

## Mohnish Pabrai's Q&A Session with Dakshana Scholars at JNV Pune on Dec 25, 2023

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**Mohnish:** Please have a seat. So, let's go with the first question.

**Anjali:** I am Anjali from JNV Jethian Gaya, Bihar my question to you that you spend a huge amount of money on Dakshana, did you ever get a second thought about it.

**Mohnish:** Okay, have a seat. I did not have any second thoughts about it, and I think it's been very well spent, and it's worked out a lot better than I had hoped for and hopefully continue this for a while, so thank you. Next question.

**Bapu Pale:** Hi Mohnish, my name is Bapu Pale, I'm from JNV West Siang, Arunachal Pradesh. My question to you is one of my dream is to study at Stanford University but as I'm an average student and my parents don't have enough money to send me at Stanford University, I wonder whether I'll be able to fulfil my dreams.

**Mohnish:** Okay, well please have a seat. it's a good aspiration. Once you join medical college you will meet a lot of people there, lot of professors and so on and I think a lot of different options may emerge and in terms of you know scholarships or fellowships or different things. So, if you stay focused on that goal it should work so there is a quote in the Upanishad. In our ancient Scriptures, it says that as is your wish so is your will as is your will so is your deed as is your deed so is your destiny and then the next part of it is your deepest desire is your destiny. So, if you are really intensely focused on something singularly it will happen, but you have to be extremely singularly focused and it has to be just a focus on that one thing and not the rest, right. I thought about one of the Dakshana Alums Ashok Kumar, some of you have heard of Ashok Kumar. So, when Ashok Kumar was going through our program at that time PT was required in the morning. Do you guys have PT required? There, some places they have given exemption some places they require it and the Dakshana scholars always complained that it's a waste of time to the PT. So Ashok basically had to go along with the PT because it was required but every day before we went for before he went for the PT he had in his head a problem some Physics, Chemistry or Math problem that he couldn't solve and he spent the entire time during the PT thinking about that problem so whatever they were making him do physically they were not controlling his mind he was controlling his mind and when he was every day they would line up for meals you know lunch and dinner and whatever you got to line up with your tray he also had a problem in his head so all the times which the students might complain was wasted time for Ashok it was not wasted because he was continuously thinking right and then at that time when he went

to the program from 2008 to 2010 the last two months of JEE prep they sent all the kids back to their home JNVs. So last two months which is the most critical time for coaching there's no coaching and Ashok was concerned that he's going to forget everything before the exam. So, two months when he went back with no coaching and no faculty nothing available, he basically wrote the entire JEE paper twice every day. So, we had given him a book which had the last 30 years of JEE papers and every single day he took the test like in a timed manner like he's taking the actual test and then whatever he could not solve, he was working on that in the evenings next day he would again take the next year's test. He kept doing it for 60 days all he did was he must have taken the JEE about 60 times and then he took the exam, and he got a very good Rank and from then till now we have had no Scholars who have had a rank better than him. You know and every time I meet Ashok he'll say, Mohnish has anyone done better? I have to put my head down and say nobody has done better and so like when I saw the kids around my disappointment was on the wasted time, so I don't know if they were mentally processing. The NEET exams and the JEE exams and all are very tough exams and there is a limited amount of prep time but that limited amount of prep time becomes unlimited if you change your mindset. So, you want to go to Stanford work harder than Ashok, blow away Ashok and you will be at Stanford no problem, next question.

Deepak: Hi Mohnish, myself Chawan Deepak Kumar from JNV Medak, Telangana. My question is how to overcome stage fear.

Mohnish: Okay, have a seat. It's a really good question it might be the best question I got on this trip. So, thank you really very much for that question. So, when I went through my undergraduate degree I was in the US. My degree is in Computer Engineering, and I took many different classes and just like in the IITs we got some choices about which subjects and some electives where you can choose and one of the options, we had in the degree was that you could either take a course in public speaking or a course in technical writing. We had a choice you could take either one of those two, I didn't really have much of a reason to pick one or the other, I just picked, okay let's go with public speaking. When I look back on my years and what I learned in the time I was doing my degree the class that stands out the most is the public speaking class and I took so many different math classes and computer science classes and all kinds of different classes and I don't even remember what was taught in those classes, right, was all from my point of view mostly irrelevant. The public speaking class was something I enjoyed a lot, and I got a lot of skills that were very helpful to me. So, a lot of us have stage fright, stage fear and that's all pretty normal. So, you can get around that pretty easily so when you go to college and maybe even in the JNVs you know they have these different stages in the JNVs you can participate in dramas and plays and all of that. That is going to help you a lot. So, that's if you had met me when you were in sixth standard. I would have told you to maximize doing all of that and then basically so when you go to Medical College there will be a lot of different clubs and societies there'll be some things related to drama or you know basically acting in plays and so on. I think you should try to do those in addition to those there is a global organization called Toastmasters. So, Toastmasters is a nonprofit

organization they have chapters all over the world. There is probably a chapter in probably every medical school and if there is not a chapter you can contact them and open a chapter. And if you join Toastmasters, it doesn't cost anything. You go to the meetings and over a period of time you will basically become a good public speaker. I'm not sure exactly all the things but they may ask you to stand on your desk and just say something. For example you know to get things started and you can kind of take it from there so it's a good question because public speaking is a very important skill for a very wide range of activities you might engage in when you are an adult or when you're functioning in a variety of different roles it would be very helpful as a doctor, it' be helpful as a teacher, it would be helpful as a salesperson, it's helpful in 1,000 different ways. So, it's a very good skill to pick up so thank you, next question.

**Payal:** Myself Payal Meena from JNV Banaskantha, Gujarat. I would like to ask you that what are the major differences between Indian and American education system?

**Mohnish:** Okay, sure. Have a seat, in India it's not only just in the education system it's even in a lot of the legal Frameworks Etc. The degree of trust given to individuals is very low. In India, it is guilty until you proven innocent and in the US it's innocent until you're proven guilty. So, I'll just explain what I mean by that, so you are not engineering students, but when the first IIT was created it was basically a collaboration with a number of US universities. So, IIT Kharagpur was the first IIT; and what Jawaharlal Nehru did was that he basically approached MIT and Stanford and a few other top engineering schools in the US, and he asked those schools through the US government to help set up the IIT Kharagpur. And so basically the American education system got exported into the IIT system and thankfully the Indian government did not try to change that. They just accepted it. So, one of the Hallmarks of the American education system is for example, if you are going through 6th to 12th standard there are no standardized board exams. So, you know you take a 10th standard board exam, and you take a 12th standard board exam. The reason you take that board exam is because the system does not trust the teachers. The system believes that we need to have a central Authority conduct the test and collect all the papers. Do the grading, assign the marks so that it is got very high integrity. It's an absolute thing. When my daughters went through High School in the US all their marks and all their grades were given by the teachers of their school. In 10th standard and in 12<sup>th</sup> standard and everything it was given by the teachers in the school. There was no authority above the teacher and Not only was it given by the teachers at the school. The teacher determined what book to use can you imagine a teacher here determining what book to use sub NCRTE right the teacher decides what book to use, the teacher decides what to teach, and the teacher decides how to teach it and the teacher decides how to test and how to assign the grades. So, for example when I went to an American University on the first day, the professor will get up and he will do something like this. He will say that something like this you know, and I was coming from India I was really shocked by this. He will say 25% of your grade is based on attendance okay, then he'll say 25% is based on pop quizzes. I'll explain what that is okay and then he says 25% is final exam and maybe what I'll do is just to make it simple, let's make this 20% here

and 30% is three tests, 10% each okay. So, he basically says look the class is going to run for four months one semester and he said that what he said is basically randomly on any day I can take attendance. He's not taking attendance every day he just one day decides. I'm going to call everyone's name and if on that day you are not there, he'll take 5% off, gone. Which means that if you did it five times and you were missing all five times you would lose that 25% right, on a random basis right. He or she is the one who came up with that rule no higher authority is telling, okay and the pop quizzes pop quizzes are surprise test. So, he says sometimes you'll come to a class I'm just going to give you a 10minute test multiple choice without telling you there's going to be a test today and that's 20% of yours and it might be one test in the whole semester which would be 20% of the whole grade or it could be 10, he'll decide, right. Three tests, 10% each you'll be told in advance the date you'll be told what's happening you can study for those and then, final exam 25%. He might even add some different criteria for homework different things every class. I went through every Professor had a different formula, they decided. We have never seen that in India. Reason we have not seen that in India is no one trusts the teacher, right. Guilty until proven innocent, ridiculous system, right. And now this system has problems too, some professors may not teach much do different things you know they may keep life very easy for the students some may make it really hard for the students, different thing but overall, it allows the creativity to be kept with the professor and this system got exported to the IITs. So, the IITs have this system because it came from the US and thankfully, they never changed it, and they have a grade point system and all of that came through. So, I also find the same thing in India even though both the US and India are democracies, I find the same thing in many different things I do. So, for example if I open a bank account in the US I'll have to sign one place. In the end some place they'll say you sign here. To open the bank account. Here I have to sign 20 places, okay and every time what happens to me in Indian bank account like recently, I have an NRI account in India. I was trying to wire some money to the US, and I filled out their form lot of bureaucracy is there and then they're telling me your signature is not matching. When I sign a check in the US nobody even looks at the signatures, none of my signatures have ever matched on a US check I have written. They all were accepted because the system trusts you. Here, I said I'm the guy signing it. So, I said send me the specimen signature that you have, so I can copy it and sign it and send. No, we cannot give you the specimen signature you have to sign the way we have it in our record, but we cannot show you what we have in our records. So, I talked to that lady in the bank she said you know the signature, you have in your passport, that is like the specimen. I'm not supposed to tell you that but that's like the specimen, sign like that, okay. This is the kind of stupidity that goes on okay, so on every, single front. So, in the US for example the bank is obviously concerned about fraud, but they feel that the whole laws are designed around a system where the assumption is that 99.99% of people are honest and therefore, we are not going to make their life difficult. In India, the assumption is 99.99 people are dishonest, even though that is not true and therefore we will make everyone's life difficult, okay. So, and we get funny laws that get passed in India. So, for example when the Mumbai terrorist attacks took place, you know very sad event took place, there was a Pakistani guy Headley, who came to Mumbai twice. He had a Visa because he's not an Indian

national. He came to Mumbai twice and he took pictures of all these different places which later the terrorists used to go to those places. They were familiar because those pictures right. Headley had made the trips to India twice within 45 days. He came once, then after 45 days he came again. So, some bureaucrat in Delhi decides that this Terror terrorist attack has taken place because we allowed foreigners to enter the India more than once in two months and so they passed a law no Foreigner can enter India more than once in 6 months, okay. There are 10 million people coming to India every year as tourists. They are not terrorists there are millions of people coming to India every year who are doing business in India they are not terrorists. I was coming to India at that time four or five times a year every two or 3 months. I was coming suddenly; I cannot come because they have passed this stupid law, so an innocent person is being treated as guilty and this law stayed on the books. One year before some other sensible people realize this is stupid and they took it out, but the approach in India has always been how do we design something so with the assumption that everyone is a crook everyone is trying to cheat you and so the education system also believes that. And you know like for example many times in the US when I was taking a test like the professor will say the final exam is open book do you know what it means by open book, bring whatever you want with you. Bring 10,000 books if you want you can refer to anything and answer the test right. We don't have open book exams here, but open book is actually the way things function in the real world. In the real world if you don't know something you will look it up, so an open book exam actually simulates real world conditions, but it's not considered to be honest in India. So, these are a lot of kind of perspectives on the big difference I see in the US and India. But at least we have the IITs and I'm not sure what the medical schools and colleges maybe some of them are like that too I hope so, so next question.

**Shubham:** Hi Mohnish, my name is Shubham Shrivastava from JNV Banda Uttar Pradesh, and my question to you is what is the thing that made Dakshana far better than the other Institute.

**Mohnish:** Okay, have a seat. We don't have any direct quote unquote comparator in Dakshana. So, I cannot point to other organizations which have the same approach like Dakshana does the only thing we can compare Dakshana to is, we could compare it to the for-profit coaching industry right and one of the advantages we have versus the for-profit coaching in Industry like Resonance or FIITJEE or Akash or Allen and so on is that we have a very strong incentive not to take students who don't have any chance of getting to IIT or a Medical College. We have no incentive to do that. The coaching institutes have a lot of incentive to fool everybody who they take into believing that they will get a medical or IIT seat, right. Their job, their focus is on making fools of people. Their whole business is based on making fools of people. So, if you think about the total number of students that appear for the JEE Mains, it is about 11 lacs. If you look at total number of students who appear for the medical NEET exam, I think it's 21 lacs. So, between these two we have 32 lacs appearing right. How many medical seats are there in India 50,000 okay. So, let's say there's 50,000 seats let's also assume that 50% of the students who are appearing to get a seat have been professionally coached, okay. So, let's say out of 20 lacs, 10 lacs have no coaching and 10 or 11 lacs

have got coaching. Right so, the 10 lacs who got coaching basically only 5% are going to get a seat. Right now, when we conduct our selection test of Dakshana many times, we can not only tell whether a person will go to a medical college or not. We know what their rank is going to be we can look at our test scores because we have so much history and we can do with past correlations and say okay, this person may get top 1,000 rank. For example, or top 500 rank or top 2,000 rank that sort of thing and we very specifically will not take anyone if the probability is below 70%. So, we know the way we do it inside Dakshana is that we put probability of getting a medical seat the top ones are close to 100% or at 100%. Then it goes to 90, 80, 70 keeps going down once we get below 70%, we don't consider those kids. Okay, we cut it off right. Which means that and generally when we get our test results after first attempt or second attempt probably 70-80% have got a seat. So, if the coaching institutes ran like that, then what would happen is that only 70,000 students would be prepared or 80,000 students would be prepared the rest would be rejected. The coaching Institute would not take them if they were trying to be honest with the students. But their whole business depends so if the coaching Institute knows that you have a 100% shot of getting in, they will even give you a scholarship they will make it free for you they don't care about the revenue or whatever's coming from the students who will get a seat their business depends on getting revenue from the students who will not get a seat. So, 9 and half lacs will not get a seat, but 9 and a half lacs each one giving three, four, five lacs is a big number. Let's try to calculate that number. Let's take a round number, let's say it's 10 lacs who don't get a seat, let's say they took 10.5 lacs, and 10 lacs didn't get a seat and then each one let's say how much is the cost of coaching, 3 lacs but if you go to Kota, room and board 5 lacs. So, let's take average four lacs. So, 4 lacs so it's very large number, but I'm going to make it a little smaller number just by using dollars because it'll make it easier for me. So, if I divide this by 80, 80,000 this will be \$5,000 times 1 million so it would be \$5 billion, okay. That's the so the amount being taken by the coaching industry exceeds by a large amount the total amount spent by all the medical colleges in India combined over the entire four five-year period. This is the way the system works. I have some rich friends and my rich friends will sometime tell me, my son has been accepted by Allen to get JEE coaching, he took their test. They said he did really well and he's going to go to Kota and he's going to be coached for two years. I said listen let me give your son a test. I'll give them Dakshana selection test and when he takes that test, I will tell you the real reality of what's going to happen with him. So, the guy comes, he takes our test he doesn't have 100% probability or 70% probability or 40% probability he's sitting at less than 10% probability, okay. He is one of the people that Allen wants to take to just make money. So, I asked my friend is your son interested in engineering he says actually he's not interested. I said are you interested in him becoming engineer? he said yes, I am very interested. I said that doesn't mean anything and then I asked him, what does he want to be? He wants to be a painter, so I said please do not send him to Allen, after two years he will think of just killing himself. There's no point and I then explained to them. Listen, I know you think your son is smart, he's not smart trust me. I know, okay let him do what he wants to do in life, give him a paintbrush and let him do whatever painting he wants. Engineering Chod do, after that my friend stops talking to me. This

is the way my life goes. Next question. Yeah, that's the difference between Dakshana and the rest.

**Akshata:** Namaste Mohnish, I am Akshata from JNV Bagalkot, Karnataka. I am curious to know about how has Dakshana developed to this large extent and what were the hurdles that you faced.

**Mohnish:** Yeah, please have a seat. Dakshana actually done a lot better than I had ever thought it would do. One of the reasons it has done so well is because I am not involved in running it. If I was involved in running it, it would be much worse. So, it's a good thing that I'm not involved and there are other better and smarter people involved in running Dakshana. And so, one of the one of the I would say that I had some objectives when I started Dakshana and actually, I didn't even want to start Dakshana. I started Dakshana because I had no choice, so I basically like to play math games we're going to play some math games, right now. June 11, 2054, do you know what this date is, this is the date on which I'm leaving planet Earth. These very evolved yogis in the Himalayas like Paramhansa Yoganand Etc. They could control their heart. So, what I mean by they could control their heart is they can turn their heart on and off whenever they want, and they would decide when they want to leave planet Earth by simply turning off their heart when they were ready to leave. And they call the concept taking samadhi. So, they will call their followers they will sit cross-legged in front of their followers and the guy will just fall over and there's no pulse he's gone. And some of them actually went to some heart institutes in US and they told the doctor, listen I'm going to show you something you're never going to see again, again in your life. I'm going to stop my heart for about 2- 3 minutes and then I'm going to restart my heart. So, doctor said, ye kya baat kar raha hai? (What are you talking?) usne heart band kiya (He stopped his heartbeat) aur 3 minutes baad shuru kar diya (and restarted it after 3 minutes) and they still don't know how they did that. But that's not what I'm planning to do, because I'm not an evolved Yogi who can control my heart you know. But I'm just letting you know some people can do that, it's just not I'm not part of those people. But that's the date I'm leaving planet Earth, now the situation is like this so currently I have about 600 crores okay. And this 600 Crores is growing at about 15% a year, okay. So, basically there is something in mathematics known as the rule of 72. So, Rule of 72 is a mathematical hack. Basically, if I divide 72 by 15 which is about approximately five it tells me how long it takes the money to double. Okay so, if I am getting a 15% return every year the money will double in 5 years because it's compounded  $1.15 * 1.15$ . It will become two in 5 years okay and if, if this rate was 10% you would do 70 to divide by 10 this would be approximately 7. It would take 7 years at 10% okay. So, this approximation makes it easy to tell how quickly money will double. It's very important to know how quick how much time it takes money to double. So basically, we have this thing where we'll double the money every 5 years. So, I have 30 years left which is  $2^6$  of 6 there are six 5-year periods. So, it's  $2^6$ , six doubles is 64 so  $64 * 600$  crores. Let's make it a round number. Let's keep it simple let's make it 50 to make it easier so  $50 * 600$  is 12,000 crores. So, if this money compounds at 15% till 2054 it becomes 12,000 crores. I have about 6,000 crores of other people's money which other people have given me to invest. and on this money the way it works is the first 6% of return every year go to the investors okay so let's say

for example I get a 10% return on this money okay the first 6% will go to the investors and then the remaining amount I get 25% and they get 75% which means that the 4% I get 1% and they get 3% so if the money goes up 10%. I basically get 1% okay so what happens is that if I look at this 600 crores after 1 year it becomes 690 crores, but I also get another 60 crores from here plus 60 it becomes 750 okay. So, basically 600 became 750 after one year right and in effect basically the compounding rate is actually 25% because of the override on the other people's money right because I have one engine and the second engine so if I were to basically look at these two engines together and I just keep make it simple and I say that basically the 600 crores is growing at 25%  $72 / \text{by } 25$  is approximately 3. We have 30 years; we have 2 the  $\hat{\phantom{x}}$  of 10 this is 1024 which is approximately equal to 1,000 so it will become 6 lacs crores okay. So, in 2054 it will become 6 lacs crores, but the 6-lac crore is a problem, because I need it to be 10,000. So basically, now we have this six lac crores on one side. So, let's write that six lac crores okay now on the other side is Dakshana. Dakshana is the engine to try to take that money down to nothing, right. So right now, we are taking 1,000 kids per year each kid costs us 2.5 lacs. We are spending 25 crores a year okay and I already told you that the 600 is going to 750 in one year so it is increasing by 150 and it is only decreasing by 25 there's a problem you see the problem but there's another problem here other people decided to give Dakshana money so now what happens is out of the 25 crore, 17 crores is coming from other people who are very nice people and 8 crores is coming from me, So instead of 25 I'm only giving eight. Right, so now it's even worse because this 150 is going down by only 8 right. So, basically what happens is after 1 year the 600 is 742, right and the next year it will increase by 25% and go down by 8, right. So now the situation is this number need to increase this 1,000 so the issue we have is that there are 17,000 IIT seats and it is very unlikely and very difficult for Dakshana to take more than 2,000 seats. If we take 2,000 seats at IIT a year one in 8 IIT ians will come from Dakshana wearing a black shirt. You'll go on the campus you'll only see black shirts. Okay, so basically but let's say we are able to send 2,000 kids to IIT and let's say the 50,000 medical seats those are harder we may be able to get 2 - 3,000 we can't get more than 2 - 3,000. But let's say we get 2,000 medical seats also. So, we get 4,000 and to get 4,000 let's say we train 6,000. Right 1/3 leakage going to NIT or going to other fields whatever, so if we take 6,000 kids per year this number increases by six it will be 150 crores right but again the problem is there are the donors and all that which get split, and the second issue is that increasing it in this manner takes a lot of time. So, for example we are trying to increase capacity at Dakshana Valley by 600. It's going to take 3 and a half years of construction to build the classrooms and dormitories and kitchens and all of that so it will be ready. I was just talking to them today it will be ready in 2026 so for us to go from 1,000 to 1,600 we'll have in 2026. I mean we are just in jnv Pune for us to add the classroom world so that happened in 2026 then if I want to go from 1600 to let's say 2500 this might be 2029. Then 2500 to let's say 3500 this might be 2032, and you know we keep going by the time we are at around 2040 we may be at 6,000, right. Because we gradually increasing the capacity by this time it's 16 years from now. 2 to the 5 doubles have already taken place so the 600 is gone up by 32 times so that's like 18,000 crores approximately so that number will already be sitting at 18,000 crores in 2040 when the expense is 150 crores so



you see my problem and so I like to play math games and the game I'm playing is one game which increases wealth. There's a second game which reduces wealth and I want the two to converge on June 10<sup>th</sup>, 2054, which means that I have to figure out some engine which will neutralize it. I have to find some other program. Just preparing for IIT and all that is not going to be enough. Once we have one in 8 people from Dakshana being in IIT we have one in 10 or 20 being in med school that'll be it. So, I'm thinking about what I can do next. if you come up with some ideas let me know but right now stay focused on NEET. After you finish NEET, you can send me an email with your ideas [mpabrai@dakshana.org](mailto:mpabrai@dakshana.org) okay. So next question.

**Mangal Singh:** Hello Mohnish, my name is Mangal Singh Narzary. I am from JNV Udalguri, Assam. My question is how do you control excitement.

**Mohnish:** All right, I think it's really important in life not to control your excitement, that's an important thing. It's also really important in life to only do things that that are exciting if you do things that are not exciting you will not do them well and you will not achieve greatness. So, to achieve greatness you have to be passionate about something and if you're passionate about something you will do it well and when you do something well life becomes exciting. So do not control your excitement go for maximum excitement, okay next question.

**Prajwal:** Hi Mohnish, I'm Prajwal Walikar from JNV Gadag, Karnataka. My question is that what is your next step after Dakshana Foundation.

**Mohnish:** I am hoping that somehow within Dakshana we can get to the 10,000. And they will probably need to be other programs and so we'll see what we can do. The one of the things is that because I'm comparative and I'm a math guy whatever program we have we want the return to society to be extremely high this program delivers a very high return to society and one of the reasons it delivers a very high return is that the medical colleges and the IITs are very heavily subsidized. If the IITs charge the actual amount it cost to educate one student and the government did not provide any money to the IITs all of it was paid by the students, the per student per year cost would be about \$15,000 a year which would be what about 12 lacs a year. 12-15 lacs a year, and medical would be higher, maybe close to 20 lacs a year. So, you don't pay 20 lacs a year when you go to a government college; you pay nothing because you get all these subsidies and so we only spend 2 and a half lacs to unlock basically 60 lacs of government spending. and that's what makes the program deliver such a high return also the Navodaya system spends a lot of money on each of you. every year the government is spending two to three lacs for 7 years. So about 15 to 20 lacs get spent by the government before you go to college then after you go to college another 60 to 80 to one Crore is spent on you. We have a very benevolent government, long live the government of India, so next question.

**Rishika:** Hi Mohnish, I am Rishika Bele from JNV Khandwa Madhya Pradesh, as we all are toppers in our own school since here everyone is topper from their school and I'm struggling to keep us with them my confidence level is getting low day by day, so my question is that what I can do to increase my confidence.

Mohnish:

Okay, Congratulations to all the toppers. Full classroom filled with toppers. So, you know my friend Ashok Kumar who got ranked 63 which nobody has beaten since then. Ashok got ranked 63 he went to IIT Bombay computer science. IIT Bombay computer science closes at rank 90. At 90 it's done, if you are General category ranked 91 go to IIT Delhi. IIT Bombay is closed, computer science. So, Ashok was telling me he was in his first computer science class these are not toppers this is topper to the power of topper to the power of toppers to the power of toppers. Topper's quad. Okay sitting in this classroom brains are oozing out of their brains okay. So, there is the first test in his first computer science class and Ashok is studying really hard and he takes the test, and he gets a score of 28 out of 100 and he said I'm just staring at the paper. Topper to the power of topper to the power of toppers. And then he said I looked at all the other marks there are some kids with 98, 95, 93 and he said that these guys who got 98 they were not studying yesterday they were just playing around. The guy had rank three he didn't even study just came and took the test got 97. So, Ashok kept staring at that paper he's always stop everywhere topped in JNV, topped in Dakshana, topped everywhere now no longer topping. So, he said to me I looked at that test and I felt really sad, and I said myself okay, but he said I have to work a lot harder. I have to find another gear whatever I have done in the past is not enough. There is no classroom in the world with more brain pound than the IIT Bombay computer science undergraduate classroom. It does not exist, it does not exist at MIT, it does not exist at Stanford. You know why it doesn't exist at Stanford because it's Stanford if your father went to Stanford and gave some money to Stanford, they will give you admission and at MIT if you are a black student or you are got some issues, they will give you admission like the we have some category kids here as well. And to give admission to in MIT in and Stanford, they make you write an essay about some different topics and part of the criteria to admit you is looking at the essay part of the criteria to admit you is who your parents are, how much have they given to the school, where are you coming from all these things, right what is your race. The IIT General category does not give a damn about any essay it does not give a damn if you are the president's son or the Prime Minister son or Ambani's son or Ambani's daughter. You take the JEE you give me a rank and based on that rank I'll put you in the classroom or I won't put it is the best system in the world, in one area at least India is Leading. I told the people at Stanford and MIT could see, but they are not doing that so and also all the talent price to go to that one place in India in in the US some people want to stay in California some people want to go to Florida some people want to come different places some people don't want to go to MIT because it's too cold in Boston. Nobody cares about all those things everyone comes to IIT Bombay computer science, right. And so, Ashok said I have to change what I am doing, I have to work a lot harder, I have to really understand the competition and when he finished in IIT Bombay he was like I think 8.8- 8.9 GPA probably top 15% of his class top 10- 15%, he made it he kept working, working, working and made it. He grew up in a slum in Hyderabad in Gachibowli not very far from JNV Hyderabad and Gachibowli now has become a place where a lot of tech companies have come. The Microsoft campus of India the headquarters of Microsoft India is in Gachibowli less than 2 kilometres from the slum where he was living. So, he did his internships at Microsoft because he could be at home. He was going

to join Microsoft and for him and his parents Microsoft was the best because that's what they can see the biggest company over there they can see. I told Ashok listen send an email to Google, he said I don't know any email address. I said I'll give you the email address hr@google.com send it to hr@google.com, send your resume there and I said in the body of the resume only put two or three things. I am Ashok Kumar, IIT Bombay computer science, JEE rank 63, 8.9 GPA, I would love to work at Google. warm regards Ashok. 2 din baad Google ne contact Kiya. Can we do a Skype interview? They interviewed him by video interview, they gave him job offer, he said I already accepted Microsoft they said Chod do Microsoft ki jarurat nahi hai, they moved him to California, life is good he found another gear, so you know you were talking about being a topper and now not being a topper. So, the good news is competition makes us better and you should not feel bad that your scores are low a lot of people here are feeling like that because they were all toppers and there's now only one topper.

**Sahitya:** Hi Mohnish, my name is Sahitya. I am from JNV Dongargarh, Chhattisgarh my question to you is failure is a key to success and you are a successful person have you ever failed in your life?

**Mohnish:** The only time we really grow in life is after we fail. It is so useless to be a topper because to agar aap topper ho to kya karoge, relax karoge, you know that's the you already at the top it's not going to help you, but if you are were a topper in your school before you came here and now you are not getting great marks it's really a great thing because it allows you to put more efforts and work harder and overcome the obstacles. So, when I look back in my life every time there was some big adversity, some big problem it was really the result of overcoming that adversity that led to a lot of growth and development, There is a Roman Emperor Marcus Aurelius. He was a Roman Emperor who spent almost his entire life on the battlefield and on the battlefield he had a lot of injuries and he fell sick a lot and he had to recover from his wounds and some battles he would lose and so on and he came up with a philosophy which is known as the stoic philosophy so at some point in the future you can study the stoic philosophy and it's a very good philosophy and basically he says that to encounter Misfortune and overcome it is good fortune so we should be grateful whenever we Face some problem and I remember many times in my life when things were not going well it was really kind of working through and overcoming that challenge that led to a lot of growth like for example one of the times my life in 1999 at that time there was a big dot boom Going On people were forming a lot of different companies uh do this do that a lot of different internet companies 99.999% of them failed I had formed a company also and I invested a lot of money in that company and I had investors who put money in that company and eventually that company failed and I lost a lot of money and my investor lost lots of money and it was a very bad experience but that experience taught me a number of things and later when I started Pabrai funds which was my next venture I was able to see around the corner you know I was able to see a little bit further than others could see because of the experience I had and it led to a lot of success and that success would not have come if that had not gone through that adversity so I always feel that every time something negative takes place usually there is

a silver lining around it and so things work out well and so it's a good thing, next question.

**Yashraj:** Hi Mohnish, my name is Yashraj Rajendra Sonawane. I'm from JNV Gondia, Maharashtra. My question to you is how did you tie up with Navodaya samiti and how did you come up with the idea to give such quality education.

**Mohnish:** So, one of the important mental models that I learned a long time ago is very powerful to use is to be a cloner. Being a cloner means being a copycat. Normally people think copying is a bad thing, it's a negative thing copying is a very good thing if you don't do it on a test okay. So basically, a lot of smart people have come up with a lot of good ideas we do not need to come up with the ideas ourselves we can just grab the ones that are already there. Kuch sochene ki jyada jarurat nahi hai. I am not so smart that I can come up with some concept like Dakshana. Ye hamare bas ki baat nahi hai. So, in 2006 I heard about Super 30, and I heard about Anand Kumar, and I said kya jabardast model hai. So, I told Anand Kumar I sent him an email on mail@super30.org. Dear Anand, you are a wonderful guy doing wonderful work, I would love to support you. Can we take your Super 30 program and make it Super 300. I will write you a check to support you and I will never tell you anything about what to do. You have full Freedom. Do anything you want. He said thank you, but we don't take outside money and we don't want to scale, and I don't want to change from 30 to 31 I want to keep it at 30 so then I asked him can we copy your model he said ye to badi acchi baat hai, Hum aapki madad karenge. And I already knew in life from previous examples that cloning and copying is very powerful. So, I said okay the guy doesn't mind us copying it's a really powerful model it doesn't really exist other than him doing it. It needs to be much larger he is not willing to do it why don't we give it a try. So, I looked at his model I said Hum topa laga dete hai, ye model ka. but there was a problem, and the problem was that when Anand Kumar announces that there's going to be a selection test 10,000 Biharis will show up to take the test and out of 10,000 he picks 30. Obviously all 30 are going to go to IIT. So, I said so I said but I have this basic problem where I don't have a brand and he has a brand. What I learned in business is that when you start a business you don't have all the answers just start one by one you will figure out the answer. So, I said okay what we will do is the first thing I decided is that I was living in California. I said I'm sitting in California I'm not going to move to India, I want to run some organization like super 30 at 10 times the size in India. I don't know anyone I don't have any team everyone will take advantage of me the money will be stolen and lost I said so I said how do I get started. I said first step I need some guy in India who can start doing some leg work and some research and figure out a few things so I asked my IIT friends in the US that listen I'm looking for some person, consultant someone to help me so they said why don't you write down what you're looking for one of them said and I'll put a post in the IIT Madras alumni message board and we'll see if someone responds to that. So, I said okay I wrote up what I was looking for some guy read that message board he was IIT Madras graduate he was retired he was in his 60s and he said I'm free I live in Bangalore what would you like me to do. His name was Ramesh, became our first CEO. I said Ramesh look every hour you work for

Dakshana, I'll pay you 500 rupees, every day you work for Dakshana, I'll pay you 5,000 rupees. I'll give you a credit card so if you travel anywhere sab credit card pe dal do. So, all your expenses are covered. He said it's okay I don't need the money but if what you're proposing is fine no problem. So I was thinking first problem how do we find students, so I told him listen you go to Kota which is the epicentre of IIT prep and you go to all the coaching institutes and tell them that listen if you run into any students who have cleared your selection test but they cannot afford to pay you bring them to our attention we will pay the tuition and you can admit them then. So, we met with Bansal classes in the morning and that afternoon they called Ramesh and said we have a family they are crying they cannot afford. You met us; so, Ramesh met the family then he talked to me I said does it look genuine he said yeah, I think they poor it looks genuine. I said unko tum cover karo. Give him find him in hostel, meal plan, tuition, books, cycle bhi dedo unko. So, we got our first scholar Shashank Dubey who is now an IIM Kolkata graduate now. So, he was our first call and like this we got five six scholars from the coaching Institutes at Kota, and we were up and Running. We were not at 300 we were at six. Six is better than zero. right, anything better than zero and then while Ramesh was going and meeting all the coaching institutes one guy told him you should talk to Navodaya he doesn't know head or tail what Navodaya is. Then somebody else said you should go talk to this time he said second so then he found out there's a set of schools, there's a body in Delhi he contacted the Navodaya in Delhi. Thankfully they responded to him, and they met with him and the commissioner of Navodaya and the head of academics at that time they were really concerned at that time in 2007 that Navodaya has lot of talented kids and after 12th there's nothing, they are just wasted. And they could tell that Dakshana really has nothing to offer it has no track record it has no brand it's not like super 30 we have never put sent one kid to IIT ever but andhon mein Kana Raja. They have no choice they only people in front of them offering to do something for free is Dakshana that they've never heard of. So, they said what do we lose we can try if it doesn't work, we'll throw them out. So, they said look we can start your program in seven locations, and we have all these kids 40,000 kids in each class each year you can test the kids you pick 300 kids we'll put them at these seven locations, and you do two years of coaching. So I said we are done, we now have 300 kids without a brand even though we are not Anand Kumar I did not know there's a Navodaya when I started Dakshana but like I said I knew from previous businesses just keep putting one foot in front of the other now the second problem we had was we don't know how to train anyone for but that was easy I said we can just Outsource to the coaching institutes so we told FIITJEE and Resonance all these people they all took the wire transfer and they sent useless faculty or they sent no faculty and things were not working well. First batch we only had 10- 15% go to IIT. It was a very low number because the quality of the coaching was very poor. We knew that the quality was poor because the students were complaining, and I knew in business also from doing business that be problem fix ho sakti hai. Fool me once shame on you fool me twice shame on me, I'm not going to let them fool me again I'm not going to send them the second wire transfer only one and done so we gradually started improving the quality of the coaching we put more metrics in place instead of sending them six months of fees in advance. I told them I'll send

them fees once a month and if the coaching quality is poor the fees will not come and so on. So, we starting from next year 35% pe aa gaye hum. It improved and every year we just kept improving and so that's the way it is. It's pretty simple and here we are, next question.

**Anishka:** Hi Mohnish, this is Anishka Khobragade, from JNV Nagpur Maharashtra you know you have seen so much in your life gone through goods and bads and at this stage of your life when you have everything what does happiness means to you.

**Mohnish:** Such a profound question. What I try to do is anytime I do any activity like right now I'm doing an activity of talking to you I reflect on the activity later and I ask myself did I enjoy that was it fun was it not fun I do a postmortem and let's say I meet someone for lunch I ask myself how did I enjoy that if it was mediocre or poor I will never see that person again for the rest of my life there'll be no more lunches and so all I do is I look at how I spend my time and I look at what I enjoy and I increase that in my life and the things that I don't enjoy. I either decrease or eliminate it right. So, Dakshana has been running now for 16 years from 2007 and I have met with many different students, and I've had many sessions like this, and I enjoy these sessions and so I enjoy them. So, I keep them in the picture and whatever things I don't enjoy I take out. I don't like to spend time with humans, spending time with humans is very boring except for Dakshana Scholars I like to spend time with myself the best person to spend time with is myself, but I said it's good to have a few more friends and my friends all spread out around the world. I said let me try to find some friends in Austin, so I decided twice a month I'm going to call someone over in the afternoon to have Assam tea with me. Lot of people would contact me and say I want to meet you for talking or lunch or whatever. So, I said this guy looks interesting let's have a te with this guy see what happens and I've been doing this for 2 years. So about 24 people came over and of course the tea was great because I made the tea, but for about 22 or 23 out of the 24 people I didn't have an interest in seeing them again. To unko firse invitation nahi diya. What we say one and done, we didn't need to see them again. But there was one guy who was a lot of fun I enjoyed meeting him he enjoyed meeting me. So I contacted him and I said Adam, I'd like us to meet again and where would you like to meet? He said I want to meet for tea again. I said Adam I am new to the city why don't we go someplace for lunch where you know the place I can also get some experience he said no I only want to come to your place for tea I said okay so I met him again we had a good time then I told Adam can we meet again he said yes at your place for tea so now I stopped asking Adam where, he only wants to meet at my place for tea. He doesn't want to go anywhere else, and he is become a good friend and I keep having the two teas a month hoping a second great friend will emerge maybe in one or two or three years a second friend will emerge, so your question was about how do you define happiness this is how I define happiness, and this is how I execute on happiness.

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