

Mohnish Pabrai's session with students at JNV Bangalore (Urban) on December 23, 2022

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Mohnish: All right. It is good to be here. I haven't been to Charles T. Munger Hall in quite a few years. I just met Charles T. Munger last time was in November, and then before that was in July, and before that was in May. There is a real person who is alive and well. And on January 1st, he will be 99 years old, still alive, doing well, and he has a granddaughter. He has many grandchildren. He has a granddaughter, Charlotte Munger. I am hoping next year Charlotte will come here to talk to you guys. She talks at five times the speed that I talk, and she talks very fast and I told her that when she comes here, she should talk even faster, just so that you guys think some alien has landed. So anyway, good to be here. So why don't we go into Q&A, so, who has the first question?

Swamy: Hello, sir. Good afternoon. I am V.N. Swamy from Bengaluru Urban Karnataka. My question to you is, who is Charles T. Munger, I have heard that he is your inspiration, and, what made you to invest in Dakshana?

Mohnish: Alright, looks like I already answered the question, but congratulations on being from Bangalore Urban for so many years. There was a drought where no kid from the school was coming to the Center of Excellence, and I used to always get all this criticism that why are you not taking any kids from our school? So it is good to have you here, so thank you. And there is one more of your classmates here also from Bangalore Urban.

Swamy: Yes, sir.

Mohnish: Where is he? Is he in the other section? He is on leave, no problem. So why did we name this place Charles T. Munger Hall? Well, we named this place Charles T. Munger Hall, so that it would cause you to ask the question, "who is Charles T. Munger?" and later, when you go to IIT and *aap God Google se baat kar sakte ho, to aap God Google ko puchh sakte ho, "kaun hai Charles T. Munger"*. God Google will give you a reply. But while we are waiting for God Google to reply you, I will give you my two cents on Charles T. Munger, and why you might want to know who he is.

So, like I mentioned, Charles T. Munger is going to be 99 years old in January. He was telling me recently when I met him that 99% of his friends are dead. And I said, Charlie, "it's okay. You have some new ones like me, you know, so we will try to make up for all those dead friends." Charlie Munger says a lot of jokes.

So there was a guy named George Burn. How many of you have heard of George Burn? No one has heard of George Burn. Well, we will get to George Burn in a second. George Burn was an American comedian who lived to be, I think 103 years old, and then he passed away and he was famous for smoking big cigars. So when he was 101 years old, he was smoking this

cigar. Some person came to him and said, George Burns, what does your doctor think about your cigar smoking? He says, I don't know, my doctor is dead. So anyway, eventually you might get some jokes.

So Charles Munger never got an undergraduate degree, but he went to, he was accepted at Harvard Law School and he got a law degree from Harvard, and I think he was second in his class. And it is probably one of the only people that Harvard admitted without an undergraduate degree. So normally, you know, if you go to IIM or something, you need to have some bachelor's degree. One of Charlie's professors wrote to the people at Harvard that they should accept him, and they agreed and they accepted him. What makes Charlie unusual is several different traits. He is a hero of mine.

There was another great American called Ben Franklin. Some of you may have heard of Ben Franklin. How many of you heard of him? Raise your hand. *Ben Franklin ka bhi naam kisi ne suna nahi hai.*

He was a founder of the United States of America. He was the guy who invented the lightning rod, bifocal glasses, *kuchh do char jinhone suna hai Ben Franklin*. He discovered electricity and the kite experiment and so on. I forgot why I brought up Ben Franklin, because you guys took me on a detour when you guys said you didn't know who he was. The reason I brought up Ben Franklin is, he has many great quotes, many great sayings. One of them is, "many people die at 25, but they are not buried till they are 75." What does he mean by that? *Ki 25 me mar gaye, lekin janaza nahi nikla* until they were 75, what does that mean? Well, what he meant is, from the age of 26 to 75, it was a living corpse. And what he meant is that what happens with a lot of humans is, they stop learning when they finish school. That is probably one of the worst developments you can have. So when Franklin says that many people die at 25 and are buried at 75, it means that at 25, they stop growing and stop learning. So, a lot of people who go to IIT or a lot of elite institutions, don't go very far in life, even though they did really well academically. The reason is, they are not learning machines. They have just learned what they knew in school, and then stopped learning.

Charlie Munger has been a learning machine throughout his life. So, I think Charlie reads around 500 books a year, and I think he has been reading 500 books a year for probably 75 years or more, maybe 80 years. *80 saalo ke liye agar aap 500 books kharid kar padh rahe ho*, that is 40,000 books. Charlie Munger has a very high IQ. There are lots of people who have a very high IQ who die at 25. So having a high IQ doesn't mean much if you don't feed the brain, right? So there are two or three things that make Charlie unusual. One of the things that makes him unusual is that he has spent his life coming up with what he calls mental models. And when you know these mental models what happens is that you get a big advantage in life. And especially when you start applying multiple mental models overlaid on each other, then you get a big advantage versus other humans. So I will give you an example. So what I would say is, so here is the thing that is going on with Charlie. Very high horsepower, which a lot of people have, doesn't mean much, read a lot and took in a lot of data, which gave him some advantage. Again, I don't think that by itself is there is a lot of people who read a lot. But the third most important thing is the mental models. So here is the thing about, so I will give you some mental models. One of

Charlie's mental models is that if you hang out with people better than you, you become better, if you hang out with people worse than you will become worse. So Charlie's interested in becoming better. So what he has done is that when he encounters low quality human beings, there are lots of low quality human beings around. He as quickly as possible tries to minimize the time with them. Now, let me put it to you in this way. Let us say you have a friend. Let us say he is your best friend. And let us say the best friend has some shortcomings and like he lies sometimes or cheats sometimes, something like that. But you like him a lot, right. Would you give up your best friend? And so if you follow the Munger Mental Models, it is a no-brainer. That best friend is history. And what happens with humans is they know these models, but they think this one I can skip. I like this guy. I will apply other models. So they make, they will try to take a shortcut and that will pull you down. So that is like one model, right, hang out people with better than you versus worse than you. Another model, for example, is the model of cloning or copying. So a lot of smart people have already figured out a lot of great things. We don't need to reinvent everything. And so being humble and seeing that you see something someone has done that is great and just copy it will give you a huge advantage in life.

Dakshana is a cloned model. It is above my pay grade and above my IQ to come up with such a model. Somebody already came up with a model *Humne just topa laga diya hai*, right? So long live Anand Kumar. He came up with this model, I saw the model, I told him, listen, you are running super 30, let us make it super 300 and I will write you a check and we can help more kids. He said, I don't even want to go to super 31, I want to stick to super 30, and I don't want any outside money. I want to just do it the way I am doing it. So I don't want any changes to the program. So I said, okay do you have a problem if I clone your model and he said, *yeh to badi achhi baat hai, hum apki sahayta karenge cloning mein*. So I said, all right, that is good. The guy has no problem with my cloning. And I already understood from Charlie Munger that cloning is powerful, right? So I said *model already chal raha hai, hum model ka topa lagate hain, dekhte hain kya hota hai*. Now the thing is that when you, when I took the model from him, there was one piece that was missing, which I didn't know how we going to solve that problem, which comes to the next mental model. And that problem was that when Anand Kumar announces that there is going to be a selection test for super 30, 10,000 people come to take the test and from 10,000 he can easily pick 30 kids, right? Easy to get 30 kids and 28 will go to IIT, no problem. If Mohnish Pabrai announces in 2007, there is some selection test from some unknown Dakshana who will come, nobody will come. So I said, *cloning to hum karenge*, how will we find the kids? I didn't know how we would find the kids, but I also knew another model, which is that when you start a business, you don't know all the answers. You figure out the answers as you go along. So the first thing I did is I hired a guy who was our first CEO and I said, listen, you go to quota and you go to all the coaching institutes and you tell them that, listen, if anyone takes your test and they clear your test, and at that time I did not understand how quota works, but that is okay. When they clear your test and they tell you that they cannot pay, they are too poor. You call this idiot in America who will pay that person's fees because this idiot in America wants to pay his fees. So the next day we got a call from Bansal. There is a family crying in my office, please pay their fees. We went and paid their fees. We didn't even

really put a lot of effort into understanding whether the kid is smart or not. We just asked him, I said, did he clear your test? They said, yeah, yeah, he has cleared our test, but they have no money. So we paid. Shashank Dubey became our first Dakshana scholar. And I didn't know head or tail about whether Shashank Dubey is smart or not. Now, actually he is doing, he is at IIM Calicut doing his MBA. He has done well, but he didn't get to IIT, but he did okay. And I told the guy we had Ramesh that you move to quota. So you can tell all the coaching institutes that there is some rich idiot in America who will pay the fees of anyone who cannot pay and make sure they, all the coaching institutes know they can call us and we will give the money and they can have more students. So he moved to quota and I think we had like six, seven scholars like this. And I had no idea what I have learned later is that quota is accepting 90% kids who will never make it to IIT, right? The kids they are telling us to pay the fees for I don't think any of them made it to IIT, but the, that doesn't matter in business, what all you have to do is you become little better tomorrow than yesterday, though there is another thing in business, right? Fool me once, shame on you, fool me twice, shame on me, right? We are very happy to do that. So then this guy is meeting all these different coaching institutes saying we will pay the fees and all this. One of the guys says you should go talk to JNV people. So he didn't understand what this person is saying, never heard of JNV. Then after another meeting, someone else said *"aap JNV se baat karo"*. So he found out there is some school system like JNV and all that headquarters is in Delhi. So he talked to me, I said, yeah, you go meet them. We don't know what NVS is. We don't know what JNV is, we have no idea, but we have no problem. So the guy goes to Delhi and JNV at that time in 2007, they had a problem. The problem they had is, those guys who were running NVS at that time, knew that the kids are very bright and they knew that *12th ke baad koi future nahi hai*, and they cannot go to IIT and this and that. And they, what Ramesh was saying to them because he understood about how the JNV was doing selection and all that, that we can set up seven, eight campuses and we can select kids from across the JNV system, best kids, and we will provide the coaching. So they could not, they wanted to provide JEE coaching, but JNV system could not pay those salaries to the JEE faculty. So they knew that if some private guy is going to do that, that can work, right? Because it is not coming from them. So that is how we got going with the JNV system. Then, you know, we had no faculty, we don't know how to coach people for JEE anything. So we went to coaching institutes. They again took us for a ride. You know, they took our money and they sent useless faculty. You know how they normally do it, but that is okay. That's also fool me once, shame on, shame on you fool me twice. So eventually our own alums became our faculty and we went from there. So the other thing about the, the model. So we clone the model, we understand the fool me once, fool me twice. We understand that as you go on the journey, more and more answers will come out and we will figure things out as we go along. And here you are. So the mental models, there are many mental models probably Charlie has about 30 or 40 mental models. And when you run your mind with mental models, it works very fast and it becomes really quick so that we don't have time to go through all the mental models today.

What you can do when you go to IIT not immediately, maybe third year, just go to God Google, Charlie Munger mental models, God Google. And

that is the easy part. The difficult part is adopting those models. And the most difficult part is synthesizing them so very quickly you can apply six of them at the same time. Because when the mental models kind of overlay on top of each other, then you get a huge advantage against other humans because then they really cannot compete with you and because they are not thinking like that. So that can give you an advantage.

So when you, when you go to IIT and you are in your third year there is a book called Poor Charlie's Almanack, you should buy this book. I try to reread this book every year and I think it is better than a four year college degree. I think reading the book is better than going to IIT, in my opinion. Anyway, so we settled the question about who Charlie Munger is. Why don't we go to the next question?

Akshay: I am Akshay Sharma from JNV Bareilly Uttar Pradesh and my question to you is, is it always right to fix a goal in early age of life? Can't we proceed without fixing a goal and move in the direction where life will lead us?

Mohnish: I think it is hard to go through life without a goal. I think that is difficult. The good news or maybe bad news for all of you is that you have some goal already. Now, it may or may not be the right goal for you. That is a separate question, but at least right now, from what I can tell is you have a goal and so from what I understand, your goal currently is you want to try to get to IIT maybe you want to try to get to a particular campus, you want to get to a particular major. I believe that would be most of your goals today. Is that correct for most of you?

Speaker: Yes sir

Mohnish: And I think it is kind of difficult to set your mind to doing something unless you have some goal, you know and I remember that, you know, one of our, one of our alums, you guys, some of you guys might know him Ashok Kumar. Ashok, I think got ranked 63 in the JEE. So, at the different JNVs we run our program we always used to get complaints that the PT in the morning is wasting time, because you must do so much prep and all that, the PT is taking away precious time.

When Ashok was going to the program, I don't know what the rules in Bangalore are, but in some JNVs, they gave us callers and exemption from PT. Do you have to do PT? Yes. Okay, in some JNVs, they gave an exception. Others kept it when Ashok was there. But what he used to do is that before he went for PT, there was a problem he was working on. There was some problem that he could not crack. He spent a whole PT thinking about that problem. And if he is standing in line for lunch, there is another problem he is thinking about. So there was no time that Ashok had that was not being used, and he didn't really care what activities were forced upon him. There is some line for lunch, it doesn't matter. There is, and then, at that time when he went for the JEE in 2010 everyone was sent back to their home JNVs, which is not happening with you guys. So he thought he will forget everything because there were many weeks of gap between the ending of the coaching and the JEE exam. So he solved every past JEE paper for 30 years twice. So just literally went through every day about eight hours or something, taking all the different past JEE papers and going back and seeing what he couldn't solve and all that. I would say Ashok had some very specific goals and he did not particularly care about what was being put in

front of him in terms of obstacles. He just took it the way it was and just kept going. And every time I meet Ashok, he says, "sir, I am waiting for somebody to break the 63, but they are not breaking it." I say, "I know they don't make them like you anymore, Ashok. So hopefully one of you will beat his record. What do you say?"

Students: Yes sir!

Mohnish: All right, I think last time the highest rank that Dakshana got was like 500 or something. We were very far away from 63, but hopefully that will change. Next question.

Dasawar: I am Dasawar Ravi from JNV Nizamabad Telangana and my question to you is how to be emotionally controlled while staying two years in COE without visiting our homes?

Mohnish: Okay, well that's a great question. So there is another book maybe you should read after IIT that you may enjoy, and that is called No Two Alike by Judith Harris. Judith writes in that book about who we are as people which is determined by three things. Number one is genetics, what we inherit. Number two, what happens in the first five years of life and number three, who our friends and peers are. These are the three determinants that will basically drive who you become as a person. And what Judith found is that the role a parent plays in shaping who we are is very little. So, humans are very heavily moulded by our peers. We are not really moulded by our parents. We get our genes from our parents. But and so, and I think for all of you, especially because you have been in a boarding situation since you were 12 years old, it is probably more so than even other kids, because your interaction with your parents is more limited versus most other kids.

But what I am trying to tell you is that if you were living at home from the age of 12 to 18, for example your parents would not be able to have much impact on you. So the good news is that you know that you are moulded by your peers. You also know Charlie's mental model of hanging out with people better or worse than you. So you have control over who your peers and friends are and therefore you have some control over how you turn out. You should actively be looking out to have the closest friends you have being better than you and that will be a huge positive. Now, this does not address the question you asked, that you are missing your parents, right? It is a little different situation than influence of the parents. Buddha said that the key to happiness is the elimination of desire. Greater the desires, greater is the degree of unhappiness. So, if you can be under a Bodhi tree and just sit there, you will be very happy and you know, *wo kehte hain na Ghalib, hazaron khwaishein aisi, ki har ek khwaish pe dum nikle*. You cannot have *hazaron khwaishein*. So, the root of the misery that comes from missing your parents is from the desire to be with them. Buddha already said there is no point having desires. So the good news is your parents can't do much for you. Your peers can do a lot from you. You are with a great set of peers. We are 17, 18, we don't need the parents anymore quite frankly. So enjoy with your friends. And two years is a short time, it will go by quickly. You have great friends. Now what used to happen before COVID is kids will say *mera stomach dukh raha hai, main school nahi ja sakta*. After COVID, even with stomach pain, they want to go to school because they don't want to be with the parents. Were you with the parents during COVID? Do you want to go back to that life? Exactly. Parents are

useless. Don't tell them that. But life will become happier. Sorry for this prescription, but it is not me. I am just telling you what Buddha said. So you got to blame Buddha. You can't blame me. Next question.

Siva: Hello sir. Good afternoon. I am Siva Navadeep from JNV Vishakhapatnam, Andhra Pradesh and my question to you is, how was your performance in your school days, from whom you got inspired and motivated and what are the things that you have followed. What are the ideas that you have followed to become successful in your life? Thank you.

Mohnish: Alright, that's a great question. My performance in school was useless. So I will give you some data points which will maybe hopefully be helpful to you. I remember, I think I was in third grade in Mumbai, not in a good school, just an okay school, probably below average school. My parents were not wealthy or anything at that time. I remember there was a report card and at that time, you know, they would rank the kids and I remember they were like 60 students in the class. And I remember my rank was 57 out of 60. I also remember my age, third grade, was about eight years old or something. I remember that it was a big classroom with 60 kids. I was somewhere in the back and I very clearly remember that I had no idea what is going on in the class. And I had very low self-esteem and I assumed that *kuch log aise hote hain jo bohot hoshiyar hote hain, aur kuch log aise hote hain jo bohot bewakoof hote hain*, I thought I was part of the bewakoof category. I said, it's okay, whatever life has dealt you, you just live with that. So I just assumed from what was going on, that I am a below average guy and I am a below average student. And I was continuously below average until eighth standard.

I was in a school in Delhi in the eighth standard, which was probably the best school. I went to the Air Force School in Delhi. Those kids were really smart. Parents of half the kids were air force officers. They were flying fighter jets, all of that. They had some outside people come and they conducted an IQ test for all the kids in the school. And when I got the result of my IQ test, my score was the highest in my class. Later I discovered, not only was it the highest in my class, it was the highest in the school. It was a perfect score on the IQ test.

Anyway, I was a very quiet low self-esteem kid. So I quietly went to these two people who had come to conduct a test, and I asked them, "what does this mean?" So, they were just packing up. They said, "oh, you are very bright. You did the best in the whole school. We very rarely see kids like you." I said, "all my tests, everything, the scores are so low, you are not applying yourself. If you apply yourself, everything will be fine." So sometimes in life, someone must only say one sentence to you.

You guys have not seen a movie called Seabiscuit. I am sure you have not seen the movie called Seabiscuit. Let me write this down for you. You might enjoy this movie. So this is not a book. Seabiscuit is the real story of a horse who lived in 1930 in the US and it is a great movie. This horse is like a small horse. He is a racehorse, but doesn't look like a racehorse. He looks small and broken down and he became the most winning horse in the race. He just blew out everybody. But there was a trick to making Seabiscuit win the races. When he was racing the horses, they had to bring him level with any horse, like going neck to neck with any horse so that he could see the next horse with his eyes directly, see the horse running next to and the jockey

had to hold him back, so he didn't go ahead of that horse, just keep him there with that other horse for about 20 seconds, and then turn him loose. And after that he would just take off and blow out all the horses in the field. But you had to do that. If you didn't do that, it wouldn't happen, okay? Anyway, so what I felt happened to me when that guy made that statement was that, it is something like Seabiscuit. Suddenly someone tells you that you are not below average and that you might actually be above average, and you might even be above average. At first, there were 40 people in the class. My rank used to be like 27 or something. After the IQ test, I moved, I had improved a little from 57 out of 60. I was 27 out of 40. Within a few months I was like 18 out of 40. And then by the time in ninth grade, I was probably, 13th, 12th or 13th. And then I finished 10th grade, probably was in the top 10. And then by the time I finished 12th standard, I was third in my class.

After that, when I went to college, I topped. So in many ways it has continued after that, because a lot of people were like who I worked with in my twenties and thirties and so on. And I don't see them next to me. They are back somewhere, right and part of that is the learning machine, right? So, die at 25 and be buried at 75, you do that and you will be back somewhere. Doesn't matter how good you are in school. So sometimes somebody just says a small sentence to you, and that makes all the difference. So, I think you just have to act on things that you think will make a difference and take it from there. So hopefully you found the session useful. I know it is a short session. At least you have connected a little bit about who Ben Franklin is. By the way people think Charlie Munger is Ben Franklin reincarnated for many reasons. It is hard for me to go and do all that Charlie Munger is, but I think when you study him, you will enjoy learning more about him.

Kartik: Hello, sir. Good afternoon. I am Karthik Kumar from JNV Haridwar Uttarakhand and my question to you is why did you spend your money for science team only not for commerce and arts team and what did you expect from Dakshana scholars?

Mohnish: Alright, that is a great question. The idea behind Dakshana was that I grew up in India seeing a lot of poverty around me. But probably not as much as you guys have seen. So Dakshana 's main objective has been poverty alleviation. We wanted to basically have a sure shot way to lift income levels and standard of living. In many ways, Dakshana is a business. We don't have a profit motive. We are not trying to make money, but we care about what goes in and what comes out. And I didn't believe that if we were to provide coaching to arts or commerce students, we could have a significant lift in their incomes. I was a commerce student. So if you think about it in kind of the following way, you know, *sliding boards hain na apke, yeh mera idea tha*. I just want to let you know, the board is there because I forced them to do it and they had a lot of problems making the boards work, but I kept pushing them and eventually got them. We got these great boards working, so it is awesome. I didn't actually come up with the idea of these boards. I saw these boards when I used to go to some courses at Harvard and I said, "oh, this board is going up and down, it is a lot of fun, so we should do that." So if you go to IIT even if you don't do so well, you have a 5-point or something GPA, There are very high probabilities of having some

job because generally speaking, the schools have a good reputation and there are so many.

When employers are looking to hire people, they want shortcuts. They just go to good universities, good schools, and they say "this is higher from there", Even though they may find good people at other places, they focus on this. If we get people to IIT, we know that income will be much higher than if they go to some, third-tier college. The IITs are very heavily subsidized by government. So even though it appears that the fees is high for IITs, the equivalent education at most places around the world would cost more than three crores. If the government did not put any money into the IIT's and it was completely privately funded it would cost about three to four crores outside India. Probably in India, even if you cut it down, I don't think you can get it down to less than two crores per student over four years, maybe about 50 to 75 lakhs a year is what it would cost. Instead of the three crores, and even if you don't have a category waiver and all of that, the IITs are costing probably less than 15 to 20 lakhs over the four years. For most of this you can get loans and grants.

So for the most part to go to IITs is almost free. But to get into the IIT is very hard, right? Now let's look at the other system here, which is let us say the JNV system. So in the JNV system, let us say there are 600 schools. and 560 students per school, right? Let us take a round number 500, times 600. There are 30,000 students here. So there are 30,000 students in the JNV system. Do we know how much the budget of a JNV is? One of your home JNV's, what is the total amount the government spends, including teacher salaries and food and everything? No idea?

I just met your principal. The food costs Rs. 2000 per student per month. So if you look at 30,000 students times Rs. 24,000, or let us say 30,000 times, let us say 10 months here, so Rs. 20,000, so 600 million rupees which is about 60 crores rupees. Is that correct? 60 crores? It might be low because it means each school is spending, less than a crore. Let me just see once.

If one school is Rs. 20,000, and if there are 500 kids, that is one crore, right? So, this should actually be 600 crores. For 600 schools its 600 crores rupees. So I would think that the cost to run JNV is approximately at least 6-7 crores including our teacher salaries and all of that. So, *agar aap 7 crores lagate ho* times 600 schools that is 4200 crores okay. If we have 50,000 students in IIT over four years, let us say they are admitting 12,000 a year. So, in four years it is 50,000. Let us say we said it's about 50 lakhs, right? And it is 50,000 students. So, it is 25,000 crores over the four years, okay or divide that by four it is about 6,000 crores per year. So the IIT system and the JNV system approximately cost the same, okay? They both cost, round numbers about 5,000 crores each. So, these systems are both 5,000 crores. This is also 5,000 crores per year and basically if you look at the bridge over here, this is Dakshana.

I know what Dakshana costs, right? So, Dakshana is about 20 crores, it is about 20 to 25 crores per year. So why did we choose to focus on engineering and science? The reason is, some idiot, also known as the Indian government, is spending 10,000 crores on the two systems. And I spend 25 crores and I get both the systems who work for us, right? The two systems are not connected, and we are able to connect the two systems. So the connector does not cost much, but if the 5,000 crores are not spent

over here, all the 5,000 crores are not spent over here, then we don't get the end result. So, the reason why you do so well after you finish from IIT is because 10,000 crores per year are being spent on you for that system to produce the output and because that system costs 10,000 crores it produces amazing output that people in the world are willing to pay a lot of money to access that output, right? And so, my job of poverty alleviation works because of these two systems. I am not aware of any such system in the arts world or the commerce world, which would give me anywhere close to these results. It doesn't exist.

My ex-wife's, brother wanted to study commerce. After 11th and 12th, he wanted to go into commerce and then, join some B.Com program. So, his mother said, "*Commerce karne ke baad kya kele bechega?*" And I used to always tell her that he could have been the CEO of Chiquita Bananas. Chiquita Bananas is the largest seller of bananas in the world. It's a multi-billion-dollar company. I said, "he could have sold *kelas* and been so wealthy. Why did you make him an engineer? What is wrong with selling *kelas*. It is okay to sell them, just become the biggest *ke/a*-seller in the world."

So anyway, most of you guys don't get half my jokes, but that is okay. So we have these systems. If the IIT system didn't exist, and if we had to send everyone to private colleges after finishing school, it would be too expensive. Just the fees and all be just too expensive. We couldn't do it. And the government does such a heavy subsidy on the IITs on top of that. I asked Dakshana to prepare a document to give to all of you, with all the options for scholarships, grants and loans. They are working on the document. Currently it is 96 pages long, and shows all the different options available to you for other people who will fund you for the little bit that the government is not covering. So that is why we don't want to do arts and science, even though I was trying to become a *ke/a*-seller myself. So next question.

Liki: I am Liki Bagra from JNV Siang, Arunachal Pradesh and my question to you is, why haven't you established any Dakshana center in the Northeast region? Thank you.

Mohnish: All right, welcome to Bengaluru. Is it better than AP or is AP better than Bengaluru? Maybe you can give him the mic for a second.

Liki: It is good.

Mohnish: Which is good. This or that?

Liki: Both are good.

Mohnish: Both are good. Are you going to go back to AP?

Liki: Yes, obviously after two years.

Mohnish: Okay. Alright, sounds good. Well, so please have a seat. We used to have a center in the Northeast back in the day in Assam and we closed that center because we had a very hard time staffing it with good faculty. At that time, I think this was in 2007, 2008, we were doing regional selections. So, we had Dakshana centers in each of the regions and they picked scholars from that region, and they only kept them in that region. We realized that was suboptimal because the IITs are doing national selections and we need to

do national selections too, so that we can pick the best of JNV and get them to IIT. Things have improved a lot more since then because we are able to select nationally. So, I don't think it matters much. It does matter somewhat, but I think we could probably do a center in a large urban area in the northeast, like Guwahati or so on, we could do that. And if the JNV system gave us JNV, which could accommodate and do that, then we'd be interested in doing that.

The problem that we have had with most of the JNVs that we operate in is that they were never designed for Dakshana to operate there. They were designed for just the 560 kids from 6th to 12th grade. So, if we suddenly show up in a school, even if we put just 80 kids in the school, it is a burden because they don't have the classrooms. Sometimes the music room, while sometimes the multipurpose room become our classroom. They don't have the dorm space, so they must move the commerce section or move the art section or something. So, we have made it work in some locations. But ideally what would have happened is we would have infrastructure like this in each region and we did get agreement from the JNVs to create centers of excellence like this at multiple places. But then nothing happened, and we kept trying. We are still trying, and because we need more centers, it will be good for everyone. But so far that has not happened. Also, part of the reason is that, again, it's a significant burden on the schools. So even if you look at the Bangalore school it has added 240 more kids, which is almost 50% more than their capacity, which is quite a bit. So, it adds a lot of administrative burdens on the school. Next question?

Akash: Hi sir, good afternoon. I am Nunavath Akash, from JNV Warangal, Telangana. My question is, why did you choose only JNV for giving IIT coaching? Why not for the other children who do not study in JNV?

Mohnish: Alright, that is a great question. So let us complete the graph. Now that you ask the question, we can complete the graph because it was incomplete. So, the engine that feeds the JNV system is the JNVST, right? All of you took the JNVST in 5th standard and I think 30 lakh kids take this test every year. I don't know if that number has gone up. Is 30 lakhs a correct number or has it gone higher? 40-50 lakhs? Approximately 40 lakhs? Alright, let us change this to 40 lakhs so we have the correct number. So, 40 lakh kids take the test for 30,000 seats. So, the selection is less than 1%, right? And so, people always get surprised that how does Dakshana get 70% scholars into IIT. When IIT is only admitting like 1% out of all the, JEE test takers. Well, the reason is, there is a two-level filter going on. The first filter, that we are not involved with takes down kids count from as many as 40 lakh to 30,000. Then we take these 30,000 and we test 5,000 of them, and from these 5,000 we get like 400. So, the 400 is originally coming from 40 lakhs, and it is one out of 10,000. So Dakshana is basically picking one out of 10,000. Shame on us! We should get a hundred percent to the IIT, right? Random 1.3 million people are taking the JEE and 13,000 are getting to IIT. 1%! If we have this two-level filter, we should get more than 70%. But we are so useless, we don't get a 100% because are not working hard enough. Will you work harder?

Speaker: Yes sir.

Mohnish: Are you going to try to give me a 100% result?

Speaker: Yes sir.

Mohnish: *One out of 10,000 filter karke aapko yaha laye hain hum.* 9,999 for every seat you are taking 9,999 are chickpea sowing outside, okay. Can you make it worthwhile for them for the chickpea sowing so that you can at least do something for them? The other thing is that since you are the one in 10,000, we are banking on you to build the country. When will India be known as a developed country? My answer is, when these one in 10,000 do their job. Are you going to do your job? We are banking on you.

So that is why we are limited to the JNV system, because, this is a magnet school system that allows us. Now we have also started going to other government schools for Dakshana Valley. And now they are not filtered. We don't have the first-level filter that happened there, and we test such a large number of kids. A small number comes to Dakshana Valley, because we don't have the two-level filter. So, it becomes much harder. So, if we go to random schools in Chhattisgarh run by government, which are not magnet schools, just general government schools, then good luck to us. But we are still trying to do it because we want to find all the diamonds in the rough and try to do the best we can. Next question.

Jomoh: Hello sir. Good afternoon. I am San Jomoh from JNV, East Kameng, Arunachal Pradesh. My question is, you are giving a lot of expensive facilities for free of cost. What do you gain from this?

Mohnish: Alright, that is a great question. A lot of people ask me *angle kya hai*. People in India always want to know what is going on. What is the angle. The answer is, there is no angle. It is all a circle., You don't get my jokes, but it is okay. The reason I am doing this is because I have no choice. What happens is that when some of you will become really rich, maybe more than others of you, and when you die, you will discover you cannot even take a pin with you. I know it may come as a surprise to you, but you can't take anything with you. You came naked and you are going to leave naked. So, whatever is here must be left here. And when you leave it here, there are only two choices you have. You can either leave it to your family members, to your gene pool, or you can somehow recycle it back to the society. It is a bad idea to leave it to your family members, especially if it is a large amount of money. They will be fat, dumb, and happy, but will never accomplish anything in life. The fun in life is to have a journey that is worth accomplishing something. If I had planned to give everything to my gene pool, which is to my daughters, both of whom don't want the money and want to have their own journey, then it would just create distortions. That is not helpful. The only thing I could do was to recycle back to society. If we are going to recycle back to society, might as well recycle in a way that is somewhat optimized.

There are many ways to recycle back to the society, and all of them have some merit. For example, you could feed people outside temples or mosques. That is a good thing because they are hungry. You can also pay for Dakshana's scholars. My thinking was, 'give a man a fish, you feed him for a day, teach a man to fish, you feed him for a lifetime!' I would rather find a way how they can be taught something where they don't need to be sitting outside the mandir anymore. So that's what we are trying to do here. Next question.

Shayam: Hello sir. Good afternoon. I am Shayam Hansda from JNV, East Singhbhum, Jharkhand. My question to you is, why did you choose to help the society through educating the next generation, unlike other rich persons?

Mohnish: Unlike what?

Shayam: Other rich persons, successful people

Mohnish: *Wo to maine abhi aapko bataya hai.* So I did not really have much choice for that matter. I wanted to do something when I still had energy. Please have a seat. If I waited until I was an old man, then, the only thing I could have done was write a cheque to some mandir right? And mandirs already have too many cheques. They don't need one more cheque from me. So, we wanted to do something more intelligent than writing cheques to a mandir. So here we are. Next question.

Aaryan: Hello sir. Good evening. I am Aaryan Chaudhari from JNV Tapi, Gujarat. My question to you is, which field according to you is best for a student who likes Maths like me?

Mohnish: Which field is the best? Okay, have a seat. I also like Math by the way. You might find a lot of people here who like Math, which is good. Well, I think, you can apply math in many different fields and areas. I think what you should do when you go to IIT is, try to sample a lot of different areas of applied math. Even after IIT you should look at many different areas that math is so ubiquitous in many different areas. It is like you need to try on different gloves and you need to find out which glove fits you the best. So, you may find that you want to teach math, or to apply math, or do other things where math is not central, but is still used. So, it is a personal journey. The important thing is, sample a lot of things and see what appeals to you and what doesn't. How much more time do we have, Ravi? We have. Okay, so let's continue. Next question.

Pratik: Sir, my name is Pratik Das, I am from JNV Balasore, Orissa. Sir, my question to you is that what is your life experience after becoming a billionaire, and how have you learned from Warren Buffett and the other people, and applied in your life? Thank you, sir.

Mohnish: Okay, so I may be a billionaire in rupees, but not in dollars, but that is okay. I think, the best way to learn, is to learn from the eminent dead. There are a lot of eminent dead people. Some people died a long time ago like Buddha or Krishna and so on, and some have died recently like Franklin and so on. In my case, two guys from whom I have tried to learn - Charles T. Munger and Warren Buffett. They both are still alive. One is 92, Warren Buffett, and the other is going to be 99 on January 1st. So, make sure you celebrate Charlie's birthday well on January 1st, it is coming up in nine days. He will be 99 years old in nine days and going strong. That is good.

So I think the eminent dead are great to learn from. One time I had lunch with Warren Buffett, I asked him, "if you could have lunch with anyone living or dead, who would you like to have lunch with", so he said, "I want to have lunch with Sophia Loren." Have you heard of Sophia Loren? Yes, or no?

Students: No sir.

Mohnish: *Sophia Loren matlab Deepika Padukone.* She is a very hot Italian film star. You can sometime look her up on Google. She looks good. Okay, so Buffett

is saying, I want to have lunch with this hot film star. Then he said, “no scratch that answer.” He said, “I want to have lunch with Isaac Newton.” I said, “why do you want to have lunch with Isaac Newton?” He said, “well, Franklin was the wisest, but Newton was the smartest.” Newton, not only came up with the laws of physics, he came up with calculus. Some of you may not like calculus so much, but you can blame Newton for that.

Newton was a very smart man. There was a speculative bubble known as a South Sea bubble where a lot of people put a lot of money because these companies were going up in price a lot. Newton understood that this is all stupid, but in the end he put his money in there too and then he lost it all. Buffett said, I want to meet Newton because he is the smartest person. Even he made this stupid mistake when someone like him should be beyond all that.

Part of that has to do with human psychology. So, it is worth studying Ben Franklin because he was very wise, and I think there is a lot to learn from him. Franklin has some great quotes. He says, ‘after three days fish and guests both stink.’ *Matlab 3 dino ke baad, mehman has overstayed their welcome.* If you ever are a guest with someone, don't stay for more than three days. Here is another quote. He says, ‘keep your eyes wide open before you get married and half shut after you get married.’ Another quote, I don't know if I told you guys, ‘most people are dead at 25 and they are not buried till they are 75.’ They stop growing and learning, and an empty sack cannot stand up straight. ‘Early to bed, early to rise makes a man healthy, wealthy and wise.’ This is the JNV philosophy lifted straight from Franklin, even though you guys don't like to go to bed early, but that is okay.

Well, this was a fun session with all of you. I had a good time and it was great doing this session. Watching Charles Munger's bust right behind me was wonderful. I know you guys have a tough job ahead, but I know that you are up to the challenge. Will at least one of you get to the 62nd rank?

Speaker: Yes sir.

Mohnish: Okay, we will see. Don't let me down. Alright, so I think it is picture time now.

Speaker: Yes sir.

Mohnish: Let us go take some pictures. All right.

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