



PRASHANT NADKAR

HE MAY gift his wife a million-dollar necklace, but he's spent several multiples of the amount on homes for children suffering from cancer. If Rakesh Jhunjhunwala has made money, he's also given back to society. I decide to catch up with him and coincidentally it's on the day when the Nifty has reclaimed the 5,500 level after 30 months. As I walk into his office on the top floor of Nariman Bhawan, Jhunjhunwala's practicing yoga. It's something he's started just about a month back, because he realised that though he's a workaholic, he was lazy to the point where he didn't even walk to the next block.

Having turned 50 last month and celebrated the occasion with family and friends at a big bash in Mauritius, Jhunjhunwala seems to have used the milestone to do some soul searching. "I've realised that I need to be more disciplined, I'm diabetic and I drink like a fish. But I want to live to see my sons at 25; they're just two," he says. So he's smoking only half the number of cigars these days and is far more careful about what he eats. The liquor is a little harder to give up; by his own admission he loves going to Geoffrey's-The Pub at the Marine Plaza. But there's a target for losing weight—having lost 18 kg in the past two years, the idea is let go of another ten kg in the next two.

"I'm more mature now, I've learnt with time and I'm trying not to make mistakes. I have a short temper, sometimes I'm too argumentative and I've realised it achieves nothing. So I'm trying to correct that," he says, sounding almost mellow. More than anything, Jhunjhunwala wants to spend more time with daughter Nishtha and twins Aryaman and Aryaveer. So he doesn't come to office before noon, whereas earlier he would have been in by nine, clocking 14-hour days.

Weekends are spent catching up on Hindi films and reading and there's little time left for much else. Jhunjhunwala's eagerly waiting for his sons to grow up so that he can take them on wildlife tours. "Every year I'll go to either Kenya,

THE BIG OPTIMIST

He's made investing in the stock market a respectable profession; no longer do people consider him an operator. Instead, he's earned himself the sobriquet of India's Warren Buffet. Even today, after 25 years in the market, Rakesh Jhunjhunwala continues to be passionate about stocks and is more bullish than ever on India. His ambition now, he tells Shobhana Subramanian, is to replicate internationally what he's done in India

Tanzania, Uganda or Botswana," he says, adding that wife Rekha also loves the outdoors. He's also determined to do things he's never done before—learn swimming, dancing, try out new cuisines, especially fish preparations, and maybe even make a movie. Not just finance one, but contribute in other ways too, though he's not sure how. After some prodding he says he was really taken up with *3 Idiots* and believes Rajkumar Hirani would be great to have as a director.

Is the fatigue setting in? "Sometimes what I feel I lack in life is a

passion other than the market," says Jhunjhunwala. That could be a bit of challenge for someone who's hoping to be as successful an investor in markets overseas, as he's been at home. "I want to do what I've done in India, play on a bigger platform and perhaps scale up."

Why, I ask him, are Indians not convinced or interested in their own market when the investors from across the world are flocking here? "Retail investors are usually late," says Jhunjhunwala, who believes that if sold properly, ULIPs could continue to attract savings. "There was this

perception among investors who believed that if they put in a certain amount, the fund would also be putting in money! We need proper regulations, even though that may hurt the markets in the near term. Today I have one scheme, then I start another scheme by paying commissions, although it's no different from the first scheme. That's not a fair system and won't help in the long-term." Jhunjhunwala believes that if the markets are efficient and there is corporate growth, money will come in. "I won't be surprised if five years later we



With Dev Anand in 1969. Also in the picture are his father and sister

have \$40 billion of local money coming into the market. We can't be impatient; we need to establish access to people and bring down the cost of distribution. The scaling up will happen then."

The India bull that he is, Jhunjhunwala or 'Bhaiya' as he's called by those close to him, refuses to believe that the social unrest and militancy in some parts of the country could derail the economy. "We've faced these problems in the past, there was the threat of Khalistan, there was some unrest in Bengal, but as a democratic society, I'm confident we can handle it. Already, the Maoists are asking for a truce and some mediation," he points out.

Jhunjhunwala would rather highlight the positives. "Just look at the Delhi international airport and what's happening to the PDS in Madhya Pradesh, they're going to roll out UID cards ahead of the others," he says, unwilling to accept that financial inclusion is not taking place. In no democracy in the world, he observes, has growth not had a trickle-down

effect, citing the instance of how his driver's village in Darbhanga today has electricity which it didn't ten years back and how his daughter goes to an English-medium school.

"Look at the power of democracy... why do we have NREGA... because people want rural votes," Jhunjhunwala believes there are some low-hanging fruit that the country is going to harvest once we have the UID in place, because the delivery of subsidies will become far more efficient.

Jhunjhunwala says had anyone told him in 1987 that the tax rate for individuals would be 30%, he would have asked the person to jump. "But today, that's a reality. The first time I sat in an air-conditioned car was in 1989. Today, it's normal to have air-conditioned cars. The fact is that India will grow and the growth could accelerate," he asserts. Given the fact the he's made a fortune with his investment in Karur Vysya Bank—the investment of around Rs 45 lakh is worth Rs 165 crore today—I ask him what he feels

PROFILE

Rakesh Radheyshyam Jhunjhunwala

Investor & trader

BIRTHDAY
July 5, 1960

FAMILY
Married, with a daughter and two sons

EDUCATION
Hindi Vidya Bhavan, Sydenham College, Chartered accountancy: ACA under Shri Bansi Mehta & Co.

DIRECTORSHIPS:
Aptech, Autoline Industries, Geojit BNP Paribas Financial Services, Inventurus Knowledge Solutions Pvt, Maneesh Pharmaceuticals, Metro Shoes, Nagarjuna Construction, Prime Focus, Viceroy Hotels Ltd

WEALTH
Estimated at \$1 billion by Forbes

about large corporates being allowed into the banking space. Jhunjhunwala sees no reason why they shouldn't be given licences. "Companies like Bajaj are already in insurance," he points out. Do you see the next Titan anywhere on the horizon, I ask, hoping that this time around, I won't miss out. Titan, as is well known, occupies the pride of place in Jhunjhunwala's portfolio, given that it accounts for nearly a fifth of its value. "Well, I'm looking for it and if I find it, I'll pounce on it," says Jhunjhunwala, who feels it will be hard for any company to repeat the success of a Titan, Wipro or an Infosys—just as hard as it could be for someone to repeat Jhunjhunwala's success.



A proud father: Jhunjhunwala with family



Honeymooning in Ooty in 1987

The Nifty has reclaimed 5,500; where do you see the markets headed from here?

As far as India goes, it's a good story and except for God's wrath, nobody can stop the Indian economy from growing. The under-exposure of Indians to Indian equities, the arrival of pension funds together and changes in regulation should see more money flowing into the equity markets. Barely 1% of global liquidity is invested in India, but going by the size of the economy, investments should be larger and it is going to be that way.

There are a lot of comparisons made between India and China...

People do talk about Chinese companies, but in India there is RoI, ROE, accounting and also transparency. So apart from the fundamentals,

INTERVIEW: RAKESH JHUNJHUNWALA

INVESTOR & TRADER

'The market is king; it's us who make the mistakes'

the technical aspects of the market too are very strong.

Which managements do you admire?

It has to be Adi Godrej for the returns he has given shareholders; the Tatas for their innovation, charity and the institutions they have built, and the third I would say is Azim Premji. He's in a league by himself. Sumil Bharti Mit-

tal has also done well.

Should those acquiring companies be asked to make a 100% open offer to minority shareholders?

The open offer to minority shareholders should be made for maybe another 25-26%, otherwise it will inhibit takeovers. If I want to take over a company in India, I can't get bank finance,

whereas foreigners can. So in effect, you're preventing Indians from taking over companies. And you are also protecting inefficient managements.

What did you learn about trading from Radhakishen Damani?

Whatever I know about trading I have learnt from him. I learnt patience, to put stop to losses and also that if you buy in excitement, you sell in fear. And also that there's many an opportunity even after the cards are open. That apart, I learnt that one should take positions in consonance with the market liquidity; in the sense that my position should not be more than 5-7% of daily volumes. Trading keeps my mind sharp and I devote most of my mind to trading, otherwise I would have a lot of free time.

One tip for those who are starting to invest...

They should respect the market. People think that if the market doesn't behave the way they expect it to, it's wrong. But the market is king; it's us who have made the mistake. Learning comes from experience and experience comes from bad decisions. Also, the price at which I buy a stock is important; in a growing economy, growth stocks tend to outperform value stocks. If companies are growing at 20% and many of them are self-funded, then they appear more attractive sometimes than value stocks.

