

Mohnish Pabrai's session with students at Dakshana Valley (Pune) on December 26, 2022

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Mohnish: Welcome to Dakshana. Hope you're having a good time. We don't have too much time left before you take your various tests and exams. Make sure you stay focused. Why don't we start the Q&A? First, can you please tell us your name and where you are from?

Sunny: Hello, good morning, sir. My name is Sunny Negi from JNV Kinnaur, Himachal Pradesh. My question to you is, what should be my top priority in life so that I do not die with any regrets, like why I wasted my whole life on some materialistic luxuries?

Mohnish: Please have a seat. It's a good idea to think about optimization, but it may not be practical. Life is a journey, and the journey is a destination. We are not heading toward a destination, we are going toward our destination. One of the things I was talking to you guys about in terms of picking your field is that it's really difficult to know at your age, for many of you, what type of things would be the best for you to do in life. That's kind of difficult to figure out. Some of those things will start becoming apparent to you as you go through life, right? You already made one choice at this point; you decided at 16 to go into science instead of going into commerce or arts. There may have been some logic to that, or it may have been driven by desires to have more income or something like that. That was a choice that was made at that point. There's another choice some of you made; some of you decided you want to go for engineering, and some of you decided you want to go for medicine. That's another choice. Additional choices will come up when you go to college, and you pick what you want to focus on and those sorts of things. Some of these choices may not be up to you, as they may be imposed upon you. For instance, you may want to study computer science, but you may get mechanical engineering or something, so things may get imposed upon you. I think a mistake a lot of students do is they focus on what is popular. They focus on what their other friends are choosing, and they focus on what may be regarded as the best field or the field that pays the most money. These are all the wrong ways to choose. The right way to pick your field of study is to try to understand who you are and what would give you a lot of joy and pleasure in life. I can give you my example. When I finished high school, I had done commerce in 11th and 12th. The reason I did commerce was that my father was a businessman. I thought I wanted to study business and so on. I really didn't have too many ideas in my

head. I said I liked commerce and math, it was okay. After I finished high school, I went to Delhi. I joined Shree Ram College of Commerce. However, the college had strikes, and it shut down for a long time, I think more than six or seven months. At that time, my father was living in Dubai. I finished high school in Dubai, CBSE and he always wanted my brother and me to study in the US. He didn't want us to come to India. He said, "well, now that the college is closed, why don't you come back and apply to US universities otherwise, we didn't know how long this strike is going to go on, and what would happen". We came back to Dubai, and we started applying to US colleges people were saying we should study computer science because computer science at that time was a hot field. I didn't know anything about computers at that time, so we just go with what people are saying. In the US, the universities did not really care whether you had done science subjects in 11th or 12th or not. I could get admission either way into commerce or I mean business or engineering or anything. I came to the US having picked computer science as my major. Then after I started my degree, I noticed that there was more math in engineering. I like math a lot, so I switched from computer science to computer engineering. In the US, it was easy to switch majors, so it was fine. I was going through my engineering program, but I also had a very deep interest in things like accounting, economics finance, and so on. Therefore, I took as many courses in the business school as I could. Some courses were required, while others were electives, and I chose different courses that I wanted to take. I was taking a class in investments in the business school, and I liked it a lot. It was a good class and I was doing really well in the class. Almost all the other people taking the class were finance majors. They were not engineering majors. I was coming from the engineering school to take the class, and in the tests and the scores in the class, I was the top student. These other students had taken a lot of finance courses. This was their major. This is what they were supposed to be good at. But a guy coming from the engineering side is doing better than them. The professor called me to his office and he said to me, he said, "look, you have done really well". It was getting towards the end of the semester; we were preparing for our final exam. He said, "you don't need to show up for the final exam. You will get an 'A', you are exempted from the final". Because my score was so high, I could have gotten 30% on the final. He said I don't need to come for the final, which was very good because it gave me more time for the other subjects. Then he said, "I looked at your background and I noticed that you are a computer engineering major. I don't know what kind of engineer you're going to make, but I think you're in the wrong major. I think you should switch your major to finance in the US. You can switch easily". My attitude at that time, I was 20 years old, was that one of the reasons I switched to engineering was because engineering was harder. I wanted something that was challenging. When I took this finance class and I used to think all these people are really stupid. If these people were in my engineering class, they would fail the classes. They're so stupid. Whereas I'm coming to their field and I'm doing better than they are in their field. But what I did not realize at the time was that I had a strong aptitude for finance, but at that time, my way of

thinking was that I want to do things that are more challenging, not necessarily things that are easy. I ignored the professor, I continued with my engineering, got my degree in engineering, and took some courses in finance and accounting and all that. I began life as an engineer. I worked as an engineer for about two and a half years and I was not enjoying it. I was not having a lot of fun, there was math and things, it was okay, but it wasn't something I was really excited about. When I was getting my annual reviews, when I finished engineering I had almost a perfect GPA. I had almost topped the university. I'd done really well. But when I was working as an engineer with a bunch of other engineers, I was not being rated at the top. I was rated more towards the middle, which was surprising to me. I thought, okay, if I've done well academically, then I will do well even when I'm working. I was not entirely happy with the whole situation, so I made a switch within the same company from engineering to international marketing. Although I was going to use some technical skills, I actually took a demotion to move to that other place, a lower-level position. People were surprised. They said, "why are you giving up this role? We don't think highly of the marketing people", however, I was determined to try something else as I was not enjoying my engineering role. What happened is, when I switched to international marketing, I did extremely well. I excelled and I loved the work. It was really good. I got promoted really quickly and so on. Then after another about two and a half years or so, I quit. Again, I was not happy with the way the whole situation was getting more bureaucratic. I quit and I started my own company and I loved that. That was a great switch. I liked that it was a lot of fun. What I found is that, basically, when I took those finance classes, if I had really listened to what was going on, the glove was fitting really well, but I ignored that. Then later when I switched from engineering to marketing, it was a better fit. I could tell I'm happier and doing better. I could tell that's better. When I switched from marketing to my own company, I was also very happy with that, that was also fun. Then about three, or four years later after that, I just heard about Warren Buffett for the first time. I started to teach myself investing and found that the investing portion was even more interesting than running the business. I was spending maybe 15, 20 hours a week on investing, and then about 40, 50 hours a week on the business. By 1999, nine or ten years after I had started, my business had become very big, and it had changed a lot. I did not like the business anymore, but I loved investing. I brought in another CEO to run the business, and eventually the business got sold. I got out of that business, I eventually went into investing, and that ended up being a great fit. It has been 28 years since I first started studying investing and I'm as excited about it as I was 28 years ago. What I'm saying is that the journey to find what I was interested in took some time. It's not easy to find or even know what you like and what you don't like. Some of you will have a very clear idea on that, and you are already in the right place. Many of you are going to find that you are actually in the wrong place. The important thing is that when you know that you're in the wrong place, you try to make changes as soon as possible. Don't try to maximize income. If you like graduate from IIT, and then you go work for Amazon or

Microsoft or Infosys or Google, everyone will be saying, wow, he got a good job, or she got a good job. But that should not be the driver, what should be the driver is doing what you enjoy. If you have three job offers, don't take the offer with the most money. That's the wrong choice. Look at the offer where you think the people are the best and the people you'll work with and work for would be the best. When you ask me the question about optimizing your path, so you have no regrets that is difficult to do at the point you're at. So, but the way I look at it is that when I look back on my journey, I don't want to change anything. I don't want to go back and say, no let me switch to finance and let me go back that way. I don't think like that. The journey is the destination. We keep finding our path, and we'll keep finding out what we like and what we don't like. Next question.

Jigisha: Good morning, sir. I'm Jigisha from JNV Tapi, Gujarat and my question to you is, I want to be a public servant, but I'm not good about public speaking. How do I overcome them?

Mohnish: You want to be good at public speaking? Well, the good news is you are already speaking in public, so that's great. Please have a seat. You can sit down. When I look back at my undergraduate degree in computer engineering, I took many classes. The one class that stands out as the best class that I enjoyed the most, and the class that I think had the greatest impact on my life was not the finance class. It was not any of the engineering classes. It was an elective class I took on public speaking. There was a choice. I could take a class either in technical writing or in public speaking. I had no idea what these classes were about. I flipped a coin, and I picked public speaking, and it ended up being a great class. I enjoyed the class a lot. It taught me a lot of things about public speaking, which I enjoyed. Later on I found that many of the things I learned in that class is what I've been able to use throughout my life. I had a really good professor, and it was great. If you want to get great at public speaking, it's really simple. There's a worldwide organization called Toastmasters. Toastmasters has branches and chapters all over the world. There're probably multiple chapters in Pune. There's probably a chapter in every IIT, every NIT, probably every medical college, every AIIMS, all of them. It's a non-profit, it's free, you don't have to pay anything. What I would suggest to you is when you go to college, you ask God Google, enter Toastmasters in God Google and look at the website, and especially look at the college. You're in for the Toastmasters chapter and join Toastmasters. They have a whole process and system by which initially when you join them and you come to speak on the stage, this is what will happen to your legs. Okay? Like, you will not be able to speak, but by the time you finish, you'll be speaking better than me. The first thing to do is join Toastmasters and it's free is a good word. Okay? The second thing to do is, when you join these different colleges and institutes, all of them have a drama society where people are acting and doing plays and all that. Join the drama society. Even if you hate acting or are very afraid of acting, you join the drama society and whatever play they are producing small role,

whatever role you put yourself into it. Then the third thing to do, you join the debate club. Okay? All these schools and colleges will have a debate club, join the debate club. If you do these three things, your issues are taken care of. These three things, in my opinion, are more important than the classes you are taking.

We had a student in Dakshana. His name was Satpal Singh from Haryana. I actually went to his home in Haryana. I met his parents, and they had some buffalo. I had some really good tea there. It was a lot of fun. Satpal was very interested in sports. He was a very fit guy and he loved to play different sports and all that. He went to IIT Delhi and he said that every day he was an IIT Delhi, he spent at least two, three hours on sports. He said, "I'll go to the field. I play cricket, I play hockey". He was also an athlete, a runner. He ran for Delhi in running and so on. Very fit guy and all that. I felt like he was a guy who actually understood little bit about what he liked to do. He spent a lot of time on sports. I don't think he cared that much about what his GPA is and all that. I think when he graduated, he went to work for something in sports, and I think now he works for Zomato and in their corporate office and so on. Basically, college is going to give you a lot of choices of all these extra critical things that are available at these institutes. Try to sample different things, and you may find that some things you really like a lot, you do more of that and some things you don't like, you do less of that. Next question.

Pawan: Hello, sir. Good morning. I am Pawan Kumar from Southwest Delhi, Delhi. My question is, my village has huge talent, but they do not get any opportunity. My aim is to improve education and medical facility in my village. Sir, what steps would I take to reform my village? Also, what are the challenges in this?

Mohnish: Okay, that's a great question. Please have a seat. The best thing to do is to think small. Don't think of the problem in the format that I want to fix my village education issues. Think about how you can help a child in that village get a better education. That is an easier problem than the whole village. If you focus on one child, you can start thinking about what can be possible that can be done for that one kid that can be helpful. When you break the problem down to one kid, you can actually start doing something even now. What I'm saying is that after you finish here and before you start IIT, you will have some free time, right? You could help that kid in different subjects they're working on, give them some tutoring, help them improve what they're having problems with. That will definitely help that child. When you do that, you may start understanding a little bit more about how can you do it for two children and how could you do it for 10 children? You may find out that the village school is there, and the school doesn't have good furniture or doesn't have proper books, and different things like that. You may find that when you start working, maybe 10% of your salary may be enough to fix some of those things. What you can do is, again, you keep the problem small and don't say, okay, when I become a rich man after 20 years, I'll do X, Y, Z. Don't do that. Start small and keep it small to the extent that you can afford the time and the money

involved. Then as it expands you can consider ways to increase it. Can other people help me to expand this? How can I do that? What are the possibilities? I think if you break the problem down that way, it can work really well. I'll give you an example which will try to explain to you why and how you are here. When I had started my business, my business had been running for two, three years. With this IT company I had, my parents called me and they said that there was a cousin of mine who had finished B. Com in Mumbai, and he had no job, he couldn't get a job. They said to me, "can you find him a job?" I thought about his situation, and I don't think I could have really found him anything which would've immediately given him employment. I knew his parents were not doing well, they needed him to work so that the family would do better. I knew this really small company in Delhi. My cousin was in Bombay, a small company in Delhi. They were like three to four people. I told them, "Listen can you let my cousin come and work in your office? You can give him any work you want. You are a software development company and you don't need to pay him. He'll do whatever you want. You are getting free labor, right?" Because I had a good friendship with them, they said "it's okay, we can do that, but we want him to come with a desk, a chair, and a computer. He needs to come with these three things. The second condition is that when he is not using the desk chair of computer, we can use it. He might work eight hours a day, but the other 16 hours, those resources can be used by other people in the office". The company had a problem that they were struggling with and they didn't have computer and all of that. They said, "*yeh koi bakra aa raha hai, usko hum bitha denge, 8 ghante jo bhi kar raha hai wo,*" other 16 hours, we will have a new computer to use. I said, "no problem, I'll send him with a desk chair and computer". I moved him to Delhi, I enrolled him in NIT classes, and he lived with my parents, there was no expense ruin, borders free. He started going to this company to work, and they used to give him basic job like testing and this and that, just helping him learn some skills. That computer was used 24 hours a day. Whenever he was not working, somebody else was working on that computer. After one year, because as he kept learning programming, they started giving him more and more work to do. They were really smart guys. That's why I was interested in him being there. He became a really good visual basic programmer. After a year, he said "I'm getting a lot of job offers in Bombay, so I'm going to go back". We left the desk and chair over there as a gift to them, and he took the computer back. He had up to 20 different offers from different companies who wanted to hire him now. His career took off and now he lives in the UK, and he has done really well and took care of his parents and all that. I reflected on that, and I said, there was a big transformation that took place for him. But when I looked at what it cost me to do that, the cost was almost nothing, right? The biggest cost was the computer, and the computer was with him after one year. I mean, if he had sold it, we would've gotten at least maybe one third or half the price or something. But he kept the computer and that's okay. Compared to what happened to his life, the cost of the computer and all was very small. I said, "okay, this is interesting." I was able

to do a transformation without too much effort and thought. Later, this happened in like 1993 or 1994.

About 12 years after that, I heard about super 30 for the first time, and I was trying to find some model of how to give money back and all of this. When I looked at that super 30 model, I said, okay, Anand Kumar takes these kids for one year and whatever black magic he does with them for one year, they move from zero to hero. He gets them into IIT, and he was not spending much money. I think his mother used to cook for them. The place where the kids were living was like a very low-end slum in Patna. Rent was low and all that. I think he was spending maybe INR 25,000 to INR 30,000 a year per kid, which he was getting from his coaching classes that he was paying for. To me, Anand's program looked similar to the experience I had with my cousin, right? I contacted Anand and told him, let's make super 30, super 300. He said, "I don't want to take outside money. I don't want to increase to even 31. I'm happy with this". Then I asked him if we can copy his model. He said, "I will help you if you want to copy it." That's what we did at Dakshana. There was a problem when we started Dakshana, when Anand Kumar announces a selection test in Patna, 10,000 kids will come to take the test because he's well known, right? If I were to announce some test in 2007 nobody will come. I don't know how to reach these people, right? I said, I'm going to copy his model, but I don't have his name recognition. I can't get people to. But what I learned in business is that you start the business and gradually you start figuring out the answers to these questions. The one thing I could think of is that there must be some kids going to coaching institutes to take their tests, but then they cannot pay the fees because they're too poor. I had hired the first CEO of Dakshana as a consultant, and I said, "Listen, can you go to all the coaching institutions in Kota and ask them if people come to them after having cleared their tests and say, 'I can't pay the fees, can we get a scholarship or something?'" These coaching institutes said, "Yeah, it happens all the time, and we can't take them because we need the fees to be paid." We told them that when such a thing happens, please call us, we will pay the fees. I remember I went to see Mr. Bansal and I told Mr. Bansal that "Mr. Bansal, when you have people who have cleared your test and they cannot pay the fee, you contact us, and we'll pay the fee and you can admit them". Mr. Bansal would've thought to himself, some stupid rich NRI has come from California, it's okay.

Next day we get a call from Mr. Bansal's office that, there was some family which was crying in front of them saying, please admit this. Mr. Bansal said "*wo aaye the Pabrai Sahab, unhe call kar do, Rameshji ko*", my CEO, see if they want to pay the fees. Ramesh called me and said it looks like a genuine case. I said, "yeah, pay the fee". I didn't even tell him to study the details of the person. All people were really happy right? Then we went to the other coaching institute, we also told them that. They again thought some idiot rich NRI has come, no problem. We got three to four more kids like that.

I told my CEO, "We don't want to do a lot of checks and things. Just take the kids. If they are saying they cannot pay, don't try to verify anything, just take them trust them. I want to learn this whole process". For me, the learning is more important, and I was learning, Kota has good infrastructure for you could get a place to stay, you could get a meal plan. Everything was easy to do in Kota. I had this guy, my CEO, go to all the different coaching institutes and tell them we can give free coaching, et cetera . After visiting two or three places, they suggested that he should talk to JNV people. He never heard of JNV; nobody has heard of JNV except JNV people. After the third guy told him about JNV, he did some research, and he found that there's a NVS office in Delhi. He made an appointment to go meet those people. At that time, in 2007 when he met the head of academics and the commissioner, they were very desperate because they knew that the JNV students are very smart, but after 12th there was nothing. They asked him what we want to do. We said we want to study the JNV system also. What ended up happening eventually was that we were able to solve the second problem, which is how to find the kids. We didn't solve it the way Anand solved it, but we solved it a different way. What I'm trying to say is that it started really small. Then we started taking one kid here, one kid there, the first six kids at Dakshana came through coaching institutes. Then after that we had 280 kids in the first batch from seven regions in JNV in 2007 for two years coaching. Then we started going from there. I think we will move to the next group. Should we move to the next group? It was very nice meeting you. Please stay focused and please don't try to pursue things that are popular, try to pursue things that are exciting for you and life will go better. All the best. Okay.

Rahul: Good morning, sir. My name is Rahul Kumar Ahirwar from Guna District, Madhya Pradesh sir, my question to you is, sir, I have seen your orientation session of Kottayam time 2017 on YouTube. Sir, in this session you inspired law scholars by answering their questions. You also explained the role of 72 to them. Sir, one of the scholars from where we get the percentage to get the money level. Sir, I have the same question.

Mohnish: What was my answer to him?

Rahul: Actually, you have told him that when he was in his third year of college, you will answer him.

Mohnish: That is the answer to you also. Okay? I know you are trying to get the answer faster than that, but please have a seat. Right now, are you a JEE or NEET student? JEE. Okay, so *'abhi hum apko distract nahi karna chahte hain'*. What you do is when you're in third year in IIT you send me an email and say that sir, December 26th, 2022 at Dakshana Valley. I was second batch first question and you told me *"teen saal baad aap reply doge"*. If any of you want to send me an email in 2025 I will reply to you as well. Sorry to keep the suspense. The other thing you can try and do *"wo jo 2017 wale bache the, Kottayam me"*, they sent me email in 2021, they didn't forget, and they got the response, hunt

them down and you will get the answer faster. Okay? All the best. Next question.

Sujit Das: Hello sir. Good morning. My name Sujit Das I am from Cachar, Assam. Sir, my question is to you, what is life? Is it life that you started well, or struggle for a job or whatever until you are 26 or 27 years old and after that you get a job or get married and after some years you can become old and after becoming old, you wait for a call from Yam just like your Robert Sir?

Mohnish: Sujit, please have a seat.

Sujit Das: Thank you sir.

Mohnish: On this trip I am visiting six locations and some locations like Bangalore, they have a lot of kids, like 240 kids, some have like a hundred kids. At Dakshana Valley, we have 600 kids. I asked all the kids at all these locations to give me questions. The best question I got was your question. Did you guys understand his question? He said "*kya yehi hai zindagi? Itni bekar zindagi, ki pehle aap chakki peeso school me,*" Are you JEE or NEET? JEE, okay. Then *chakki peeso* for JEE or NEET to try to get admission to some college that you want, some IIT you want, some AIIMS you want, then you are excited. You got to IIT Bombay, you got to AIIMS Delhi, but don't get excited. Again *chakki peeso* starts. Then you again *chakki peeso* for another four, five years. Okay? Then you finished school and you're saying, thank God, but more *chakki peeso* is going on after that because *uske baad kya hota hai? Shaadi hoti hai, shaadi matlab barbadi!*

My grandfather used to say something about marriage, he says, "those who are in it want to be out of it, and those who are out of it want to be in it". I just want to explain to you all life is, is just *chakki peeso!* Because then you get married, then you find after honeymoon, no excitement is left. Then the kids arrive, okay? Then the kids arrive more *chakki peeso* started. Then after that, finally the kids grow up and then you are too old to do anything. Then you get all kinds of ailments and diseases, and then you die. What a beautiful life. I am very impressed with you, Sujit, that you have had the forward thinking to understand exactly what life is, because your classmates are thinking just around the corner it's about to get better, and it's not going to get better. I'm sorry to tell you. So *iska ilaj kya hai?* What is the point? Maybe I should have just slipped my wrist when I was 15, so what's the point, right?

I have a philosophy in life that you may not be excited to hear, but I'll tell you anyway. For the most part, my belief in God is a little flexible, but it's kind of like being agnostic means there is a God, but I'm not sure exactly who or what is a God. But I become very religious on Diwali. The good thing about being a Hindu or being born a Hindu is you get to choose your gods. My two favorite gods are Goddess Lakshmi, and Lord Ganesh, the Goddess is of wealth and the God of prosperity. I tell my American friends that Ganesh is the only guy who's a God and he's fat, and it is celebrated that he's fat, and we want to give him

more sweets to make him fatter. Ganesh is my kind of God. I like Ganesh. He is a happy guy, and of course Lakshmi is great because she just takes care of me. Life is great.

My kid used to notice that there's no religion, nothing going on, and suddenly one day there's religion and then again, there's no religion for the whole year. It was a little bit flexible, religious belief. Basically, the philosophy I have in I have in life is very similar to Sujit's philosophy, which is that life is meaningless. I thought about this quite a bit. Like, what the hell is going on? Like, we are circling around some mediocre star forever and ever. In four and a half billion years, that mediocre star, which is not a special star, is going to burn out. Then the planet is gone. It may not even take four and a half billion years with the way the humans are going. They may implode before that. They may do various things where they will take themselves out of the picture even before that. What is the point, right? What I have been able to figure out is that number one life is meaningless. Number two, life is really not *chakki peeso* unless you make it *chakki peeso*. The important thing about the *chakki peeso* aspect of life is we have choices, and we have free will as humans, we do not need to follow like a prescribed path, right? We can choose our path. We have many choices in the path we choose. The way I have tried to choose the paths is, I've tried to choose them in a way that makes life exciting. Your job can be useless, or your job can be exciting, and your studies can be useless, or your studies can be exciting. It's all in kind of your perspective. Your relationships can be useless, or they can be exciting. Your kids can be very exciting, or they can be a burden. I mean, these are all different choices that you make. Part of it is a choice, and part of it is the attitude. Sujit, I would encourage you not to think endless *chakki peeso zindagi*. What you have to do is that if you are actually told to *peeso a chakki* that you have to find happiness in that, and you have to find purpose in that.

Nelson Mandela was imprisoned for a long time in South Africa on Robben Island, and he has to like break stones rigorous, imprisonment. His prison cell is barely as big as his bed. Really small prison cell where he spent 30 years or something. The jailers he had in that prison, really ill-treated him because what happens is that the jailer is in power and the prisoner is not in power, so they take advantage. His jailers actually were unjust to him. They were actually doing things that were not even legal to be done, punishing him more, not giving him food, this and that. When he became the president of South Africa, he invited all the jailers to his inauguration ceremony, and he gave them prime seats in the inauguration with the VIPs. First the jailers were afraid to come, they said "*zaroor koi chaal hai ye*". But they came, he treated them with extreme respect, and they left. He never, ever said an unkind word to them. President Clinton, when he was the president, he went to Robben Island, he saw the prison cell where Nelson Mandela was, and he asked Nelson Mandela a question. He said, "these people treated you so badly, why did you not take it out on them? Why did you not take revenge when you got the power to do

that? Because what they did was very unfair and very negative". Nelson Mandela said that "I just let it go." He basically did not carry any burden that he's hating someone or he wants to take revenge from someone. He just let it go. Everyone predicted that whenever South Africa got rid of apartheid, there would be a civil war because you had a huge black majority that had been oppressed, and the moment you gave them freedom, they would kill the white minority. But what happened in South Africa, kind of like with Gandhi, was a miracle that a black person came to power, and nothing happened to the white people, even though they had done lot of crimes. The only thing South Africa did is they set up a commission called the Truth and Reconciliation Commission. What they told every person, especially every white person is to go to that commission and to admit every single crime they committed during apartheid. They said, whatever you say, nothing will be used against you. Even if you go say, I murdered 10 people, we are not going to come and put you on trial. One of the things that Truth and Reconciliation Commission was trying to do was that lots and lots of tens of thousands of South Africans had disappeared. Their families never knew what happened to them but through this truth and reconciliation they actually got data on what happened to their families, what happened to the kid, or what happened when he died. The second thing that it did was that the people who committed the crime, it was kind of like the Catholic Church where confession is a way of prayer and redemption. When they confessed, they felt better. The country was able to heal in this way. What I'm trying to say is that life can be very challenging. Many of you have already had very challenging lives. It'll continue to be a challenge in the future. The challenges will change. They will keep coming. A lot of it depends on your choices, and a lot of it depends on your attitude. If your choices are above average, and if your attitude is positive, life will not be *chakki peeso*. But if you are a person who is always irritated and upset saying "*mere saath ye kyu hua, wo kyu hua*", things are not happening the way they should everyone else is doing well, I'm not doing well. All these things, that's going to lead you in a downward spiral. It's not the right way to think. Next question.

Hage Asha: A very good morning, sir. I'm Hage Asha from JNV Lower Subansiri, Arunachal Pradesh, and my question to you is, in your opinion, what would have been the impact on the Dakshana foundation if at the outside of this project, Anand Kumar sir had accepted your proposal? Would it have been as successful as it is now, or would it have been the other way?

Mohnish: Alright. Well, that's another great question. Thank you. Please have a seat. I went to Anand, sir, and I tried to get him to make the super 30 Super 300, and he said, I don't want outside money. I don't want to expand my program, I don't want to make any changes. He told me all the best goodbye. I'm not the answer. Of course, that was a negative at that time. There was a Roman emperor, one of the last Roman emperors, his name was Marcus Aurelius. Marcus Aurelius had a very difficult life. His whole life was spent on the

battlefield. In the battlefield he got injured many times, serious injuries, he got a lot of diseases. He had a lot of health problems and a lot of difficulty. But through all of that, he became a philosopher, and he came up with a philosophy, which is known as the stoic philosophy. I'll just write this down later. When you are in your third year, you can look this up, don't look it up before your third year. The stoic philosophy, if I could summarize it, he says that when you encounter misfortune and you overcome it, it is good fortune. What I have found in my own life, what has happened is that every time there has been a setback or something negative that has happened, later when I look back at that particular negative, it actually turned out to be a huge positive. There were many negative events that took place in my life and each time when I look back, it has actually been a blessing to have those negative things. When Anand Kumar said no to me, it was a negative, right? Because I never wanted to actually set up an organization. It's too much work, right I didn't think I'd be able to do something like Dakshana. I thought it was just too challenging. But if I look back now, I have to say thank you, Anandji, right? Because I think that there's been a particular journey. I have loved the journey. It has taken work and effort and all of that, but I wouldn't have met you guys. I wouldn't have met Debian. I wouldn't have met so many things. I didn't know this until Dakshana came into my life because I didn't really have any experience with it. I meet the scholars once in a while, in sessions like this. Sometimes I've gone to the different colleges and met them there. What I was doing, before COVID, once a year was, I was going to the scholar homes. I would pick a state, I think 2019 was Ladakh and I, Colonel Sharma and I, we went for about a week and we went to about 10 or 12 different scholar homes over four- or five-day period. I've done that in many states. I did it in Kerala, in West Bengal, in Haryana, and so on many states. What I found is that those four or five days that I would spend in these different states, meeting the scholars in their homes were the best four or five days of the year. I would not have forecasted that, when you actually go through it, that's when you realize, oh, this is a lot of fun. What I find is, for example, a lot of tourists go to Ladakh. It's a tourist place, right? A lot of people go to Ladakh, a lot of tourists go to Kerala, for example, but they are never able to see what I am able to see. They are never inside some villager's home having tea with that villager and the family. That never happens to them. They don't know any villagers, and if they go to some villager home, it'll be some commercial transaction. You can go to the Dharavi slum, but you pay for the tour and all of that. It's a different experience. What I realized is that these things that I am able to do, there would be no other way to do it. It would never happen in any other format. To answer your question, it's hard to tell what that other path would've looked like because we never lived it. But if you ask me, I would say leave things the way they are. I'm not looking to change anything from the way they are. It would've been a lot less work, but maybe it would've been a lot less satisfying as well. Thank you for the question. How much more time do we have, Debian? Okay, so let's go to the next question.

Subhendu: Good morning, sir. I am Subhendu Sarkar from JNV Dakshin Dinajpur, West Bengal. My question to you is, an African continent has largest number of poor countries. Majority of children are in the state of malnutrition and are very uneducated. You had a choice to establish this type of trust in those countries because they're very needy. Why did you select only India for China?

Mohnish: Okay, that's a great question. Please have a seat. This was the exact question I was asked by my now ex-wife, still a good friend. She asked me, she said why are you doing this in India? Why are you not doing this in Africa? Why are you not doing this in Chicago? Why did you pick India? What I had told her is, I picked India for two or three reasons. The first reason I picked India was that I clearly knew here that there was a lot of need. I knew there was a lot of need in India. The second thing I knew was that if I compare India to Africa, my chances of failing in Africa would be a lot higher than chances of failing in India. India also failure chances were high, but Africa would've been much higher. The reason is I have completely unfamiliar, don't have any people I know, don't understand the cultures, don't understand a lot of issues about it. The odds that we would be successful going to some African country would drop. One of the things I learned in business is that when you start a business, you try to do everything possible to increase the odds that you can succeed. I did tell her that at some point it is possible that Dakshana may go to other countries, but if you ask me, is it better to be an inch wide and a mile deep, or an inch deep and a mile wide, I prefer being an inch wide and a mile deep. India has huge numbers of problems. We have made very small dent and very small number of problems in India. Probably even if I lived to be 200 years old, I could keep working in India and not run out of problems because there are so many problems. It may be possible that Dakshana never does anything outside India that's possible that could happen. What has already happened is that people in other countries have looked at Dakshana as model, and they have started doing some things similar to Dakshana. I have had many meetings with many people in many different countries where they have wanted to understand more about Dakshana. Some of them have visited here or they have visited other campuses. That might be one way Dina can have an impact in other countries, but I did it to just increase the odds of success. I think that was the right move to try to increase it. Just like when you start doing something, if you start in your village, there's a higher chance than if you go Andaman Islands to some random village and try to do it there. Someone might shoot you at a ball before you get to the village also. Next question.

Archana: Good morning, sir. I am Archana Gope from JNV Dhanbad, Jharkhand. My question to you is, there are thousands of people who are successful in their life, still only a few help others. I want to know, what is your purpose of life through Dakshana foundation? Thank you, sir.

Speaker 1: Alright. I'm trying to avoid *chakki peeso*, and I'm trying to do whatever I can to make life interesting, so I don't slit my wrist. I never realized this. A couple of things I would say about this is, I think the ethos of charity and helping others

is the strongest in the world, in the United States. The US is a very different country from most other countries where even the average American who may not be that well off, still wants to give something for people who are struggling or having problems. The people who are well off in the US, they're the most generous in the world to give to other causes and good causes. I think it's part of the American experience, and I think it's a very good thing. Now what is happening is getting exported to many other parts of the world. Slowly, other parts of the world are starting to become a little bit more like America, but still, I think America leads by a very long, large margin. Most rich people in India when they grow up, they don't really have role models or things they look at in terms of helping society, we just don't have that many kind of examples we can look at. They also have a lot of situations that they're aware of where the organizations are corrupt. The money is not getting to the right person and different things like that. They tend to become kind of skeptical and they also want their kids and grandkids to do well. All of that leads to them not wanting to do this in this way. I think that if they actually thought about it some more, they would actually find that their life would be happier. They would get more fulfillment. Even their families would be happier if they looked out beyond their families and such. I think that would work out well. Even now, the Indian government has enacted a law where companies of above a certain size, they have to give 2% of their profit back to society CSR for 2%. A lot of companies try to find a way so that 2% goes to their temple. They try to find a way where that 2% doesn't really go to charity in the way the government intends it, which I think is unfortunate. But we do have one big example in India of the Tatas and the Tatas were very revolutionary, very early in what they did. The Tata family have done a lot of good work for more than a hundred years across India, and they're continuing to do that. That's been really good. But we have not seen a lot of people follow the Tatas, and the Tatas took an extreme view. The Tatas themselves are not wealthy. Most Tatas have extremely small ownership in the Tata companies. Most of it is owned by the Tata Trust. I think the Tatas have a great role model, great example for India. But I think that if more rich families and rich people understood how much joy and pleasure they can get and how much they can help people, we would see more of it. Hopefully that'll change over time. Next question.

Shraddha: Good morning, sir. I am Shraddha Agnihotri from JNV Etawah, Uttar Pradesh. My question is, is there any story on which the foundation is giving named Dakshana.

Mohnish: Okay, well, that's a good question. Please have a seat. I knew that I did not want to call the foundation, the Pabrai Foundation or the Pabrai Family Foundation or anything like that. I did not want to name it after my family. One of the reasons I didn't want to name it after my family is because I think it would be harder for people to think of it as their organization. I was looking for some name which was going to be more neutral. Dakshana is actually Hindi word, also a Sanskrit word. It means to give and receive a gift. It actually both

ways. I thought that it would be relevant to Dakshana because what happens in Dakshana is basically at this point in your life, you are receiving a gift. And the hope is that at some future point in your life, you'll be giving gifts. You don't need to give gifts, Tosh, you can give gifts to anyone. Also, you might choose not to give gifts, which is fine. But I thought that the name was kind of interesting for what our purpose was, because I knew that we were going to help people rise in life, and when they rose in life, if they could help other people rise in life, then we get to a continuous circle. You can see the logo kind of goes in that direction in that way. What I found that was a surprise to me after 15 years is that the name really resonates with everyone. What happens is that whenever I go to different campuses or whatever, they've always made the logo in chalk and they put it on the board. Or sometimes like they'll make a rangoli on the ground or in the valley time they'll write candles like that. They put the logo on cakes and different things, and that would not have happened if it was the Pabrai Foundation. I was surprised that the dream is actually becoming real. I wanted Dakshana eventually to be an organization, which has nothing to do with me. I wanted it to be an organization where these scholars and the alumnus are running Dakshana, the alumnus are all the teachers, the alumnus are providing all the funding, and the alumnus are running the whole thing. I almost feel that we are at that point, we are very close to that point right now. I feel like if I drop dead tomorrow, Dakshana would keep going. The alumni base is strong enough that they will find a way to keep it going. They don't need me and they don't need my family and such. That is the reason behind the name Dakshana. How much time do we have Deepayan. One more question.

Ashutosh: My name is Ashutosh Ranjan. I am from Southeast Delhi, Delhi. In India many people lack awareness about investment, the stock market I have seen, and that's the reason that I came to know about investment in 11th standard. My question to you is that how do we create sources of income as a student when you we are in college and how to start investment and what are the pretty requirements for investment? Thank you.

Mohnish: Okay, so that's a great question. Debian more than thousand people, 990 of them wanted to know about investing out of the 1000, okay? To all of them, my answer is the same, *ki abhi main apko confuse nahi karna chahta*. My email address is at the back in 2025. Send me an email that I asked you this question on December 26th about making money. I don't want you to focus on making money during your time at IIT I know that you have a lot of family pressure and all that. You'll work in the summer, you will have internships, you can save some money that way, but I really want you to focus on doing the best you can. I think you can really help your families a lot by doing really well in the next four or five years, and then helping them. I know a lot of you have a lot of pressure and the families are doing very poorly and they need help and they need help right now, but it'll cause more harm than good if you deviate your attention. The best thing for you to do is get a good degree as quickly as

possible, and you will have some income and you can start helping them, and then you can go from there. That's what I would recommend. Next question.

Aryan Mehra: Good morning, sir. My question is, what was your ambition in your school life and what was the things that tried to stop you?

Mohnish: Okay, please have a seat. When I was growing up, I changed many schools. I think I must have gone to like maybe eight or nine different schools in three different cities. There was a lot of change that took place quite frequently. I used to have very low self-esteem, and I thought that I was significantly below average. I remember that in third standard I was in a school where the class size was really big. I think they were like 60 students in the class. We used to get report cards with your rank in the class. My report card, I remember in third standard, said 57 out of 60. My rank was 57 out of 60. I remember in that classroom that whatever the teacher was saying in the front, I was sitting way at the back, I had no idea what was going on. I don't know why it was not 60 out of 60 because I think I never understood anything that was going on in that class. Okay? Zero. Very clear memories. I have that, *kuch ho raha hai blackboard par mujhe kuch samaj nahi aa raha hai*, okay. Throughout my school years, I was a below average student till I was an eighth standard. In eighth standard, we moved from Mumbai to Delhi and I joined the school "Air force school" where half the kids are from officers of Indian force and half the kids are civilians. The school was really built for children of Air Force officers. They had day school and boarding so that some Air Force officers posted at some base, the kids can study there easily. I remember that when I joined that school, all the kids in my class came to me and they only wanted to ask one question. The question they all wanted to ask was, what does your father do? My father, at that time, had a job in Dubai, so I told them, my father has a job in Dubai. Then they said, oh, you are a civilian. What they meant by that is that, there's a truth *jaise acchut hote hain na*, a civilian is below that. Their perspective was that Air force officers are the Brahmins, they are the highest cast, and all civilians are the lowest cast, the untouchables. The moment I told them my father is a civilian, they said, oh, and then they went away. There was a hierarchy in that school where all the kids of Air Force officers thought. One thing about the kids who are kids of Air Force officers is, they're all cleared NDA. The parents, the father had usually cleared NDA. Not only had he cleared NDA, but many of them were also like fighter pilots. Fighter pilot means you have to be really, really good because the Indian government is not going to give you some \$10 million plane to fly around if you're going to crash it, right? I mean, you have to be really good to be a fighter pilot. When I used to tell them my father is a civilian, the guy will say, my father flies MIG 21. They used to initially make me aware that I'm the Brahmin, you are the kshudra! Now I'll just take a detour and I'll come back to your question. I was in the school from the age of 13 to 16, and after 16 I moved to Dubai and I lost touch with all these people because people go all different places. There was no internet or anything at that time. But then when I turned about in my forties, suddenly

everyone came on Facebook. The people I knew the last time at 16, the next time I saw them on Facebook, we were like 42 or 43 years old. There was a big gap. All these fighter pilot children, they are Googling everybody to find out *kaun kya kar raha hai and wo confuse ho gaye*. I was ahead of all of them and then I sent them all a message one by one I said, "hi, you remember me Mohnish, my father was a civilian, your father was a fighter pilot. How's your life going? Warm regards". *Ek do ne mujhse baat ki, ki ye ho kya raha hai?* how can a stupid person like you do so well? I said, in your lifetime, you'll not be able to figure that out. Anyway, till age standard, when I joined this school, I was below average. Then two people came to the school from outside agency and they ran an IQ test for all the kids in the school, just the standard kind of mensa type IQ test. In that IQ test, I had the highest score in my class. It never happened that I ever got highest score in any test or subject ever in my life. Okay? First time ever in my life, I'm actually getting above average grades. Not above average, but highest in the class. I was really surprised *ki result me koi problem hai*. I went to the two people who had done the test, they were packing up and they were about to leave. I was a very shy kid, like I said, low self-esteem. I went to them and said, "sir, I got this good result. What does it mean?" They said, "oh your result is not just good. You didn't do just the best in the class, you have the top score in the whole school". I said, what does that mean? He said, you're really smart. I said in all my subjects, all my scores are useless. The guy just said, "oh, you are not applying yourself, if you work, you can do better than everyone". Then he left. Sometimes in life what happens is someone has to say one sentence to you and that sentence changes your life. What happened is, after that test every time I took a test, I started doing better. By the time I finished eight standard, I was in the top half. By the time I finished 10 standards, I was in the top 20, 25% of the class. And then by the time I finished 12 standards, I was third in my class. Then by the time I finished college, I was at the top. I clearly sought trajectory change take place. Now what happened to these fighter pilot children, they never saw me after 10 standard, *to wo to bohot confuse ho gaye! Ki ye kya ho raha hai? Ye na to NDA gaya, na IIT kiya, commerce ka bacha hai!* How you guys look down on the commerce kids, the way the fighter pilot people look down on the civilians, it was like that. To answer your question, this was the experience in the school years. When I look back, I don't want to change anything. It's all fine. No problem. Life is good.

Kritika: A very good morning, sir. I'm Kritika Kumari from JNV Palamu, Jharkhand. My question to you is, as a successful business person, you must have faced lots of pros and cons, specifically losses in business. During those dark phases, did it ever strike your mind to leave everything or stop operating Dakshana foundation? If not, then what was your motivation to keep going? Your reply will be very helpful to us as we can relate it to our frustrating phases of life. Thank you.

Mohnish: Alright, that's a great question. Basically, I think it's just the nature of life that all of you have already faced lots of adversity and problems. Your families have faced a lot of adversity and problems, and it'll continue in the future too. Things will come up, they could be medical issues, different issues come up. I think with Dakshana there was only one time when I thought about shutting it down. What had happened is during the global financial crisis from 2007 to 2009, my investment portfolio had gone down a lot. It had gone down almost 70%, and my personal wealth had gone down a lot, and it had gone down so much where I did not think that it was sustainable to continue Dakshana. What I decided then was that we had close to 300 kids in our program at that time. I said that we are going to see these 300 kids through, we are going to run the program so that none of them are affected, and they are able to finish their coaching and everything fine, but we will not take a new batch. In 2009, I had decided that we will freeze the program, and then later if things got better, then we would restart the program. I met with NVS officials in early 2009, and I explained to them the situation, and I explained to them that basically I want to shut down the program in terms of taking next batch. I think the one senior guy there had some really good advice for me. He said that don't shut the program, reduce the size. He said, instead of taking kids in seven locations, just take kids in one campus. He said, "the government works on continuity. You are now part of the system. There's an MOU with the government. If we cut this, then we have to do a lot of restart things, and it may not be possible. Even though it may be difficult for you, let's run at least one batch". We did that in 2009. That was the smallest batch we ran. Basically, Dakshana only took 50 kids that year in 2009. Then the financial crisis went away. My net worth went up. The investments started doing well, and then 2010 onwards, we were able to go back to the way we were running. But basically, the way I look at it is that if I go back and look at my life, there have been many instances where things have been very challenging. Lots of complex adversities have shown up, and at that time, when these things show up, things look really dark. But what I've always found is that when I look back on what happened, it was really a blessing what happened? One of the things that happened even in 2009 is because Dakshana had to reduce its size a lot. I had to get rid of almost the entire team because the team was based on a larger time, larger size. I had to cut expenses. Because of all these actions, we had changed the leadership. Colonel Sharma came on board as a CEO, and that was a really transformational move for us. It really helped us improve. I actually think back and say that if those things had not happened, it would've not worked as well as it did. It worked out pretty good. My take now is that every time there's adversity or issues or problems, don't worry about it. It's going to be okay, the sun will come out the next day and we're going to get back on track. Next question.

Mohit Kumar: Good morning, sir. I'm Mohit Kumar from RPV Northwest Delhi, Delhi. My question to you, sir, is that, I work hard, approximately, I study 13 to 14 hours per day, but I was surprised when I saw result of student who is studying less than

me and getting more marks. I'm unable to understand that. What special are they doing and I'm not?

Mohnish: Okay, that's great. Have a seat. We have an alum in Dakshana, some of you may have heard his name, Ashok Kumar. Ashok got 63 ranks in the All India 63 rank in in the JEE Advanced. He went to IIT Bombay Computer Science. IIT Bombay, computer Science for general category. I think it closes at about 90 or 95 rank. If you are past that, you'll not get IIT Bombay, computer Science. Ashok had always been like a topper, in his JNV he had done well in Dakshana program. He had done well when he went to IIT Bombay Computer Science. His first computer science test class, he has his first test. He studied hard for that test, and he saw that his rank on that test was in the bottom 30%. Like 70% of the students have done better than him. He saw that some students who did much better than him, especially the ones who were really at the top, they hardly studied. Ashok told me that he just kept looking at his paper and the marks and looking at what is going on, and he realized that he is in competition with a bunch of people who are very different and much stronger capability than he has ever faced before. I would say that the horsepower and IQ in the IIT Bombay Computer Science batch may be unmatched in the world that maybe the smartest set of students collected together. Ashok's response to that test was, I need to find another gear, which means I have to put much more effort than what I have put before, because he was not used to getting low. Most of you're not used to getting low marks. Next test came, he worked much harder, he got a better rank, still, there's some gap, and he just kept pushing himself as hard as he could. He's a very driven guy. By the time he graduated, I think he was like 9.2, 9.3 GPA, which is really good for Bombay Computer Science. He'd be near the top. I met some of his professors and they said, yeah, Ashok has done really well. There is a question I sometimes ask not the NEET kids, but the Jay kids, it's a math question. When I meet them, kind of like an icebreaker just to get things started, I ask them a question if they can answer the question. What I have found, because I've asked the question many times, if they're able to answer the question, probably 95% chance they'll go to IIT. The amount of time it takes them to answer the question has direct correlation with their rank. The faster they can solve it, the better their rank is going to be. One time, when I ask that question, typically it takes about 10 to 15 minutes for someone to raise their hand and say they have the answer. Sometimes the person who raises their hand doesn't really have the answer when I ask them the answer, they don't know, or they got part of it, didn't get the whole of it. But usually one or two people in the class can get the answer in 10, 15 minutes. One time, what happened is that I asked this question at JNV Lucknow, and I finished writing the question on the board, and I turned around and one guy had his hand raised, so I thought he wants to clarify something. He said, "I have solved the question". He has not written anything; he is just looking at the question. I asked him have you seen this question before. He said, no, sir. I asked him to come to the board and write down the answer. There are two or three different proofs you can give for this question.

One particular answer is the most elegant proof. It's a very easy, simple proof, but most of the time when these kids answer the question, they have not found the most elegant proof. They have found a proof, but not the most elegant one. He came to the board and wrote the proof with the most elegant approach. His solving time, I would say was less than five seconds. I was really surprised, I said, "I don't know how someone can solve this question". At that time, there was the AIEEE so when he took the AIEE test, out of like more than 1.2 million kids, his rank was 17. When he took the IIT exam, the advance IIT JE advanced that day, he was running a fever. He took the test with a fever and with the fever, his rank was 83. Taking the J with a like a hundred plus fever, he scored an 83 rank. I think without the fever, he may be top 10, top 20 or something. I tracked Rajiv after that because I'd never seen a brain that functions like that. Rajiv is now at Google, and he is doing well. He lived in Bangalore, good guy, nice person. I would just say this, that there are people who have God-given talents, and some of us don't have those God-given talents. You can make up for some of those God-given talents by working harder, but it may not always be the case that you can work hard and cover the diff distance to the extent that it can be a motivation to you, it's good. But if it becomes something which becomes a downward spiral for you where you say, oh, I'm working so hard, things are not working, et cetera, these other people are not working hard, they're doing better. There will always be people in the world who have unusual brain wiring like Rajiv, and we cannot compete with them because of the brain wiring is so amazing, and it's the way it is. Some people have some skills in some areas, some people have skills in different areas. Someone may be a really good painter, they probably will be really bad at math, and someone may be a real good sculptor or poet and whatever, they may not be good at other things. I would just say that your focus should be to be the best version of yourself. You don't need to be somebody else, you just need to be the best version of yourself. I would say you be like, Ashok, find the strength to do the best you can, and I think life will be good. Next question.

Yogita: Good morning, sir. I am Yogita Bharbor from JNV Banswara, Rajasthan. My question to you is, as we all know, Dakshana motto is infinite good. I want to ask what this infinite word has to do with Dakshana motto, why you choose infinite good as Dakshana motto. Thank you, sir.

Mohnish: Alright, that's a good question. Infinite good. I, I chose that because it is a magical model. I mean, when I first heard of Anand Kumar and Super 30, the thing is that what happens is that Dakshana can help permanently break the cycle of poverty. The JNV system also does that, right? When you enter the JNV system, you get a much better education than you would've gotten at most other like schools and stuff. Even the JNV system is moving you into a different area, and Dakshana is then basically helping you get even better it can convert people from zeroes to heroes and it can change your life trajectory. Now, when it changes your life trajectory, what happens is it

changes the life trajectory for all your future generations. How do we measure how much good Dakshana has done? Right? You would've gone on one path and now you're on a different path and your children are on a different path, their children are a different path and just go on forever. The answer is, it's infinite, and therefore we just said infinite Good. Do you like infinite? Good. Alright, so we think it's infinite good. And that's why we chose that. Next question.

Ashish

Kumar:

Good morning, sir. I'm Ashish Kumar Misra from JNV Cuttack, Odisha. My question for you is, sir, how can we start to build networking with good influential people when we are just starting our entrepreneurial journey? I just want to ask you that, how you did this in your relationship of entrepreneurship, considering that you don't have any leads, nothing, and you're starting from the base with zero. Thank you, sir.

Mohnish:

Yeah, that's a really good question. There's a couple of books that can be helpful to you. One is a book called; "How to Win Friends and influence people by Dale Carnegie". One of the things I focused on right from the beginning is, I focused on continuously keeping in touch with people I had some interaction with, okay? The way I did that was that I put all these names in a database, you could put in an Excel file or whatever you want, and every year I would send them a holiday card. I would say that I started doing this when I was maybe 24 or 25 years old. I may have had like hundred friends or something, a hundred people I knew. I got a hundred cards, wrote their names, sent them a card, and every time I encountered someone, business or through the job or whatever, I kept adding them to the database. I would every year decide what number of these should get a card. That number kept increasing. Now I think when I send the cards out, I end them to about 2,500 people myself. In addition to that, that card goes to every Dakshana alum. There are more than 6,000 alums. All of them also get a card every year. Their parents also get a card. Now when I send the card out, it doesn't take much time or effort. It's a once-a-year thing, I do it during the holidays, whatever else. I used to write notes in the card I gave up on all that. The volume is too high, right? But what I did is, I changed the card to have a family picture. It looks personal, right? One of my gurus is a guy named Charlie Munger. Some of you may have heard of Charlie Munger, the Charlie Munger Hall in Bangalore. How many of you have heard of Charlie Munger? Raise your hand. Very few people have heard of him. It's okay. You can Google him third year to find out who he is. Charlie Munger basically is really smart about understanding different mental models about how humans work. That book is also going to explain to you some mental models about how humans work. In our brains, we have some illogical wiring. Our brains are a function of everything that took place in evolution. It went through a process. When we came through apes, until finally we become modern humans. There are aspects of the brain that are very old. There are aspects of the brain that are very new. There are aspects of the brain that are not really logical. It's a

complicated thing. We are not purely rational creatures. One of the strange things about the brain wiring is, humans have a built-in tendency for reciprocation. Do you guys understand the word reciprocation? Reciprocation means that if I give you a gift, you feel like giving me a gift. You want to reciprocate, right? If I do you a favor, you feel like doing me a favor. Reciprocation is built into our brain. The reason it is built into our brain is that when we were ancient humans, let's say going back 50,000 years before agriculture, we used to live in very small groups. Humans were living in small groups, right? What would happen is some two, three humans go hunting and they bring down a big animal, big beast. They bring the animal to the area where everyone is living. There's no refrigerator, right? You can't store the meat. If that meat is not eaten right then it's going to get bad, right? What the humans would do, the person who brought the animal, they cannot eat that much meat. It's too much. They will invite everybody and say, let's have a feast. Because *uska downside kya hai, wo to barbad honewala hai nahi to*. What happens is the people who receive the free meat, they feel good about the person who did that to them. They say, *yeh acha admi hai*, he gave me a good dinner the other night. When that guy someday goes hunting and brings a big beast down, he wants to give meat to this guy, right? Scientists think that the reciprocation tendency that is built into our brains came through evolution, because the people who did not reciprocate, what would happen is next time that person will say, *tum mat aao*, you had last time got an animal you didn't give me, so I don't need to give you. What will happen is that person who did not share may not be able to produce kids, and that gene is going to die because he's going to starve. What ends up happening, the people who are able to produce kids and keep going are the ones who are able to share. Reciprocation is deeply built into our brains even today. But there's a quirk in the wiring. The quirk in the wiring is that the humans cannot calibrate the size of the favor that was done. If I do some favor for you, like I give you one dinner, you'll feel Mohnish is a good person. Someday I want to help him also. Or let's say I pay one-year fees of your college, again, you'll say this is a good person, but the brain doesn't know how to calibrate the difference between one dinner and one year of fees. Because in the ancient brain, there was only meat given. The calibration was never required. Calibration is not there in our brain to quantize the size of the favor. What happens is, all we know is he's a good guy. He did me a favor, I'm going to do him a favor. Now how can I take advantage of this calibration problem?

I run an investment fund, okay? When people need to invest in my investment fund, the minimum investment is \$3 million. If someone wants to give me money to manage, they have to send me 24 crores. That's a large amount of money to send, right? When somebody contacts us and says, "oh, I have an interest in investing in your fund". What we do is we send that person a very nice package. That package costs us. Now everything that we send in the package, I could send in an email, it would go for free. But we don't send it in an email, we send it in a physical package. In that package, there is a very nice

pen. That pen costs about \$40. Then there's a book. There are two, three gifts in that package. The person who receives the package, he looks at the package and he feels the same as the ancient human who got dinner from you. He feels Mohnish is a good person. Now, the thing is he gets a pen. It's a nice pen. Let's say he doesn't want the pen. Let's say he doesn't want the favor. He can't throw the pen. About one out of every hundred people I send this to, they send the whole package back to me. What they say is, thank you Mr. Pabrai. I looked at everything, I don't want to invest, okay? He did not want to keep the favor because he felt like *mujhe kuch karna padega*. He wanted to get, but that's a very rare human because it's too complicated to send it back. It's not easy to send it back. 99% are keeping the pen. Once they have kept the pen, what has happened is they love Mohnish and they're thinking in their head, he did me a favor. Every time he's writing with a pen, he's thinking nicely about me. How does he reciprocate? He reciprocates by sending \$3 million because there is no calibration. I have done you a favor. If you want to do me a favor, send me \$3 million. Do you understand? Because the brain is screwed up and I understand it's screwed up, and I can take advantage of that. What I started doing a few years ago, maybe 10 or 15 years ago is, I understood this. Mental models give you a huge head start in life. Reciprocation is just one mental model. There are about 40 mental models. When you know these mental models, you can order these humans like this. They don't even know how you are manipulating them. They just know that you are a very good person. What I started doing about 15 years ago is I didn't just send a card every year along with the card, I sent a book, and the book maybe costs like \$10, \$15, or \$20 and it says, compliments from Pabrai Investment Funds, whatever else it says. Like this year, we sent 2,500 books, right? That cost some money, maybe \$30,000 or \$40,000 is gone. But what I know is *in 2,500 logo ko har saal book mil rahi hai*. They feel so good about Mohnish that they want to do something for me. Different things happen. What I know is that what I get back from these people is much more than \$20. When you want to have influence over people, now I'll give you another example. Nobody does this. I want to explain to you how important this is. I left my job, I had only one job in my life. I left my job in 1992. There were about eight or nine people I worked with. They went into my database. I am never going to interact with these people again. There's no reason for me to keep in touch with them but every year they got the card from 1992 till now, *beech me kya ho gaya wo card change ho gaya* to card and book, right? Some of these people who I worked with 30 years ago have got 20 books from me already. They got so many cards from me, they are so interested in reciprocation, right? My boss and his boss, I stopped working for them in 92. In 2002, 10 years later, I never even talked to them. Every year, just the card is going, nothing else. Both of them gave me quarter million dollars to put in the fund. *Maine to pucha bhi nahi, unhone pucha, Mohnish you started a fund*, yeah, I'm interested, I'm going to send you money. Then they felt *abhi sab obligation full ho gaya*. How much is \$1 million would be eight crores. He sent me two crores. I sent him a book; he sent me two crores. We are even, and life is good. You have to understand.

Now some of you have heard of Ben Franklin. Have you heard of Ben Franklin? Yes. Ben Franklin is an amazing guy. He discovered electricity, he invented the lightning rod. He invented bifocal glasses. He created the United States of America. He was the founder of the University of Pennsylvania. He was a great author. He was a diplomat ambassador to France. Long resume, lot of things he has done, Sir Ben Franklin, in my mind was probably the wisest human being who ever lived *usne bohot sare mental models crack kiye hain*, like reciprocation is one. One of the mental models he cracked, he says, let's say someone doesn't like me. Okay? What's your name?

Rajalakshmi: Rajalakshmi.

Mohnish: I'm sorry. How do you spell it? Yeah, Raj Lakshmi, right? Let's say Rajalakshmi hates me. You don't like me; you just hate me. But I want you to like me. I don't want you to hate me. Ben Franklin cracked how to make someone who doesn't like you, make them like you. He said that the way to make someone (I hope Deepayan is listening) who doesn't like you, like you. This is important, okay? The way to make them like me is to make them do a favor to me. I make you do a favor to me. It's very strange, okay? The way the human brain works. This is what Ben Franklin did. He was in the legislature. This one guy really hated him. Ben Franklin wanted to make him a friend. He went to the guy and said, Hey John, do you think I could borrow that book from your library? *Tumhare office me aakar puch raha hai ki mujhe ek kitab de do*. You said, okay, that Rajalakshmi gives me the book. Okay? Ben Franklin very carefully makes sure that the book is returned properly on time. Because the brain wiring is screwed up, you will not believe what happens to Raj Lakshmi. Suddenly she has good feelings for Ben Franklin because she feels, oh, he's such a nice person. He took a favor from me, he returned my book, and suddenly everything changes. Now you have to try this to understand because it'll not make sense. What happened with that guy? Ben Franklin went to the guy, borrowed the book. He has no interest in the stupid book. He just borrowed it, flipped it, gave it back from then till the rest of that guy's life. He was one of the strongest friends Ben Franklin had. He became a fan. Now this is very weird, right? How can this be true? The only way you're going to know if this is true or not is by testing it out. You have to find some way of doing a favor for somebody who doesn't like you and doesn't expect you to do any favors for him. You will see that there will be a change, right? Basically *funda ye hai ki human brain me bohot miswiring hai*, and you can take advantage of that miswiring to make your life a much richer and better life. For example, another mental model is cloning or copying. Cloning is a very powerful model. Most humans are not interested because they think cloning is beneath them. Dakshana has done well because we cannot come up with the Super 30 model. Okay? I cannot come up with that model. I would've never thought about this model. That's just too far above my pay grade. I cannot think like that, but somebody already cracked that model. When you see something has been done really well, just throw your ego and copy it. Okay? Anytime I find

something that someone has done, so humans have an aversion to copying and cloning thing. They think they can come up with everything. I understood this model of cloning is very powerful. I also understood that most humans don't do cloning. So anytime I see someone else doing something else that looks interesting, now I'll give you another example. *Aap yeh Dakshana shirt pehne hue ho*, do you know what the history of this shirt is? Because I have no original ideas. Everything is cloned. I used to wear it, I've always worn it, I think probably at least for I would say probably more than 15 or 20 years. I like to wear the logo of the company who I have. I just felt like that's good. I had read somewhere that if you wear like a logo of your company like this, it's like free advertising. In a day you'll meet all these different people and it is like getting immersed in their head, right? I remember one time I was boarding a flight in the US and I'm about to enter the airplane. *Jo stewardess hai wo entrance par hai*. I see she's not looking at me, she's looking at the logo. Because what humans want to do is, they try to figure out who you are. They're looking at any clue. So she's try trying to read the logo, just probably out of idle curiosity, nothing special. I realized that humans zoom in on that, right? I said that wearing logoed clothes is a powerful model. Every day when I work, I wear a logo shirt. It's either Dakshana or Pabrai Investment Funds or Dhandho, one of the three entities I have. I gave all of you a shirt. Not only I gave all of you a shirt, *humare jo 6,000 alums hain*, the people think I'm mad, okay? Every year their shirt is two shirts are going to them or one shirt. One shirt is going, and hat also. Pardon? Every year, till you are 90 years old, you will keep getting a black shirt. I just want to give you advanced warning. Your seniors did not know this. *Har saal ek kaala shirt aata rehega. Tumhare closet me itne saare shirts ho jaenge, tum bologe, Please, mat bhejo aur shirt!*

But very few people tell us that. We keep pounding the shirts on them. They wear the shirts, and the thing is that it goes into every corner of India, it goes into every district of India. What happens in India? Nothing gets thrown, right? *Agar kisi garib ke ghar me koi shirt gaya hai*, for 20 years, that shirt is going to be used right? Dakshana is continuing to get, but it has a second impact. The second impact is reciprocation. *Free mein mil rahi hai shirt*, Mohnish sir is great. What I'm saying is, 70 plus years after you leave here, I'm going to be messing with your minds. The thing is, you will let the mind get messed with because that's the way it is. You have to read this book. But another book that you will really get a lot out of is called Poor Charlie's Almanack. This book, I think from the last 50 pages has 25 models. I reread this book every year because I know that it gives me huge advantage. There's reciprocation, tendency. There's cloning, there's incentives. How humans react to different incentives. There are a lot of it, and it makes the life easier with your family. It makes your life easier with your friends. It makes your life easier with your bosses because you are manipulating them in a way they don't even know. They're being manipulated. Then everything is fine. How are we doing on time? It's over. So, thank you very much. We are going to see them for pictures later. Alright? It was great hanging out with you. Don't worry about all these

things till your third year. Then you can read these books and all of that and you'll get a big advantage in life. Alright, good hanging out. Thank you.

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