

**THE REMARKABLE SAGA OF FOUR GENERATIONS OF THE CHAUDHARY MEN: THE PIONEERING PATRIARCH BHURAMAL CHAUDHARY, THE PROGRESSIVE SON LUNKARAN DAS, THE VISIONARY GRANDSON BINOD AND GREAT GRANDSONS NIRVANA, RAHUL AND VARUN**

Binod K. Chaudhary is the 55 year old head of the Chaudhary Group, a Nepalese multinational company engaged in production, distribution, development and marketing of products and services like food and beverage, electronics and home appliances, beer, cigarette, financial services, infrastructure (power and water), hotels and real estate, automobile, health care and education.

The conglomerate distributes foreign brands including LG electronics, which the group also manufactures, and fuel-efficient Maruti Suzuki cars. Other interests include a brewery, a 137-acre industrial park with a 9-hole golf course, packaging, cigarettes and steel. Chaudhary Group has *strategic* stake in the Nabil Bank *and are also forerunners in various financial services sectors like Insurance, Leasing, Money Remittance, etc.* Cinnovation Group is Chaudhary Group's overseas arm with offices in Singapore. Cinnovation has substantial interests in hospitality, real estate, financial services and consumer goods. *Zinc Hospitality*, its Hong Kong registered hospitality arm, is a partner in Taj Asia, part of India's Taj hotel chain, a Tata affiliate that runs luxury resorts in the Maldives, Sri Lanka and Malaysia. *Similarly Taj Safaris, a premier JV between Taj & South African & Beyond to own and operate four wild life lodges in India.* Zinc partnered with Alila, a boutique hotel operator in Singapore, in setting up a chain of high-end wellness resorts in exotic Asian locations. *Zinc also is a principal owner of The Farm at San Benito in Philippines.* It also has a stake in a Hilton Doubletree Hotel close to New York's JFK International airport. Cinnovation is affiliated with a real estate firm in Dubai. *Zinc Hospitality's Bangkok based Management JV Invision runs several properties under various brands in Thailand, IndoChina and Malaysia.*

Binod's grandfather Bhuramal Chaudhary, an Indian textile trader from Rajasthan's Marwari community, began doing business in the Himalayan kingdom after moving there in 1870. He opened his first textile store after the catastrophic earthquake in 1933, which crippled the commerce and social infrastructure of Nepal, impelled the Rana regime to construct the first shops along one of Kathmandu's central streets now known as New Road. He rented one of the shops for Rs 200. His textile came from various parts of India. He left his wife and family in the small town of Ayitgarh Chinauri in Jhunu district, knew nothing about the trade, and was not well-educated. He knew, though, that business would flourish if he gained access to the palace. He was among the few businessmen permitted to enter the palace of Shree 3 Judha Shumsher Jung Babadur Rana.

The business, under the banner of 'Bhuramal Lunkaran Das', did well, and Chaudhary soon became well-known among Nepal's elite. By the mid '40s, his only son, Lunkaran Das Chaudhary, then 23, took over the reins of the business. He added exports, hosiery,

synthetic, yarn, stainless steel and later, the first furnishing outlet in the country. Within a year, it had branches all over the country.

Lunkaran Das Chaudhary - Binod's father, who retains the title of chairman and is still semiactive at 86 – converted the modest outlet into Arun Emporium, Nepal's first department store, which he named after his youngest son, Binod's brother, now 45.

Eventually, Binod Chaudhary, the eldest son of Lunkaran Das, was inducted into the business. As a child of 11, he would watch his father interact with his customers. He soon realised that he too had his forefathers' keen interest in business. In 1968, Lunkaran Das set up Nepal's first and largest modern department arcade.

Unfortunately the health of Lunkaran Das began failing, as he developed a heart ailment. Young Binod then was set to leave for India to study accounting but his father's health condition found him in the driver's seat of the business. At that time, Arun Emporium had no more than 50 employees. Today, 6,000 people work for Chaudhary and Cinnovation.

Binod shares, "It was a time when our businesses had been downsized. Three factories were not working to their full capacity. I could no longer afford to be carefree and irresponsible. While my friends were partying, I was working out strategies and conducting board meetings. Initially, it seemed like an Alice in Wonderland situation but the immense support from my family and those around me gave me strength. This helped me realise my responsibilities towards my family and more importantly, the country. I was the one chosen to build on my father's empire and give the country a strong industrial base. My grandfather had laid the foundation. My task was much easier than his, for sure," he emphasizes.

The elder Chaudhary continued to oversee the business but Binod was at the helm of the affairs. He heaved a sigh of relief when the first lot of biscuits from his biscuit factory rolled out in 1973. The idea was his father's, but he got the machines and had given a world-class product to the people of Nepal.

"The fact that my father had established himself made things easier for me. Society was more generous to me. In spite of the monarchy supporting our community, there were a few who were not so hospitable or helpful towards my father. Today, there has been a paradigm shift in the attitude of the business community and the common man as well. They have accepted us as people who have been doing good for Nepal and not as outsiders. To symbolize our final acceptance in our adopted country, my father was awarded the highest civilian award, the Gorkha Dakshin Bahu, by His Majesty's government," states Binod proudly.

Binod is self-taught, with his trips abroad to find brands to sell in Nepal as eye-openers, "because they exposed me to different cultures and more importantly, successful ways of doing business and dealing with partners and associates." He learned how to speak Japanese just so he can easily order vegetarian food, but "using the language gave me an

advantage when negotiating with my Japanese counterparts,” he relates. He considers his “Japanese exposure as my business school.”

The values of hard work, discipline, faith in oneself, willingness to take risks, and a sense of adventure that Bhuramal Chaudhary passed on to his son Lunkaran Das Chaudhary are the same values that have held Binod in good stead, which has fortified him as a person to grow the Chaudhary Group from strength to strength. These same values he is now passing on to sons Nirvana, *Rahul and Varun* which he teaches them by examples through the day-to—day conduct of their varied businesses.

One business has led to another for the Chaudharys. As their biscuit company was taking off, they got into flour milling, cooking oil and packaging. When faced with an oversupply of flour, the family moved into instant noodles, using the formula of a Thai company. Wai Wai instant noodles became an instant hit, which led to the opening of factories in *Nepal and India for their thriving markets and the same under implementation in the Middle East. Wai Wai is now exported in over 20 countries and has a combined production of 1 Billion packets a year which is 1% of the world market share.*

For all their successes, the Chaudhary group is not a stranger to challenges. The perception that businessmen were smugglers and exploiters was common in Nepal. The result was Binod enhanced his negotiating skills especially in addressing the concerns of decision makers. His father was cautious and advised him to “be a submarine and keep a low profile.” Binod differed from his father’s view, insisting on a group identity. When he went to the tax office, he arrived in a luxury car.

The Chaudhary Group does not only support the government through their businesses, but are also visible through their corporate social responsibility projects that include the Shree Lunkaran Das - Ganga Devi Chaudhary Charity Hospital, the Chandbagh School, the Shree Lunkaran Das-Ganga Devi Chaudhary Academy for Art and Literature and the Kanchi Shankara CUG Centre for Religion, Education and Health Care. These various institutions are managed by the Chaudhary Foundation which is dedicated to the development of health care, the arts, culture, sports and spirituality for the people of Nepal.

The opportunistic philosophy of Binod’s grandfather has continued to the fourth generation that now includes Binod’s three sons, at work in the group. “If nobody has done it before, it doesn’t mean that it can’t be done!” Binod tells his sons.

“Money can be borrowed or made and facilities can be created, but not human resource. People are the most prized possessions of any organisation. An organisation can grow only if you respect your people and recognise them as your energy source,” stresses Binod. He considers his sons as a valuable part of the human resource of the company.

His sons have been doing well. The oldest, Nirvana, who lives in Nepal, is building two flagships outside Kathmandu, one for homes which can be owned at 100 dollars a month.

Today, Binod *networks with YPO, WPO, GLT of World Economic Forum Davos and is now Member of the Parliaments and Constituent Assembly of Nepal.* Sitting in his elegant office surrounded by his sons, Nirvana, Varun and Rahul, he exudes confidence. His home, aptly named Chaudhary Villa, is luxurious and beautiful. His wife Sarika is a devoted wife and mother. Says Binod, “Money can bring all the luxuries of the world into a house, but it cannot build a home. A home is built by the people who live in it. Sarika and I have tried to give a lot of love to our three sons and provide them with the best education possible.”

The Chaudhary group’s progress over the last 60 years has been like the rising sun on the Nepalese horizon. Now a conglomerate of over 40 businesses, the group has an unmatched investment of over USD250 million in Nepal. *Similarly, Cinnovation Group world wide has 30 various businesses with a total capital outlay of over USD 500 Million.* It has achieved the distinction of being the first in various fields in Nepal: the first organized construction company, the first to introduce modern concepts of flooring and furnishings, the first and largest modern department arcade in Nepal, the first to start processed foods, set up a sophisticated food production factory with Thai collaboration and also the first to be awarded ISO 9002 status, the first company making audio and home appliances, the first television and radio assembly plant, the first and only privately-owned industrial park in Nepal, the first modern real estate company, the first global company in the hospitality sector, and the first to be awarded the International Asia Award. That the Chaudhary Group will continue to prosper and score more firsts is assured with Binod continuing to take his progressive approach to his conduct of business, backed up strongly by his well-educated sons who certainly know what works best in the global community in this time and age.

The impressive story of the four generations of the Chaudhary family is a saga of hard work, tenacity, creativity, business genius, belief in human resource and faith in oneself and one’s family. There are many lessons to be learned from their business successes considering that Nepal is the adopted country of the Chaudharys. That the family is now accepted as Nepal’s own is a tribute to the visionary Binod whose business savvy and foresight affirms his grandfather’s and father’s business genius which, today, continue to impress its mark on the economic growth and development of Nepal.