the clerks and the sub-ordinates were called at that time, frequently resorted to work to rule agitations, strikes and even gheraos. Most often, the Government intervened in the disputes and referred the matter to Tribunals for adjudication. There were a series of "Awards" governing the working conditions of the staff. Even the State Bank of India which had its own internal leadership went through a period of strife in the late '50s resulting in disruption of the banking activity for nearly three weeks.

During all this turmoil, the officers of the Bank who considered themselves as part of the management kept the work going. At least in the State Bank of India this position started changing significantly in the mid-60s with the emergence of trade unionism amongst the junior officers. The junior officers felt that they were being exploited and made to pay a heavy price for what they considered to be the appeasement of the workmen staff. They also felt that the differential in salaries between them and the workmen was steadily getting eroded and in quite a few cases some of the junior officers were also drawing lower emoluments compared to the workmen staff. This was also the period when inflation in the country started climbing up and all these factors led to a serious disaffection on the part of the officers leading to the formation of a trade union.

The Managements' attitude towards trade unionism amongst officers was understandably hostile. While they were sympathetic to the cause of the officers, they disapproved the concept of trade unionism amongst officers and tried their best to discourage it. Ultimately they accepted the reality and started talking to them but the pattern of negotiations with the Officers Union was very different from that of the workmen

and there was clearly a lack of seriousness. Soon after Talwar became the Chairman of the Bank, the matter came to a boiling point and the Officers' Union started adopting a militant posture. Talwar was in a sense sympathetic to the cause of the Officers Union, being the first Chairman ever to be appointed from within the ranks but before he could apply his mind to the issues, the Officers Union became restive and gave a call for a work to rule agitation. They told the members not to work beyond the working hours nor stay long enough in the bank to complete the pending work left by the workmen staff. Talwar felt that these practices could seriously impede the functioning of the Bank and in a meeting of the senior executives convened to discuss the issue, he expressed his opinion that he could never tolerate a parallel authority which could give instructions to the officers as to what they could or could not do. A decision was taken in that meeting to take quick and prompt action and four officers who were office bearers of the Union and who refused to carry out the instructions of the senior management in Mumbai were placed on suspension. The Chief Cashier at Bombay office who refused to hand over the keys of the currency chest to a senior management representative deputed for this purpose was also placed on suspension and Talwar instructed that a criminal complaint should be lodged against him. The Officers Union promptly responded to these measures by giving a call for a strike initially at Mumbai, which quickly spread to the rest of the country and nearly 90% of the bank officers responded to the call by abstaining from work. The first ever strike by the Officers of the banking industry began in the State Bank of India and that too within a couple of months after the appointment of Talwar as the Chairman of the Bank.

The decision of the Officers Union was purely impulsive as a reaction to the suspension orders, and clearly they had not planned for continuance of the strike for a long period. They expected that the management would call them for a discussion and some sort of settlement would be arrived at as was generally the practice prior to Talwar, with respect to the employees' unions. But in Talwar, they found a leader of a different calibre. He was not willing to negotiate with the representatives of the officers' union until and unless the strike was withdrawn. He also

insisted that no discussions would take place unless the Officers' Union withdraws its circular directing its members not to obey the orders of the management. With the union leaders not wanting to agree to these two conditions, the strike dragged on. After a few days there was a clear panic among the union leaders who started approaching the political system and other trade union leaders for mobilization of support and putting pressure on the bank management. The Finance Minister at that time was Morarji Desai, who was known for his stern discipline. He made his position clear that he would extend full support to Talwar in the handling of the strike. When the political leaders, particularly those belonging to the Left parties put pressure on the Finance Minister to intervene, he refused to do so. When the Chief Minister of Maharashtra telephoned to him and told him that the farmers in the State were being subjected to severe hardship as a result of the strike, his reply was characteristic of his personality, "So many people in the country are suffering. The suffering of a few more persons would not make any difference." Having failed to make the Government intervene in the strike, the Central Trade Union leaders and prominent Left wing politicians decided to meet Talwar directly, to plead with him to come to some settlement with the union. Talwar, however, stood his ground and refused to budge from his initial stand.

After nearly three weeks of stand-off, the Officers' Union could not stand the pressure from its members any longer. The officers of the Bank who were till then unaccustomed to the concept of the strike, were clearly rattled by the prolonged strike and started entertaining fears about their future. The union leaders capitulated and as was generally the pattern of settlement of strikes at that time, desired some sort of a face saving arrangement, which Talwar was clearly in no mood to oblige. Ultimately, Talwar reluctantly agreed that the settlement, which would have to be as per his terms, could remain confidential and not publicized. What would be put out in the public domain would be that the strike was to be called off, the suspension orders withdrawn and there would be no victimization of those who participated in the strike. The unions' assurance of not directing its members for not obeying the orders of the management was kept confidential. Talwar's stand was vindicated.

The strike was a traumatic experience not only for the officers of the Bank but also to the Chairman and a few of us who decided to stand by him. Everyday the entry to the office was blocked by thousands of officers shouting slogans and while there was no physical violence, the mental stress was quite unbearable. Almost everyday, circulars were issued by the Officers' Union in abusive terms and as the strike got prolonged, the abuses became more and more strident. Those of us who did not participate in the strike were particularly targeted by the Officers' Union, who understandably regarded us, as traitors to the common cause. The settlement therefore, came as a big relief. I was not directly involved in the negotiations leading to the settlement but was closely associated with it, acting as a conduit between the negotiating team and Talwar. It was around midnight the settlement was finally reached and I reached home, which was nearly 90 minutes journey from the office, early in the morning and had to return to the office after a very brief sleep. When I walked into the Chairman's room beaming with satisfaction and joy, I found Talwar calm and composed. I told him that he should feel happy that the firm stand which he took, paid off and he stood vindicated by all measures. His response was characteristic of his personality. "There is nothing for us to be particularly happy about or euphoric. Remember that we are merely carrying out the Divine Will and if at all you want to be happy, your happiness should be because that you have been given the opportunity to be the instrument for the Divine Will. Our efforts should now be concentrated in building up cordial relations with the unions and we should explore ways of providing relief to the Officers who would necessarily have to forego their pay during the period of the strike." He was true to his word and as far as I could remember, his tenure in the Bank was marked by extreme cordiality in relationships with the unions, and support to the employees' cause. There were, of course, a few skirmishes at the regional level but none of them serious enough to be called a strife.

As we were talking, the telephone rang in his room. I heard only his side of the conversation. His personal secretary had received a call from the office of the Finance Minister and as soon as I heard him say, "Finance Minister? Put him on." I could understand that

the Finance Minister was calling and I promptly stood up to leave the room. He motioned me to sit and continued the conversation. Of course, I could hear only his side of the conversation, but later on after the conversation ended, as was his habit, he briefed me the full details of the conversation which went on something like this.

FM: I hear that you have reached a settlement with the officers.

Chairman: Yes Sir. We reached a settlement late last night.

FM: Is the settlement satisfactory from your point of view?

Chairman: Yes Sir. I am fully satisfied with the settlement.

FM: Did you get what you wanted? Have the union leaders accepted your proposition not to function as a parallel authority?

Chairman: Yes Sir, this is the part of the settlement.

FM: Have you dismissed all the suspended officers?

Chairman: (After some pause) No Sir, they have been reinstated.

FM: I do not agree with this settlement. All of them should be sacked and no mercy should be shown to them.

Chairman: (After some pause) Sir, you have been kind enough to leave the handling of the strike to me. Why don't you leave this issue also to me? They are after all my colleagues and I will decide how I deal with them.

FM: (After some pause) Ok, have your way.

When Talwar finished narrating the conversation, I asked him, "Sir, what would you have done if the Finance Minister had insisted on

your dismissal of the suspended officers?" Talwar replied, "I would have refused him and if he still insisted I would have offered him my resignation."

Talwar's own account of this matter, as handed over by him to George is given below. This gives a slightly different dimension to the event but also includes some thought processes in his mind with which I was not familiar at that point of time.

OFFICER'S STRIKE OF 1969

I was S & T of Bombay circle during 1966 and 1967.

The Supervising staff were not happy with their pay sales. The Chairman appointed a "3-member group" headed by the MD, the Chief of Personnel and myself as members to look into the issue. My personal view was somewhat sympathetic to the officers. But I could surmise that the MD and Personnel Chief had a brief from the Chairman to oppose any raise in the pay scales. Negotiating sessions continued from time to time and before long the MD started accusing me of keeping silent rather than supporting the management. I told him, "Sir, you have not explained what is the Management case and on what basis do we believe that our stand is reasonable. Personally, I think, we are not being fair to our officers."

This "ding-dong" continued even after I became the MD. I had been working independently on alternative proposals that could be considered for pay revision. I myself raised the issue with the Chairman. But he rudely rebuffed me by saying "SBI officers are rather over paid and I am prepared to have a public debate with you on the subject in the Cowasji Jehangir Hall."

Not long thereafter, I was appointed Chairman in March 1969. And within three months, I found myself facing a nasty situation.

In order to push the pace of their agitation for pay revision, the Officers' Association gave a call for go slow in Bombay HO. Work was disrupted as a result. The public were suffering. The Chief Accountant (CA) at the LHO reported the position to me and sought my advice. I told him to pick up four junior officers and to repeat his instruction to them, viz. inside the Bank, only the Bank's order had to be carried out. But he was told that by going slow, they were carrying out the instructions of their Association. I then asked the CA to issue the instruction in writing. The said officers promptly replied, also in writing that they could not do the work in view of the instructions of the Association. I then instructed the CA to suspend the four officers with immediate effect.

Office bearers called on me and complained against the high handed action of the management. They threatened to give a call for strike unless the suspensions were withdrawn. But I answered, "I was expecting this and it does not surprise me. I know your members would do what the Association tells them to do. I am prepared for the consequences."

I deputed the Chief of Personnel to Delhi to meet the FM, Mr. Morarji Desai to acquaint him with the situation and to seek his help in getting the Essential Services Maintenance Act (ESMA) invoked to ensure that the essential bank instructions were not hampered. The FM told, "Let the Bank remain shut for six months, I do not care. I support the Bank's demands for discipline inside the Bank. Go and tell your Chairman to remain firm." Next day, I reported the matter to the ECCB and the Directors expressed full confidence in me.

Work came to a total standstill. Pressure started building up from various sides including from the CM of Maharashtra. He offered his good office to talk to the Association to sort out the matter. But I answered, "In our organization, the management deals directly with the staff and not through outsiders." He was not happy with my reply and telephoned the FM in Delhi. The FM advised him to keep away from the Bank.

The strike spread to all the Circles after a week. We published advertisements in the Press to explain the reasonableness of the management's stand. I then addressed a comprehensive communication to all the officers of the Bank individually. After two weeks, I started getting feelers from the Association. But I maintained, "The officers have joined strike of their own volition. I certainly want them to come back. But they have to agree that within the Bank they will carry out the instructions of the Bank Management; there will be no compromise on this issue."

Within another week, the strike was called off. The terms of settlement provided that:

- a) The officers will immediately return to work.
- b) There will be no victimization of any kind by the management.
- c) While on duty, every officer, including office bearers will carry out the directions of the management.
- d) No monetary benefit was considered or given.

Normalcy was restored thereafter.

But officers' salary problem remained unresolved. The RBI gave some special relief to their officers and we also followed suit as an interim measure. We then undertook a comprehensive review of the problem and arrived at a tentative agreement with Officers' Association, which would require Government of India approval.

During this period, Banking Department (BD) had issued instructions to all the nationalized Banks not to finalise any new terms of settlement for officers without their prior approval. But a copy of the said instruction was not endorsed to SBI. We remained ignorant of them. I sent our proposals to the BD for approval from the FM. But the Secretary, BD was furious and wondered as to how I could reach that stage before getting his prior clearance. Very soon, I was summoned to Delhi to meet the FM, Mr Y B Chawan. The BD Secretary was present in the meeting. I explained, "Sir, I have not ignored any instructions of the Banking Department. I have, in fact not received any instructions from them in the matter. My proposals are before you; our Officers' Association are aware that the proposals are subject to Government approval, ie. your approval; it is now for you to say yes or no." I further added, "I have no right to interfere, but if the proposals which I had submitted and which are quite reasonable are not approved, just because I am deemed to have violated the instructions of BD, which never came to me, I will certainly be embarrassed. Do you think there will then be any

credibility left for me within the Bank? Since it is you who have to decide, I wait for your instructions.”

His answer was “Talwar, I approve of your proposals.”

Office bearers of the Officers’ Association called on the Finance Minister the same evening to thank him in the matter. The FM said (he himself told this to me later), “What you will fight for your officers, your Chairman can do it better.”

I was the first officer of the Bank who got appointed as its Chairman. Was it fair for my officer colleagues to proceed on strike, the way they did? This is a question, which is not for me to answer. However, I can see that thereafter I hardly had any major staff trouble throughout my eight year tenure as Chairman.

Post Script – while the strike was on, every time I went out or entered the Bank, I had to walk through a sort of protective corridor; while all around me there was slogan shouting of the most offensive kind. Within about ten days, this became almost unbearable. One afternoon when I returned from lunch, I prayed to the Mother: “I have always tried to follow thy Mantra “CLING TO TRUTH”. From the behaviour of the officers, I am not sure whether any falsehood has crept into my dealings with them. I pray to Thee to crush whatever falsehood that might have crept into me.”

It so happened during the strike that one officer in a Bombay branch, who had the custody of cash refused to hand over key of the strong room. We felt his action amounted to a criminal act and decided to proceed against him in the court of law. Appropriate instructions were given to the Law Department. But to my surprise, I found, after a few days that these instructions had remained unattended. I demanded that there should no further delay; it was a Saturday and I was assured that the complaint would definitely be lodged the following Monday. When I returned home in the afternoon on that Saturday, I started wondering why this matter had got delayed at all. Am I doing what should really be done? Or is it something, which

I should not do? In such situations, it was my practice to pass on a message immediately to Pondicherry to be referred to the Mother for instructions. I got the answer around 10.00 p.m. on Sunday. The answer was somewhat to this effect, as from the Mother –

Give them love and they will give you love in return.

I immediately changed my earlier instructions and decided not to start any legal proceedings against the officer.

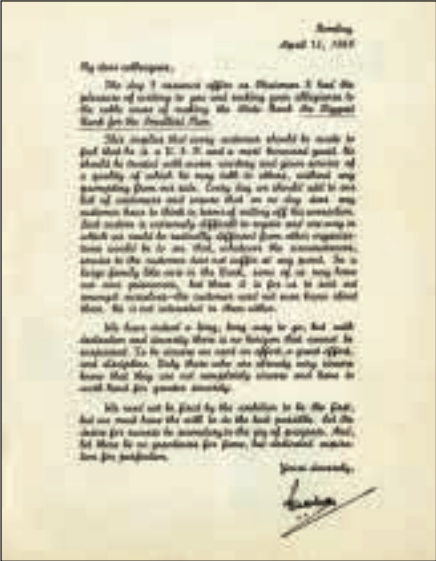
Very soon, the strike was called off.



Prime Minister Indira Gandhi at the Central Board meeting, 3 April 1970



A progressive farmer near Indore was felicitated for his rich produce



Letter dated 15 April 1969 addressed to Colleagues in State Bank

Chapter IV

Confrontation with Morarji Desai – Profiles of courage

Morarji Desai was the Finance Minister from 1967 to 1969 and was instrumental in the appointment of Talwar as the Managing Director in 1967, and subsequently as Chairman in 1969. When a vacancy arose for the position of a Managing Director in the Bank in 1967, even though Talwar was considered to be the senior most and easily the most competent executive in the Bank, the then Chairman of the Bank did not have a very happy working relations with him and did not favour him for the appointment. While he could not cast any doubts about the competence of Talwar, he told the Board and the Government, that Talwar was too young to become the Managing Director and his own preference would be for a person who was junior to Talwar, but much older to him in age. There was little doubt that the person whom he had in mind was really competent but his appointment would have been considered unfair to Talwar who was senior to him in service though much younger in age. The Board of the Bank was also reluctant to overlook Talwar's claim. It was in these circumstances that Desai started making his own independent enquiries and one of the persons whom he consulted at that time was Ramanath Goenka, who owned *Indian Express* and was known to be his close friend. Goenka and his colleagues in the jute industry had a long standing grudge against Talwar, when he took a principled and firm stand against the pattern of financing to the jute industry, when he was Superintendent, Advances Department in Kolkata office. Their efforts to make him ply a flexible policy having failed, they took a decision to have him moved out of the position. With the Senior Management in the Bank not wanting to oblige them, they were reported to have contrived to offer to him the position of Chief Executive of Punjab National Bank, which was a private bank at that time owned by the Jain family. Talwar was in his mid-30s and was having a series of problems arising out of his wife's illness and was sandwiched between the pressures of work at office and the need to take care of his two young children. His boss at the Kolkata office did not also show any sympathy to him in dealing with his personal

problems. The position of Chief Executive of Punjab National Bank carried with it a remuneration which was several times the multiple of the salary in the Imperial Bank and also offered many perquisites which would have made Talwar's life comfortable. Talwar, however, true to his personality, rejected the offer and decided to continue to remain loyal to the Bank he was serving. When Desai consulted Ramnath Goenka about Talwar it would appear that Goenka mentioned to him this incident, possibly to make a point that Talwar was quite inflexible in his attitude. But, as luck would have it, it had just the opposite impact on Desai who said, "This is exactly the man I want." Talwar's appointment as the Managing Director of the Bank in 1967 and his subsequent elevation in 1969, overlooking the claims of his senior colleague, showed the immense trust and confidence which Desai reposed on him. This was also clearly evident in the support he extended to him during the officers' strike immediately in the aftermath of his appointment. Talwar hardly met Desai except on a few occasions and there was no great personal relationship between them. Also, in the political conflict between Desai and Ms Gandhi, Talwar's sympathies were more with Ms Gandhi, even though he never made known his support publicly. Unfortunately, Talwar was destined to have a clash with the very person who was instrumental in his elevation in the State Bank of India.

In 1971, at the time of the India's involvement in Bangladesh, a perplexing event took place at the New Delhi office. A gentleman by the name Nagarwala telephoned the Chief Cashier of the Parliament street branch reportedly mimicking the voice of P N Haksar, who was then the Principal Secretary to Prime Minister, Ms Gandhi, conveying certain "secret" instructions to the Chief Cashier, Malhotra. He told Malhotra that the Government urgently needed a sum of Rs. 60 lakhs in connection with the Bangladesh situation, and that he should withdraw the amount from the Bank, place it in a box, go to a designated place and hand over the cash to a person who responded to a code word "Bharat Matha". Nagarwala continuing to mimic Haksar's voice told the Cashier that he would hand over the phone to the Prime Minister and he could talk to her directly. After a pause, the voice of Ms Gandhi was reportedly heard by the Chief

Cashier telling him that this was a very important task that was being entrusted to him and she expected him to carry this out in strictest of confidence. Malhotra, who had put in more than 30 years of service in the Bank at that time and was known for his fierce loyalty to the Bank, was completely overwhelmed by what he thought was a call direct from the PM and without applying his mind, went to the joint custodian of the cash, asked him to withdraw Rs. 60 lakhs from the currency chest for making an important government payment. The unwitting joint custodian had no problem in complying with this request as it was not unusual for large payments to be made to the Government from time to time. There was nothing unusual with this practice, as cash used to be withdrawn from the Currency Chest as and when requested by the Chief Cashier, and the balance amount deposited back in the Chest after the accounts were tallied at the end of the day.

Malhotra promptly packed the cash in a box and carried it to the designated place. Only after delivering it to Nagarwala, and Nagarwala left the scene, he realized his foolishness, as he did not have any written authorization from the Government for making the payment. He immediately rushed to Haksar's office and was shocked to learn that he was duped as no call ever emanated from the Prime Minister's Office. He immediately rushed to the Parliament Street police station and by the time he reached there, Haksar had already alerted the police authorities about the fraud. A man-hunt was launched and Nagarwala was nabbed by midnight and the entire cash minus Rs. 3,000/- was recovered from him. He was produced before a judicial magistrate the next day, confessed to his guilt and was promptly sentenced by the Magistrate for a term of imprisonment. There was disbelief and public outcry on this issue, as the incident not only sounded bizarre but the speed with which the trial took place and the conviction handed out made things look suspicious. To cap it all, Nagarwala died of heart attack in prison within a few days and the whole issue became very much like a page from the fiction. All sorts of wild allegations were made that the Prime Minister had a secret account with the State Bank of India and that attempts were being made to cover up the whole issue. There were also allegations

that Nagarwala did not die a natural death and that Malhotra, who was dismissed from the Bank's service after the incident, was subsequently employed in Sanjay Gandhi's company. It was also rumoured that Nagarwala was a stammerer and was incapable of mimicking anybody's voice let alone that of the PM who was a woman. Talwar and I knew that none of these allegations had a ring of truth, even though the incident sounded strange. The evidence also did not point to any involvement of the Prime Minister's Office and least of all Ms Gandhi. But the general public never believed in the version of the Bank and strongly suspected that there was something which the Bank was holding back. This incident provided enough ammunition to the Opposition parties and Desai was in the fore front of the attack, personally targeting Ms Gandhi against whom he had a personal grudge. On several occasions he made statements that he had personal knowledge of what had happened and that Ms Gandhi always had a secret account with the State Bank and that she was not coming out with the true story.

After Ms. Gandhi lost the elections in 1977, Desai became the Prime Minister and he promptly appointed several commissions to investigate into the "wrong doings" during the Emergency. Even though the Nagarwala incident took place much earlier, this was obviously rankling in the mind of the Prime Minister and he appointed a Judicial Commission to find out the truth in the matter. Desai also took the unusual step of appearing before the Commission as witness, and testifying that the amount of Rs. 60 lakhs that was taken out from the State Bank of India was money belonging to Ms Gandhi and was withdrawn at her behest. After several sittings, the Judicial Commission came to the predictable conclusion that they found no truth in this allegation. I do not exactly recall the specific findings of the Commission but it is possibly right to say that nothing much came out of it.

After the elections, when the new Government took over, they initiated a series of steps to rehabilitate whom they called the victims of the Emergency. Talwar being one of the persons who was removed arbitrarily from the office during the Emergency, it was

widely expected that he would be offered an appropriate position in the banking industry. But, Desai was believed to have vetoed the proposals made to this effect by the Finance Ministry. Several friends of Talwar, such as Vadilal Dagli, the editor of *Commerce*, H M Patel, the Finance Minister and H T Parekh, the then Chairman of ICICI, who were closely associated with the PM, pleaded with him that the nation could not afford not to utilise the services of a talented person like Talwar, but without any success. After the failure of several attempts, H T Parekh, with the concurrence of the Finance Minister, decided to appoint Talwar as the Nominee Chairman of a sick company in Mumbai to whom ICICI had lent money and which had become sour. This was an insignificant and meaningless appointment to a person of eminence of Talwar, but what was remarkable was that even before Talwar was intimated of his nomination, a news item appeared in the local papers and Talwar who had then settled in Pondicherry actually rang me up in Mumbai to ask me what was this all about. When he was officially intimated of this "appointment", he addressed a letter to the Finance Minister that before taking up any position, however, insignificant it might be, he would like to meet the Prime Minister, as the latter appeared to be entertaining some misgivings about him. He requested the Finance Minister to help him in securing an appointment with the PM. The Finance Minister promptly arranged a meeting and Talwar met the Prime Minister. The meeting lasted for about 15 to 20 minutes. He gave me a complete account of the meeting which I reproduce below based on my memory.

Desai: "Talwar, you wanted to see me?"

Talwar: "Yes sir. I am informed that you have certain reservations about me and I wanted to know what these reservations are so that I could give you any clarifications you may need."

Desai: "I have only one problem with you. Tell me what exactly is the truth in the Nagarwala case?"

Talwar: "As far as I know, the case is pretty clear. A sum of Rs.60 lakhs was taken from the Bank by employing a confidence trick and the money was recovered and deposited back. This is all that happened. At least this is what I know and this was what was confirmed by the enquiry commission."

Desai: "Talwar, I always thought that you are a man of truth. But now you are telling a lie and you know it to be a lie."

Talwar: "Mr Prime Minister, I have never told a lie in my life and I wonder how you can make such an accusation."

Desai: "I know precisely what happened in Nagarwala case. Nobody can fool me on this."

Talwar: "If you know what really happened in the case, then why are you asking me what happened? In any case, can I know from you what according to you happened in the case?"

Desai: "I know the money belonged to Ms Gandhi and you kept it in safe custody on her behalf. When this truth was found out, you tried to shield her by telling a concocted story which nobody in the country believed."

Talwar: "Mr Prime Minister, if you are all that sure that the money belonged to Ms Gandhi and since the money has been recovered, why don't you hand it back to Ms. Gandhi?"

Desai remained silent and did not know how to deal with this matter. The logic seemed so perfect that he could not think of an answer. He changed the track of the conversation.

Desai: "In any case, what is your problem in not accepting whatever has been offered?"

Talwar: "Mr Prime Minister, I have not come to meet you to ask for any job. I have never asked for anything from anybody. But

I have something to tell you. During the last few minutes of our conversation, you have been doing nothing but to bully me. You have been saying in your public speeches that people were afraid during Emergency and that people should eschew fear from their minds. If leaders like you bully like what you have been doing from the time I entered your room, how do you think that fear can be eschewed?"

Once again Desai looked a little baffled and did not know how to respond. He again decided to change the track of the conversation.

Desai: "Okay. Let us leave it at that. Now that you have been offered the position, go and take it. You place yourself entirely at my disposal and I would decide how to use you."

Talwar: "A long time back I took a decision to place myself at the disposal of the Divine. I am not going to change this decision and place myself at the disposal of a mere mortal like you. In any case, I would like to thank you Mr Prime Minister for the opportunity given to me to understand you and clarify my position. I would now like to take your leave."

With this, he left the room and never met Desai again.

So long as Desai was the PM, Talwar was not offered any position by the Government. Desai left in 1979 after losing his majority in the Parliament and Charan Singh became the Prime Minister for a brief period. During this time, the Finance Ministry officials got an opportunity, and recommended the appointment of Talwar as the Chairman of IDBI, which was accepted by the Prime Minister. Talwar was really in two minds before taking up this position. But, as always was his habit he was guided by his intuition, and decided to accept the job offered to him. But he must have also felt that he would not last in the job for long and he decided to retain his rented apartment in Pondicherry even while moving to Bombay. Charan Singh resigned

without ever facing the Parliament and in the elections that followed Ms Gandhi scored a resounding victory and became the Prime Minister once again. While Talwar expected that he might be asked to leave soon after Ms Gandhi assumed office, this, however, did not take place immediately. After a few months, however, reports started circulating that N N Pai had been picked for taking over from Talwar but there was no official intimation to this effect from the Ministry. Talwar decided to meet the then Finance Minister, R Venkatraman (who subsequently became the President), and had an interesting conversation with him.

Talwar: "Mr Finance Minister, I have been hearing rumours that the Government wants to replace me as the Chairman of IDBI. I thought I could as well talk to you directly to find out whether these rumours are true."

FM: "I too have been hearing such rumours, but as far as I know, no decision has been taken so far."

Talwar: "Mr Finance Minister I am surprised by your statement. I thought you are the one who have to decide if I have to be replaced by someone else."

FM: "Talwar, you know how things are decided at Delhi."

Talwar: "Frankly, Mr Minister, I do not know how things are handled at Delhi. I would not have troubled you on this, had it not been for the fact that I heard that Mr Pai had been mentioning to several people in Bombay that he would be taking over from me in a few weeks' time. If this were indeed so, I thought I should make it easy for the Government by submitting my resignation. I do not want to be a source of embarrassment to you."

FM: "There is no need for it now, Talwar. If and when a decision is taken, I will let you know and then you can submit your resignation."

Talwar: "Mr Minister, I don't think that would be necessary. I have brought my resignation with me. I will hand it over to you now itself and as soon as I get back to Bombay, I will wind up my establishment and go to Pondicherry. You may arrange to have me relieved as soon as possible."

While Talwar was recounting this incident to me, he said how it was amazing for the Finance Minister of the country responsible for the selection of the Chiefs of the PSU banks to be talking in terms of hearing rumours of such appointments. He said that it made no sense for him to wait to submit his resignation till the Government made up its mind. This time his move to Pondicherry was final. He continued to stay there in quiet meditation till his death.

Confrontation with the Government was not entirely new to Talwar. Soon after he took over charge, the Government realized that he was an independent minded professional and could not be trifled with. He enjoyed considerable respect because of this reputation and personal integrity, but this did not prevent the political system and the bureaucracy from trying to exert pressure on him from time to time to take decisions, which are not always in the interests of the Bank. I recall once a Minister of State in the Finance Ministry, who was possibly new and was not fully familiar with Talwar's reputation, tried to bulldoze him into taking a decision. When Talwar explained the Bank's stand in the matter, he lost his cool and shouted at him, "This is what the Government wants you to do. If you do not do it on your own the Government knows how to force you do it." Talwar replied back calmly and said, "Mr Minister, you do not need bother to find out how the Government can force me to take the decision. There is already a provision in the State Bank of India Act for the Government to issue a directive to the Bank, and it would be mandatory for the Bank to implement the directive. What all you have to do is to issue the directive, but I must caution you that before issuing any such directive, you will have to satisfy yourself and the Cabinet, that what you want the State Bank to do is in public interest as this is what is stated in the law." The dumbfounded Minister kept quiet and did not pursue the matter.

In fact, this used to be the burden of his argument, whenever confronted by the political system to take a decision which is at variance with what the Bank thought right. He would always quote Justice Chagla's dictum in the famous *Mundra* case involving the then Finance Minister, T T Krishnamachari and the LIC Chairman, that it would be improper for the Minister to give any oral orders to the civil servants and it would be equally improper for the civil servants to take shelter under such oral orders in defence of what they were doing. This stand used to irritate the political leaders, but then they really did not have an answer to what is admittedly an unassailable logic.

There was a different type of confrontation with Y B Chavan when he was the Finance Minister. There was an issue in which Chavan wanted the Bank to take a specific decision which Talwar did not agree to. Chavan was by nature a suave gentleman with a high degree of sophistication. In a quiet voice he told Talwar, "Mr Talwar I want you to please reconsider your stand. This is something which the PM wants and you have to keep in mind that I have to approach her for the purpose of getting an extension to you when your term expires this year. Do not make things difficult for me as I honestly believe that you are the most competent banker in the country." Talwar in an equally calm voice asked Chavan, "Are you trying to threaten me that if I do not agree to what you want, I will not get an extension?" Chavan was quick to protest, "No, no, no, please do not mistake me Talwar, I am only pointing out how things could become difficult. You know fully well I backed you strongly in the Parliamentary debate on your Pondicherry Ashram visits. I would always support you but I need also to carry the PM along." Talwar said, "Mr Finance Minister, are you under the impression that I was appointed as the Chairman of the State Bank of India by the Government?" Completely puzzled with Talwar's statement, Chavan asked, "I thought the Chairman of the Bank is always appointed by the Government, am I wrong?" Talwar replied, "I am not referring to the mechanics of the appointment. I was appointed to this job by the Divine Will. If the Divine wants me to continue, neither you nor the PM can prevent it. On the other hand, if the Divine does not want me to continue,

despite what you or the PM can say I cannot continue on the job.” When Talwar narrated this conversation to me soon after he came out of the Finance Minister’s room and both of us were driving to the airport, I was curious to know what was Chavan’s response. Talwar laughed and said, “Mr Chavan was silent. He did not say anything. Possibly he might have thought I was completely mad!”

This complete indifference to what others might say when confronted by a behaviour, which on the face of it appears ridiculous, is characteristic of people who strongly believe that they are merely the instruments of the Divine and their own manifest identity is not the “True” self. When Swami Ramthirtha, a contemporary of Swami Vivekananda and who was equally well regarded as an English speaking Sanyasi in the late 19th century was touring America, he came back after a visit to the market and when he saw his colleagues in the house, he burst out laughing. When his colleagues asked him the reason for his mirth, he said, “In the market people were looking at me and commenting, “How funny this man looks in his strange saffron colour robes! Does he not remind us of a circus clown?” Far from being hurt or ashamed by such remarks, the Swamiji was amused and did not seem to mind the impressions he created on other people. This was true in Talwar’s case as well.

The country had seen several courageous business leaders, but the courage shown by Talwar belonged to an entirely different class. What was the source of this courage and what gave him the strength to stand up to a powerful political system regardless of the consequences? We would find an answer to this in later chapters.



Addressing shareholders of the Bank at the Annual General Meeting in Bombay, 30 March 1973



Inaugurating the New York Branch, 8 December 1971



At work

Chapter V

The Role Model

In the early, '70s an officer from Kolkata submitted his resignation from the State Bank. It was unusual for officers to leave the Bank service except to join the Indian Administrative Service. Talwar therefore called the officer to Mumbai to try to find out the reasons for his decision and also tried to persuade him to continue in the service. This he did as a matter of routine and in the current corporate terminology this has come to be known as the exit interview. When the officer came to see him at Mumbai, Talwar wanted me to be present in the room and therefore I had the opportunity of witnessing the entire interaction. The officer's decision to leave was more because of the fact that he found the work routine and not quite interesting and he was looking for much more difficult challenges which the Bank did not offer. Talwar was trying to impress on him that challenges would come in due course of time and that he should not be in a hurry to take what he (Talwar) considered to be a foolish decision. He told him, "You have a bright future in the Bank and I can see that you will go very far in service. Don't try to gamble with your life." The young man shot back, "Mr Chairman, You do not know your own future in the Bank. How can you say with authority that I have a bright future?" Talwar roared with laughter and after he left the room he told me, "Look at these young people, how bold and courageous they are. This is what I like in them. Don't you think that the country is safe in the hands of such young men?"

Talwar's ability to spot talent and nurture them had assumed legendary proportions in the Bank. If one were to ask any of his young contemporaries what was the single most leadership trait which they saw in Talwar, it was his capacity to mentor the young people whom he considered vital for not only the future of the Bank but of the country. The terminology mentorship was not widely known at that time and Talwar did not, therefore, practise this as a conscious strategy of management tool. In a way it was embedded in the basic tenet of his personality. The young officers in the Bank got attracted to him because of his charisma and accessibility and he reciprocated

this whenever he spotted characteristics which appealed to him. I distinctly recall when in the early days of acquaintance with him I had occasion to submit to him a loan proposal. He called me to his room and told me that the proposal was not in the format he could approve of. He always wanted the proposal in a particular format and since he did not have the time to explain this to me he asked me to go and meet a particular gentleman who was sitting in the main hall, who knew exactly what he had in mind. Soon after I left his room, I went straight to this gentleman and found that he was a junior clerk in the Bank. Of course, this did not matter to me. I was only keen to learn from him as to how I should modify the proposal in a manner acceptable to Talwar. I spent perhaps an hour with him trying to probe him with a lot of questions and when I ultimately went back to my seat my intercom rang and Talwar was on the line. He asked me to go and see him immediately. When I went, he looked at me and said, "I have been in this office for nearly six months now, and every time anybody submitted a proposal, I told them exactly what I told you. Whenever they found the person to whom I was directing them was a clerk, either they avoided him or they summoned him to their room to explain to them what I wanted. You are the first person who went straight from my room and sat with him as a student. I thought I should tell you that this is exactly the trait which would take you far in the Bank." Sometime I always wondered whether his positive bias towards me was strongly influenced by this single incident. Almost every one of his "favourites" will have some similar story to narrate, to illustrate what mechanisms he used to employ to find out whether the persons were worthy of his mentorship.

The mentorship he practised was subtle. There was no conscious attempt to coach or preach. Most often it was a hint here and there. More essentially it was the opportunity for frequent interaction which enabled the youngsters to gain access to his mind and the thoughts that floated from it. The relationship between Talwar and the young brigade, as the group of youngsters came to be known, was viewed with considerable disfavour by the senior executives who were used to a strict hierarchical line of control that prevailed earlier in the Imperial Bank and continued in the State Bank as well. This led to a

considerable amount of hostility between the seniors and Talwar and also created certain problems for the juniors, who were often accused of side-stepping their immediate superiors to take matters up directly at a higher level. This used to come up for a more open discussion once in a while but Talwar used to ignore it and did not feel it necessary to make a change in his style of leadership. This pattern of leadership was to continue right till the time he relinquished charge of the Bank. As a consequence, the State Bank of India became a very rich talent factory, which supplied a large number of outstanding executives right across the banking system and the credit for this would squarely belong to Talwar alone.

A few years back, the *Harvard Business Review* published an article which summarized some research finding leading to the development of what has come to be known as the theory of obliquity. Briefly stated the findings indicated that companies whose sole aim was to make profit did not end up making profits. On the other hand, companies which pursued a larger objective, albeit with profit as an incidental by-product, ended up by being more profitable. Right from inception, from the time he was elevated to the position of a senior executive in the Bank, Talwar was deeply committed to the task that was entrusted to him and after the nationalization of the Imperial Bank of India, his commitment dramatically turned to one of pursuing the larger objective of using the Bank as an instrument of economic development. Soon after nationalization, the Bank began a "Pilot Scheme" for financing small scale industries. Most of the senior executives of the Bank viewed this scheme with considerable derision and one often heard the remark that thanks to the scheme their pensions would be in jeopardy. But, Talwar took a different view. He plunged into the scheme with a missionary zeal. The amount of the effort he put in to make the scheme a success is still being talked about in the Tamil Nadu region. The story was no different when the Bank was to launch itself in the sphere of agricultural financing. I have often heard him say that any financial institution in the country, which did not touch the lives of three quarters of the population, was not worth the effort. My colleague Achyut Kumar has vivid recollection of one of his speeches in the Hyderabad Staff College

when he coined the phrase that the State Bank of India should be the banker for every Indian – a slogan which is now being widely used by the State Bank of India in its advertisements. When the banks were nationalized in 1969 he was one of the few persons, who welcomed the decision because he honestly felt that only a public sector banking system could give the fillip to the national economy. Of course, later on he was to become disenchanted with the manner in which the public sector banking was operated.

He had a fairly simple work philosophy “focus on the big picture but do not ignore the short term ground realities”. Soon after I was transferred from Chennai to Mumbai, at his instance, to take up what I thought was going to be an important position in the Bank, I was disappointed to discover that the assignment that was given to me was booking railway tickets and hotels and passing medical claims. In one of his visits to Mumbai, when he asked me how I was getting on, I expressed to him my disappointment about the nature of the job that was given to me. He was quick to reprimand me. “Never consider any job as beneath your ability. Try to reach perfection in whatever you do.” When I, in a somewhat immature way, responded as to what sort of perfection could there be in a purely routine administrative job, he patiently explained to me that even in this job it was my responsibility to ensure that there was no occasion for any error. By way of comfort, of course, he added that there would always be an occasion when my seniors would discover my true ability but that should not be my goal. It might or might not happen and this should be a matter of total indifference to me. It is this philosophy which laid the ground work for his work commitment and which became a guiding mantra to all his young brigade.

Apart from the mentorship role he played, Talwar was also known for his sense of fair play and justice to one and all. In one sense, this was a natural corollary to the way his personality evolved since his early years. Bhide who was his personal secretary when he was Chief General Manager in Mumbai region narrates a series of incidents which illustrate this feature of his leadership. Bhide particularly recalls an incident with regard to a senior Manager of a branch for

whom Talwar seemed to have developed a prejudice. This could have been due to either a sporadic incident or as a result of a series of interactions with him. When Bhide was accompanying Talwar during one of his visits to the Branch, where this gentleman was the Manager, Talwar made known his general dislike of the person to Bhide during the course of the journey. Both of them spent two days at the branch at the end of which, Talwar turned to Bhide and told him, "I realize I was completely wrong about this person. I allowed myself to be carried away by stray incidents without collecting adequate evidence to judge his capability." Bhide also narrates several cases when Talwar used to put up a stout defence in favour of employees who according to him were being unfairly dealt with as scapegoats for something going wrong in the Bank due to accidental turn of events. When he became Chairman of the Bank in 1969, he was not only known for his firmness in dealing with the employees but also the manner in which he used to balance the firmness with a sense of fair play. The President of the Employees' Union had several times confided with me, that while one could disagree with Talwar on issues, it would be difficult to doubt his bona fides and good intentions. Once he becomes convinced about the logic of the argument advanced by the union, he would not hesitate to back it with all his might.

In a sense, this aspect of his personality was reflective of the innate compassion which he felt for all living beings. Once when I accompanied him to Patna for a visit and a question came up during the meeting about financing the poorer sections of the community for plying cycle rickshaws, he instinctively reacted against the proposal as this would be injurious to the health of the individuals. Only when he was assured that the cycle rickshaws would be motorized and there would not be much of an effort on the part of the individual plying the rickshaws, he agreed to the proposal. Dave narrated to me an incident which took place in the IDBI when Talwar was reluctant to agree to the proposal for the dismissal of an errant employee for misbehaviour. He suggested that the employee needed to be counselled as, after all a bad behaviour could be corrected by sensible advice. He himself agreed to take up the responsibility of talking to the employee. After a few months, it was found that the advice did

not have any impact on the employee's behaviour and the proposal was resubmitted for dismissal, which he reluctantly took it to the Board. During the lunch after the Board meeting, one of the Directors asked Talwar, "Mr Talwar how do you feel when you take decisions like this involving the life and career of an employee? Do you feel sad or do you feel that you are merely discharging your duty?" Talwar replied, "This is Mother's Will. I have nothing to do with this."

Talwar took a resolve early in his career to donate 10% of his salary for deserving causes and he was firm in carrying out his resolve throughout his career. When he was posted in Kolkata and was facing some financial stress, he found it difficult to set apart 10% of his salary but at the same time he did not want to give up the resolution he made early in his career. He tried to rationalize his resolution saying that the 10% need be applied only to his basic pay and his allowances could be excluded. His accountability was only to himself but still he was keen that regardless of his financial circumstances, he should not go back on his resolution. When he was appointed as a Chairman he was given a consolidated pay of Rs. 4,000/- without any allowances. He would remark to me that if you try to be smart in your resolution this is the way God would get back at you.

That Talwar was a person of unimpeachable honesty and integrity is hardly a matter of surprise. Had this not been an integral aspect of his personality, it would not have been possible for him to take a firm stand with regard to the political system as well as the Bank's clients whenever the occasion demanded. Under his leadership, State Bank of India quickly came to be recognized as a Bank with a difference, consisting of officers who displayed the highest sense of honesty and professionalism, apart from a high level of competence. I have often heard this being mentioned in the Reserve Bank and Government of India circles that one could easily pick unerringly a State Bank of India officer from amongst an assembly of bankers. Once during a conversation we had on the question of honesty, Talwar remarked that it would be difficult for anybody to consciously cultivate the value of honesty. It should be a part of his personality. He wondered whether he had any option other than to be honest because the alternative

never even occurred to him. This is, of course, equally true in respect of other aspects of leadership as well. It is very difficult to deliberately cultivate them – they have to stem from a basic transformation of one's entire personality.

His concept of truthfulness had a sense of inflexibility. Most of us who claim to be truthful would not mind uttering minor harmless lies from time to time to avoid embarrassing situations. But even this aberration was totally unacceptable to Talwar. In the early days of my association with him as his personal secretary, an incident happened which illustrates this aspect of his personality with some force. We were planning a trip to Kolkata and an invitation for lunch had come from a senior industrialist at Kolkata which Talwar had accepted. A few days later, he received a communication from the Mother at Pondicherry that during his visit to Kolkata he should avoid eating food outside his home. We also received an anonymous letter at around the same time that an attempt was being made to poison him during his trip to Kolkata. While Talwar did not pay any heed to the anonymous letter, he had no option but to obey the directions from the Mother. He called and told me to draft a communication to the Industrialist saying that it would not be possible for him to attend the lunch. I drafted a simple communication to the effect that as he had some unavoidable commitments he had to cancel the lunch. When I sent the communication to him for signature, he called and told me that he could not sign the letter as this was not truthful, since he had in fact no unavoidable commitments. I was a bit puzzled and asked him, "Sir, but you wanted to cancel the lunch, is it not?" He replied, "Yes, but I can't be telling a lie." I responded, "Sir, but I cannot tell the truth. Obviously you do not want me to tell the industrialist that you have been asked by the Mother not to take food outside the home." He said, "Yes, you cannot say that, but at the same time, you cannot also tell a lie. Take it back and think of something else to say. It is important that we should never utter a lie even though it is not necessary for us to broadcast the truth". I took the letter back and struggled with it for quite a while and could not think of a solution. In the evening, we had a practice before he left the office, to sit together and review all matters, which could not be completed

that day. This letter came up during the course of discussion and I mentioned to him my inability to come up with something, which could be considered acceptable. After a pause, he told me that he had decided to fast that day and that I should communicate to the host this fact as the reason for him to cancel the lunch. True to his word, he was on a complete fast through out that day. This was adherence to truthfulness in its extremity. I recall another incident when the marriage of his son Parikshit was fixed and the celebration was to take place in Mumbai when the guest control order was in force. The guest control order mandated that due to the food crisis in the country no more than 100 persons should be invited for any wedding. He had arranged with the girl's side that he would invite 50 persons while the girl's side should invite the other 50. He meticulously planned the guest list to ensure that no more than 50 people were to attend the function. On the day of the marriage he called me and told me that it was my duty to ensure that the guest list was strictly adhered to and I should count everybody who came for the wedding. There was strong protest from his family members and I tried to explain to him that we should comply with the legal requirements more in spirit than in letter. The purpose of the legislation was to avoid ostentatious weddings and the number 100 was just a ballpark figure and it was not necessary for one to be arithmetically accurate. He did not listen to any of the explanation. I must admit that I had a tough time to ensure that his command was duly carried out.

Talwar was short statured but possessed a striking personality. When he entered a room his presence was felt by everybody. He was not a great orator but when he spoke he was listened to with attention. There was hardly a superfluous word or sentence in his speech. He resented small talk and was reluctant to participate in useless banter. As a rule, he did not attend any parties unless they were official parties either hosted by him or by the Reserve Bank of India or the Finance Minister. He did not drink even though he ate meat. His overall personality sometimes gave an impression that he was quite overbearing and arrogant. Only those who were in his inner circle really knew that Talwar was a person who was totally bereft of Ego. Because of his strong belief in his being an instrument of the

Divine, his own individual personality was fully submerged with that of the Divine and the feeling of humility was very much inherent in his overall being. On the first day of his assumption of the office as Chairman he called me to his room and offered me the post of his secretary, which I accepted with delight. I sat with him to discuss as to what we should be doing and what should be our priorities. During the course of the conversation, I remarked, "Sir, during your tenure as Chairman we should ensure..." He immediately stopped me and said, "Vaghul, never again bring this phrase 'during my tenure', I as an individual do not matter. I can never let the thought enter into my mind that I am the doer. I am here in this office because of the Divine Will and my duty is to serve Him and obey His command." This was an important lesson for me. I had by then read enough of the metaphysics to understand about the surrender to the Divine and performing one's duty with a sense of detachment. But, for the first time, I saw a practical demonstration of what this was all about. Dave tells me that something identical happened with him when Talwar became Chairman of IDBI in 1980. He also had inadvertently remarked about what should be done during Talwar's tenure. Talwar cut him short and told him that they were talking about the institution and not about his tenure as a Chairman. The complete absence of Ego was apparent for all those who became his ardent disciples and this was a major motivator in inspiring people to a new behaviour leading to their transformation.

Under Talwar's leadership, State Bank of India acquired the highest level of professionalism. The State Bank officers acquired a reputation for the clean and business like manner in which they processed the loan proposals. Compared to the rest of the banking system at that time, which was characterized by a cozy relationship between the senior bank executives and the big industrialists, this approach of the State Bank of India brought about a refreshing change. But at the same time, it also made life somewhat difficult for some of the industrialists, who were accustomed to getting what they wanted, regardless of the fact whether their business needed the funds or not or whether their businesses were being managed in an efficient manner. In fact, when Talwar was in charge of the loans department

at Kolkata office in the late '50s, he had a stormy relationship with the jute barons when he insisted on a measure of financial discipline. Apparently they found him very inconvenient to handle and just to get rid off him they seemed to have offered the position as a General Manager in Punjab National Bank – a position which is equivalent to that of a CEO – a reference to this was made in the earlier chapter. A few years later, after Talwar became the Chairman, Ramnath Goenka had some problems with his jute company and when the Bank insisted on the enforcement of financial discipline as a pre-condition for any enhancement in the loan limits, he wanted to meet Talwar. In fact, Talwar was spoken to by the Finance Minister who subtly hinted that Goenka's request should be taken care of. Talwar agreed to meet Goenka at Kolkata when he was on a visit there. At the appointed time of the meeting, Goenka walked into the Chairman's room to find Talwar sitting along with the Managing Director, the Chief General Manager and four other officials from the Bank. Goenka was a little bit taken aback and remarked somewhat humorously, "Oh! I see the Saptharishis sitting before me and I am all alone to confront such an illustrious group of people." Talwar retorted, "That Mr Goenka is really the problem. This is how we take decisions in the Bank. It is not the Chairman's prerogative to take decisions as he pleases. The decision is taken on the basis of a collective judgment of the professionals who are sitting with me. And you are alone and you do not even bring your finance people to help you in the discussions. This is precisely what the Bank has been demanding from you that you should run your business in a more professional manner to deserve the Bank assistance."

Despite the fact that Talwar was seen as an outstanding leader in the banking circles, there were sufficient number of detractors both within the Bank and in the business community as well as in Reserve Bank and Government circles. Within the Bank, he never enjoyed a comfortable relationship with the senior management, as they believed that he was always bypassing them in favour of the junior colleagues. State Bank of India had a very rigid seniority based structure for placements as well as promotions and even though Talwar very much wanted to introduce meritocracy in promotions, he

could not succeed very much to break the stranglehold of the system. But he ensured that key positions in the Bank were handled by people whom he considered meritorious and this by itself caused a lot of resentment. Quite a few sections of the business community found his insistence on financial discipline irritating and felt that he was far too rigid and unrealistic. While the discomfort with the political system was quite understandable, the senior echelons of the Reserve Bank of India also found his blunt talk on policy issues unacceptable. They were very much used to the Bank Chairmen toeing the line of the Regulator without taking issues with them. In fact on one occasion, the Governor of the Reserve Bank of India complained to the Finance Minister Chavan, about Talwar's statement openly disagreeing with the Reserve Bank of India on some policy issues. Chavan in one of his visits to Mumbai sent for him and told him somewhat mildly that it would not appear politic for the State Bank Chairman to publicly disagree with the Reserve Bank Governor and he should avoid this in future. Talwar told Chavan that such disagreements should not cause any problems, as, after all, there could always be multiple opinions on policy issues and it is good if these issues are openly debated. Chavan did not reply.

Notwithstanding all these, there was no denying the fact even those who found grounds to disagree with him acknowledged that he was the tallest leader in the banking industry during his time. His honesty and integrity, commitment to national goals, long-term vision for the Bank and industry, the high sense of professionalism and fearlessness marked him out as an outstanding leader of his times. To those who knew him more intimately, his complete absence of Ego and his sense of compassion along with a passion for development of people made him a role model worthy of emulation.



With Y.B. Chavan, Union Finance Minister, at the inauguration of the State Bank Staff College Campus, Hyderabad, 21 July 1972



In conversation at State Bank's New York office, 21 January 1975

Chapter VI

The source of courage

Talwar's courage and fearlessness stemmed from one important source – his unshakable faith in God. The sense of fearlessness and courage exhibited by him could not have been possible but for this strong belief. During Emergency, he defied the Government, even when his friends advised him that he ran the risk of being jailed, leave alone losing the job. This, however, is not unique to Talwar. Several great personalities in history have demonstrated similar fearlessness and courage. In recent times, we had the striking examples of people like Mahatma Gandhi, Swami Vivekananda and Bal Gangadhar Tilak to name but a few, who had defied physical discomfort and even the threat of death for the purpose of defending their beliefs. Even as late as the 1940s we had a person like Ramana Maharishi who was courageous enough to tell his doctors that he needed no anesthesia before a surgery was to be performed to remove a cancerous tumour in his throat. All these people along with countless others in the history of mankind had something in common – their deep sense of conviction that the body and mind do not constitute the true self but are merely instruments for a much higher purpose, which it is difficult to understand but easy to experience under certain circumstances.

Talwar's religious belief was not due to any sudden burst of realization. It was the result of a gradual evolution starting with his young adult life. His son Parikshit, whom I had occasion to meet just prior to his untimely death, told me that he had often heard his father tell him about how his convictions developed over a period of time. From an early age he became absorbed in the message of the *Gita*, which was to him an enormous source of strength. He would keep on reflecting on the teachings of *Gita*, used to read a lot of Hindu scriptures and tried to find a meaning in life. After his marriage, his father-in-law, who was a medical doctor, became a strong source of inspiration for him and under his tutelage and guidance his religious beliefs acquired further strength. When he moved from the rural Punjab where he spent his childhood days to Kolkata, he was overwhelmed by the size of the city, and he also experienced serious

problems in trying to achieve a work balance between a demanding career and a family which was not in the best of health. This helped him to turn to God for solace and strength and during this period he was attracted by the Ramakrishna Mission with whom he came into close contact. He and his wife used to attend the lectures, *bhajans* and *keertans* in the premises of the Mission and he once told me how he was subjected to the strong influence of Swami Ranganadhananda, a great orator who lived into his 90s. In fact, at Talwar's instance, I used to go to his lectures whenever he came to Mumbai and his talks were truly mesmerizing, besides being profound. Talwar became so close to Ramakrishna Mission that he and his wife decided to take "Dhiksha" and were in fact very close to be ordained by the Mission. I never discussed with him or his wife what this would have meant. I would never know whether he wanted to give up the worldly life to become a sanyasi in the Mission or getting ordained through a Dhiksha would have permitted him to continue with his working life, but also pursue his spiritual journey. The latter, perhaps, might have been his intention.

It was at this juncture, that he was shifted from Kolkata to Chennai and it was by pure accident that he visited Pondicherry. His meeting with the "Mother" was not preplanned but took place when he was on a visit to the Ashram. When he looked at the Mother's eyes, something snapped in him and he experienced as though a strong energy was flowing through his body. This was a moment of a sudden awakening in him and he found that his search of Divinity ended with his meeting with the Mother. From that point of time, the Mother and the Ashram became the focal points in his spiritual journey. He stopped reading any scriptures, refused to engage himself in any discussion on metaphysics and confined himself only to the readings of the Mother's teachings. His favourite literature was, of course, the Mother's "*Questions and Answers*", which he believed contained all the wisdom that a person needed to have. He came to a simple but strong conclusion at this point of time, that the Divinity he always believed in, was manifested in the form of the Mother, and that he was merely an instrument or tool to serve Her Will. He did not waver from this thought till the time of his death.

In the Indian society, faith in God is a normal and usual phenomenon shared by countless millions. Even though there are “atheists” in the country, they form a very small minority. Devotion in God has become a part of our cultural heritage and in that sense there is nothing unusual about Talwar’s faith in Divinity. While the devotion to God is a universal phenomenon at least so far as this country is concerned, the concept of devotion varies from individual to individual. There are those who offer worship to God because it is a social convention and they found it embarrassing to be branded as “non-conformists”. There are others for whom devotion to God would mean appealing to supernatural powers to give them material pleasures, health and prosperity. They would visit a host of temples, offer liberal donations with a hope of getting something in return. Devotion to God would not make any difference whatsoever either in their personal lives or in their moral conduct. They would believe that any aberrations in good conduct could be compensated by visiting temples and holy places and there are enough number of religious intermediaries to give comfort to them saying that the All merciful God would be only too happy to forgive them for deviating from right conduct. Amongst the countless *bhakthas*, there are only a small fraction of people, whose devotion to God arises out of genuine belief in the existence of the Divine and an unconditional love towards that Eternal Reality without expecting anything in return. Amongst this fraction of the people, there is still a small fraction, who have totally surrendered themselves to the Divine and consider that the sole purpose of their physical existence is to carry out the purpose of the Divine Will. This flies in the face of conventional logic and cannot be the product of an intellectual process. This can only be the result of a different kind of experience, which is difficult to comprehend or describe.

The doctrine of surrender to the Divine implying denial of an individual’s personality and acceptance of the Divine as the sole Reality and viewing the physical activity as merely carrying out the Divine Will finds its full expression in Vaishnavism in the Indian culture. Particularly in south India, this was a strong tradition, and a large number of alwars lived and propagated this philosophy and it gained wide acceptance in course of time across the country. It is

difficult to say whether the source of the doctrine of surrender was “Gita”, or *Gita* merely became an expression of the doctrine which was already extant in our civilization. Such an academic discussion is not germane for our purpose. What is important is that the doctrine achieved a wide currency in the country even though it was followed in its true spirit by only a handful of persons.

Talwar’s beliefs are based on the following six principles:

1. The existence of Divine as an eternal Reality is not a matter of doubt. The fact that the Divine existence could not be established through scientific process of experimentation or a logical process of deduction does not in any way negate this belief.
2. Every individual human being is a part of the Divine nature. In fact, the Divine nature is the driving force behind his existence. The body-mind complex is only an instrument and is finite and impermanent. The body-mind complex is merely intended for the expression of the Divine Will.
3. The I-consciousness is an image created by the mind based on inputs received from the sensory organs through its interaction with the external environment and creates a false sense of belief of real existence and masks the Divine nature. In a sense, the I-consciousness becomes a driving force for the body-mind complex obscuring the existence of the Divine nature and prevents the mind from experiencing the Divine nature which is the True Reality.
4. The eradication of the I-consciousness is the only way in which a person could experience the Divinity inherent in him. Once the mind experiences the Reality, it becomes convinced that its purpose is merely to carry out the Divine Will.
5. The eradication of the I-consciousness is possible only when the mind is pure and free from prejudices and negative thoughts.
6. It is futile to speculate on the purpose of the “Divine Play” or sit in judgment over the Divine Will and evaluate the resultant impact on the body-mind complex in the form of suffering and

happiness or pleasure and pain. Whatever is the outcome, it has to be accepted with cheer and one has to be content with the mere thought of carrying out the Divine Will even though he may not understand the purpose behind it.

These sets of beliefs are in a sense integral to the Indian thought process which evolved over thousands of years and culminated in the teachings of *Gita*, which became a source of inspiration for the Indian civilization for more than two thousand years. But from the point of view of logic or scientific thought, there is no shred of evidence or proof to support these precepts.

The basic premise of Indian thought, of course, was belief in God which, at one point of time, was universally accepted as a matter beyond doubt not only in India, but across the various societies in the world. This belief received a jolt with the development of scientific temper which did not recognize faith as a component of the Truth, but insisted that Truth can be established only through experimentation and validation. The belief in God got further eroded in the late 19th century with Darwin coming out through, what was termed as an unassailable logic, his path-breaking book on the origin of the species. Subsequent discoveries with regard to the origin of the universe, and the place of our tiny little planet in the vast ocean of multiverses, created an understandable doubt in the minds of the people about the existence of the God. People started believing that over a period of time, science would be able to find an answer to the mysteries of the universe and the concept of birth and death, and the need for "inventing" a God to justify the creation is unnecessary. In a recent study on western societies, it was found that barely 1% of the population in these countries believed in the existence of God, which is primarily attributable to the growth of the scientific temper in these countries.

While on the face of it, it looks as though the existence of God lacks evidence, for nearly 2000 years the world had witnessed a series of mystics who had claimed that they had a direct experience of the Divinity. They insisted that God cannot be grasped through the senses but could only be experienced through Realization. But they had always claimed that it would be difficult to find the vocabulary to

describe what exactly was the nature of the experience. They could only indicate the process which could be followed in replicating their experiences. Many of these mystics are historical figures and whose existence and conclusions have been vouchsafed by contemporaries in writing. In the early 20th century, a researcher went through a very thorough process of verifying the authenticity of the experiences of over 120 mystics and identified at least over 40 historical persons, beginning with Buddha, who could be considered to have had genuine experiences with regard to the existence of a super conscious Reality. In our own times we had the privilege of witnessing persons like Ramana Maharishi who demonstrated in silence and total detachment what it means to be enlightened. Of course, Ramana Maharishi was one among many who chose to lead a secluded and quiet life sharing their experiences only with those who sought their help.

Science also could not fully account for the reasons for countless other phenomena which defy conventional wisdom or logic. More recently there was a case of a young woman whose left brain was paralysed and, only with her right brain functioning, underwent a transformation of consciousness and spoke the language of the mystics. The fact that till such an experience she was a “true” scientist and had no exposure to the concept of spiritualism adds further to the mystery of the phenomenon. As recently as in March 2012, in a remarkable book, one Anita Morjani, who went into a stage of coma as a result of a terminal cancer has described her near death experiences in a book titled *Dying to be me*. Both the book and the interviews she has given in the Internet are creating waves. What lends authenticity to the account is the fact that a woman whom the doctors had given up and whose organs had virtually stopped functioning staged a remarkable recovery back to complete health in a matter of few days. Thanks to such supernatural phenomena, there seems to be some shift in the stand of some prominent scientists, notably the neuro-scientists, that the difference between them and the spiritualists could well be attributed to the inadequacy of their own abilities to detect the super-consciousness inherent in human beings. Their initial assertion with regard to the non-existence of God has now been transformed into one of doubt calling for more detailed enquiry.

The critical issue is the disconnect between the scientific language and the spiritual thought process. The language of the science or for that matter the language we employ for normal communication is based on the principle of I, you and they – implying duality or multiplicity. The spiritualist, however, after realizing the Truth, comes to the conclusion that the only Reality in the Universe is the Divinity and everything else is nothing but the physical manifestation of this single principle. When he uses the word “I” in worldly conversation, he implies the I-consciousness, which he knows to be unreal but which is what is projected before those who are not in sync with his thought process. If he uses the “I” to denote the underlying Reality, the person who is talked to, gets confused and is unable to comprehend what is being talked about. There was this classic case of Nisagardatta Mahraj who lived in the 20th century. He was a poor illiterate labourer who became enlightened just by reflecting on what his Guru told him that his true self was Divine and his belief that he was Nisagardatta was purely a figment of his mind’s imagination. He used to meet a small circle of friends and his conversations have been published in a book titled *I am that*. In one of the conversations, to a question as to when he was born, he replies that he was never born. Certainly such a statement could be confusing to the listener unless he is in a position to appreciate that the “I” he is talking about, refers to the Divinity in him, which is eternal and knows neither birth nor death. Similar helplessness in communicating what was experienced could be seen in the mystics belonging to the other societies like the Taoists of China and the Sufis of the Islamic civilization. Early Christian mystics also expressed their anguish in their inability to fully express their experiences in the normal language of communication. When one goes through the interviews by Anita Morjani, this dilemma with regard to putting in words the type of experiences she had in a different dimension, which is devoid of languages and operates only through awareness, emotions and feelings would become obvious.

The Indian thought process over the years proceeded on the assumption that the conclusions reached by mystics with regard to the existence of an Eternal Reality were true, and focused its attention on discovering the appropriate processes for replicating

such experiences. This gave rise to the discipline of yoga and during the Axial age lasting from 500 BC to 1st Century AD, the country was agog with thousands of mind experiments with a view to arriving at the right process. There was nothing religious about this, but they merely reflected the thirst on the part of the Truth seekers, who could be compared to the modern scientists, not only to test the validity of what the mystics had been claiming but helping the rest of the humanity to achieve a similar bliss. Piecing together several pieces of literature available at the present point of time (we do not know how much has been lost with the passage of time) we can at best infer that the broad conclusion was that several routes to the realization of Truth are possible and the path would essentially depend on the conditioning of the individual's mind. Regardless of the path, the basic precept of a) existence of the Eternal Reality, by whatever name it is called, b) the impermanence of the body-mind complex, c) the ability of the mind to experience such an Eternal Reality under the right circumstances and d) the continuance of this process after the cessation of the body-mind complex and its reappearance from time to time should be beyond debate.

The logical sequence of this process as can be gleaned from the literature, not only from the Indian civilization but various other civilizations which were engaged in a similar process across various geographies, could be described somewhat as under:

1. The Eternal Reality has no beginning and no end. It always existed and would continue to exist. The nature of the Reality cannot be explained or understood by ordinary mental processes.
2. The human mind gets conditioned from the moment of its birth through inputs received through the sense organs and based on these inputs it creates an image which is mistaken as an individual's personality. The mind clings to this personality without ever realizing the impermanent nature of its existence and because of this clinging, it is unable to envisage the possibility of existence of another Reality which could be eternal of which it is only a manifestation.

3. The mind can experience Eternal Reality, only when it is de-linked from the image created by it. This is what is meant when one talks of giving up the ego or I-consciousness. I-consciousness is nothing but the false self created by the mind and when the I-consciousness disappears and the mind gets back to its pure unconditioned state, it is able to clearly perceive its link with the Eternal Reality which is variously called as Realization, Enlightenment, Nirvana or Union with the Divine.
4. The mind's inability to give up the I-consciousness is due to its basic instinct of constant uninterrupted vibration. There is a ceaseless activity in the mind because of the continuous flow of inputs from the sensory organs and so long as this ceaseless activity continues, the mind will cling to the image of I-consciousness. There is a fair degree of unanimity on the part of the several spiritual researchers that Realization will come only when the activities in the mind stop.
5. Withdrawal from physical action and resorting to introspective meditation will achieve this objective only in a few people who have reached an advanced state of maturity of thought. For most others, withdrawal from action and abstaining from activity will only make them lazy and will not bring about any reduction in the mental activity as the sensory organs will continue to remain active even after the physical activity ceases.
6. Physical activity is a basic instinct of the body-mind complex and cannot be avoided by normal human beings. But through control of the inputs received from the sensory organs it will be possible for an individual to reduce the extent of vibration in the mind and even bring about stillness with continuous practice.
7. While the sensory organs cannot be stopped from interacting with the environment from where it will continue to receive inputs, it should be possible to create a firewall, to use a computer language, in the boundaries of the mind to regulate the flow of such inputs into the mind. This firewall could be defined as the right conduct. In other words, inputs which do not meet the definition of right conduct would be filtered at the firewall in the same manner as a server stops a spam message or a virus from penetrating into the system.

8. The right conduct can broadly be defined as a conduct which does not lead to the disturbance of the mind or increase the level of mental activity. This will include a) avoidance of greed or craving of any kind b) cultivation of love and compassion for all organic or inorganic substances of creation c) avoidance of all negative thoughts such as anger, hatred, prejudices, fear and anxiety and d) maintaining a state of tranquility or equanimity unaffected by external events.
9. This firewall of right conduct may be created brick by brick over a period of time even though a sudden transformation of one's personality of building the firewall at one stroke, through a traumatic event or a contact with an enlightened man is also possible. The brick by brick building of the firewall can be achieved through following well tested procedures which have yielded successes in the past.
10. One of the earliest exponents of this concept, Buddha gave primacy of place to what he called avoidance of Desire as a key to the control of the mind. The word Desire is at best a loose translation of a more profound concept propounded by Buddha. Obviously, this does not refer to legitimate desires of human beings for the purpose of preserving the body-mind complex. It refers more to the avoidance of greed or obsession or perhaps craving for objects which over a period of time, become addictive and perpetuate the disturbance in the mind. In his early days, Buddha possibly thought that only through a monastic life away from the material world, it would be possible to conquer these negative tendencies. Perhaps later he realized that seclusion and retreat were not necessary pre-conditions for the conquest of Desire. It was at this point, he started preaching to the laymen whom he believed could also follow these precepts with advantage. In later years, this idea got developed in more precise terms and at the time when *Gita* was formulated it acquired the terminology - *Karma Yoga* i.e. engaging in action without attachment to the rewards of the action. It is difficult to say whether *Gita* preceded Buddhism or followed it. But it is fair to say that *Gita* refined the Buddhist principle and created a new "work ethics" combining it with Theism which was an integral part of the Indian culture for thousands of years. By making a categorical statement that nothing is gained by abstaining from action, and that the rewards of the action should be surrendered to the Divine, it

was able to establish at one stroke not only the principles of a new work ethics but created a new doctrine of surrender to the Divinity, both of which captured the imagination of a multitude of people. In much later years, the meaning of *Karma Yoga* was redefined to be in conformity with the changing times and Swami Vivekananda would describe the *Karma Yoga* as nothing but engaging in selfless action i.e. action not intended to benefit one's self but the rest of the society.

11. The firewall can also be built, as advocated by *Gita*, by a strong devotion to the Eternal Reality and by pursuing the path of surrender to the Divine Will. By surrendering to the Divine Will, selfishness in action disappears, negative thoughts are avoided, love and compassion develops and the mind develops a perfect state of equanimity and tranquility. From this point it is only a short step towards regulating the vibrations of the mind and moving towards the peak, leading to the experience of the Divinity within one's self.
12. For the generality of people, this is a sequential process starting from the beginning - following the right conduct, leading to the control of the senses which in turn leads to the regulation of the mental activity and the cessation of the activity at some point of time and finally leading to the process of Realization. Whether one reaches the final stage or not, the mere effort towards the goal, helps transforming one's personality making a difference to the quality of life. It can transform a person into a good householder, good leader and a good citizen. The world sees him as a person devoid of greed, bereft of negative thoughts, full of love and compassion and calm and composed in the midst of happiness or misery or pleasure or pain. With regard to emotionally oriented people, the process could begin or become strengthened by selfless devotion and surrender to Divinity. Both these paths, however, lead to the same result.

In Talwar's case, devotion to God and visualizing the Mother as a manifestation of the Divine, was the trigger for pursuing this path and this to a large extent was responsible for the shaping up of his personality and the demonstration of fearlessness and courage right till the end of his life.



With P.C. Sethi, Chief Minister of Madhya Pradesh at the inauguration of Bhopal LHO, 1 July 1972



In London



At the wedding reception of son, Parikshit



R K Talwar with Mr. Arora in London



Prime Minister Indira Gandhi and C. Subramaniam, Union Finance Minister with Chairmen of Banks, 23 July 1975

Chapter VII

Decline and Resurrection

The preceding chapter may seemingly appeal to the logical minds of persons steeped in Theism, but raises certain important issues which cannot be ignored with respect to those who question the very existence of God. It is certainly true that Talwar's personality, fearlessness and courage and in fact his entire value systems, were shaped by a strong conviction in God and belief that he was carrying out the God's Will. That this was the source of his inspiration is beyond the measure of doubt. But is it true to say that this is the only possible source of courage and value systems? Is it really necessary for a person to adopt this approach to achieve what Talwar managed to achieve or are there other alternatives? We did mention the example of Mahatma Gandhi, Swami Vivekananda and Bal Gangadhar Tilak, a few of the many persons who dominated the country's landscape in the 20th century as evidence for this point of view. But at the same time, one should be honest enough to acknowledge that there were people like Jawaharlal Nehru and Bhagat Singh who showed the same fearlessness and courage without any deep conviction in God. There could be a few others as well, associated with the freedom struggle who showed undaunted courage in the face of great adversities and stood up for their convictions. It is difficult to find out the religious beliefs of Bhagat Singh or other freedom fighters but certainly with regard to Nehru there is enough documentary evidence to indicate that he strongly disagreed with what he called Gandhiji's attempts to mix religion and politics. While the writings of Nehru did indeed show a very deep understanding of India's cultural heritage, which included India's thought processes over thousands of years, he somehow felt that these were not relevant in the freedom struggle. Even though Nehru was not explicit in this regard, there is enough evidence to indicate that the passion for selfless service and strong commitment to national cause would by themselves generate the same degree of fearlessness and courage, which Gandhiji brought to bear in his approach, through his belief in God, to freedom movement. Of course, while not specifically mocking at the spirit of intuition

which characterized Gandhiji's functioning, he neither attached any importance to this concept which he considered repugnant to logic. It is tempting to reject Nehru's example as an exception to the general rule but it would be more appropriate to examine this standpoint in the context of what is happening in the society today. In other words we have to ask the question, "is belief in God a necessary element in the inculcation of the right values in the society?"

When Buddha rebelled against the ritualistic oriented Vedic thought, and came out with his precepts for removal of the human suffering, he did not base his teachings on the basic foundation of the existence of God. While he refused to answer specifically the questions posed to him on whether God existed or not, he maintained that the path he outlined could be sustained on its own without the need to have the support of faith in God. Those who did not like to brand Buddha as an atheist, sought to explain this away by saying that what Buddha really meant was that we should not get lost in the sphere of metaphysics and should more properly be concerned in the process and not so much in the destination. Several atheists however leaned heavily on Buddha's teachings to substantiate their contention that it is possible to build a societal and individual value system independent of belief in God and it is this what characterized Nehru's thinking to some extent.

We must concede that this point of view of de-linking values from religious beliefs is gaining a wide currency in most of the societies. Any reference to God immediately invokes in the mind all the negative connotations associated with religion, and most people find it extremely difficult to reconcile the horrors perpetrated in the name of religions with the high standards of values expected of the individuals who are supposed to be inspired by the belief in God. When scientists like Richard Dawkins advocate Atheism in an evangelical manner, what they attack is not so much the concept of God but more the malpractices that are perpetrated in the name of the religious institutions. That belief in God could exist independent of religious affiliation, does not somehow find acceptance with such people. For most mystics, however, religion is only an instrument or

tool, but a necessary one, to achieve a much broader purpose. Their ultimate purpose is to achieve Realisation and religion is merely a vehicle and whatever vehicle is available at the environment in which they were living at a point of time, would serve their purpose equally, regardless of the nature of the vehicle, and that purpose is simple – union with the Divinity. This subtle distinction is not getting sufficiently appreciated by the likes of Richard Dawkins.

The global scene at the present point of time is marked by extreme turbulence. The American society which at the beginning of this century was considered to be rich and prosperous, providing an unmatched standard of living to its countrymen is going through a very difficult phase since 2008. Initially, it was thought that the crisis that hit the USA was related to the financial mess arising out of the sub-prime mortgages. Slowly, the crisis transformed itself into a full blown financial disaster and despite the several stimulus packages running into trillions of dollars, the country was caught in a full blown recession. Even though the economy seems to be slowly recovering, there are continuing anxieties that the present malaise affecting the country reflects a fundamental fault line in the society and cannot merely be attributed to a single event such as the collapse of the Lehman Brothers. Analysis made by several economists and historians talk of the building up of pressures over a longer period of time, and the events in 2008 represent only the culmination of such pressures. The other parts of the Western society such as Europe and United Kingdom are also infected by these events. We are too close to the events to make an evaluation of the underlying causes which are responsible for these traumatic developments but the conclusion is inescapable that there are fundamental weaknesses in the manner in which these societies have been managed over a period of time.

The ascent of the Western civilization began in the 15th century, with the Copernican revolution and the Renaissance movement in Europe. It gained considerable momentum through the Protestant revolution which resulted in the improvement of literacy, widespread innovation in science, technology and medicine and the establishment of the rule of law. It reached its peak in the beginning of the last century

and by 1918, these countries commanded 80% of the global territory and accounted for more than 60% of the global GDP. The trigger for this remarkable success is certainly the improvement in the literacy and innovations in science, technology, medicine and rule of law. But all these are backed up by what is known as the 'Protestant work ethics', which emphasized hard work, material prosperity and social welfare. The underlying trigger for the Protestant work ethics is the strong belief in God advocated by Martin Luther.

In a recent book on civilization, historian Neil Ferguson puts forward a hypothesis that what we are witnessing now is not a financial crisis or depression but the beginning of the end of the Western civilization which dominated the global scene during the last six hundred years. Civilizations in the history of the humanity had shown a regular pattern of birth, growth, peaking, decline, decay and death. This is true of most of the civilizations from the dawn of the human history. What is being argued is that after achieving its peak in 1918 and maintaining the peak for some time, the western civilization has started its phase of decline and is likely to meet its demise either within a short period or gradually over a period of time depending on the response of the society. The cause of this decline is the disappearance of the "Protestant work ethics", which was the main trigger for the growth. Neil Ferguson mentions that barely 1% of the population in Europe goes to Church on Sundays and belief in God has disappeared from most societies. Along with this disappearance, the "Protestant work ethics" has been replaced by what can be called as "Wall Street work ethics" characterized by individual greed and personal acquisition of wealth as opposed to promotion of social welfare. The result has been the emergence of strong inequities within the population. For example, statistics show that more than 50% of the wealth generated during the last decade in United States has gone to the top 1% of the population. So long as this individual greed dominates the society, the society will continue to be rocked by the fault lines regardless of the economic measures taken for overcoming the immediate problems. Movements such as 'Occupy Wall Street' dramatically illustrate this phenomenon. If 'values' could stand independent of the belief in God, could this situation have arisen? We need to introspect on this.

Nearer home we see a situation which is far from comfortable. Till the middle of the 20th century, the country was dominated by tall leaders, who cherished an ideology and believed in pursuing the ideology without compromise. It is not only the spirit of the freedom movement but the adherence to the philosophy of non violence which seemed to make the rest of the world pause and look at India as a society which could resurrect an ancient heritage and civilization for the benefit of mankind. But, within a space of 60 years, we have witnessed an unbelievable decline in the value system and the erosion of the ideologies which characterized our society in the first half of the 20th century. Curiously, this process began with the demise of Mahatma Gandhi and accelerated with the departure from the scene of people like Nehru. What could this be due to?

Nehru was a well meaning person, selfless in his attitude, fearless and courageous and free from hatred. Even his arch enemy Winston Churchill described with tears in his eyes, when he was told about the decision of Nehru to stay in the Commonwealth that, "here is an exceptional leader who had overcome fear and hatred". But in retrospect he was one of the many intellectuals in the country responsible for equating modernity with the cloning of the western civilization. In cloning the western civilization we failed to discriminate between what could strengthen the Indian civilization and what could weaken it. By embracing the Western values in their entirety, we seem to have unwittingly abandoned a major source of strength, which had imparted to our civilization a remarkable resilience.

Very few of the younger generation know that there was a period in our history, when thanks to our work culture, as enunciated by *Gita*, India emerged not only as a strong civilization but a wealthy society in the same manner as what the "Protestant work ethics" could achieve for the western society. India dominated the global scene for well over 1000 years and even at the turn of the 16th century, when it had its encounter with the western civilization it was considered along with China, as one of the two richest countries, accounting for nearly 25% of the global GDP. Historians believe that Indian civilization reached its peak in spiritual thought as well as material prosperity

by the 9th century towards the final stages of the Gupta Dynasty. The demise of the Gupta Dynasty led to a political disorder and the exodus of a large number of scientists and mathematicians, who migrated to the Middle East, where the Islamic civilization was just beginning to thrive. But, despite this, the material prosperity of the civilization continued to remain strong for another 600 years before the country was colonized by the British. Even after the colonization, the civilization did not die but showed remarkable resilience, even though it lost its vigour and dynamism.

What we are witnessing in the country today is the full play of the "Wall street culture", whether it is politics, industry or education or for that matter any other walk of life. Greed and selfishness dominate and while the faith in God had not disappeared totally, it is seen more as a fulfillment of a ritual or a safety-net for the after-life. The true devotion involving surrender to the God and love for God for its own sake is quite rare. Belief in God and religion is seen as distinct and separate from the so called practical aspects of life. It is a common sight for people to throng the religious places and listen to numerous religious discourses, but in day to day life show scant regard to values. Like the Western civilization, we too are experiencing disconnect between values and belief in 'God', albeit in a different sense.

From this low point in history, how are we going to resurrect ourselves? We have to certainly initiate a whole series of measures for the improvement of the economy and the development of the society. This is inescapable and we should not flinch from it. But, none of the gains arising from such measures can be sustained unless the underlying weaknesses in the society can be removed. This was precisely what was attempted by great persons like Gandhiji and Vivekananda, who leveraged the strengths deeply embedded in the society to revitalize it. Unfortunately, the momentum was lost in recent times and we can emerge stronger only through resurrection of values based on the belief in God which was principally responsible for our civilization making a mark in the global scene. This is where Talwar's work philosophy and life acquire meaning and deserves attention and study.



With wife, Mrs. Shakti Talwar and sons, Parikshit and Pawan

