

'It will be interesting to see how this case plays out'

RITU JHA

The developments regarding Rajat Gupta are being closely watched not only by Wall Street but also in faraway Silicon Valley.

"My understanding of the case against Gupta is that, unlike the case against Raj Rajaratnam, it is mostly circumstantial and based on the timing of phone calls," said Sanjiv N Singh, a corporate attorney in Silicon Valley, who is currently representing American plaintiffs in a high profile case against the Indian Institute of Technology-Kharagpur.

"From a strictly legal standpoint, US prosecutors have an uphill battle," he said. "On the other hand, from a practical standpoint, given the prior conviction of Rajaratnam and the current 'Occupy Wall Street' mind frame of the American public, Gupta faces significant exposure. It will be interesting to see how this case plays out, and hopefully triers of fact and prosecutors will remain focused on the evidence. Perhaps a plea deal will emerge at some point if Gupta is risk-averse and if prosecutors do not obtain more compelling, direct evidence of malfeasance."

Another attorney, Neel Chatterjee felt, "Cases like this are always important because they send a very public message about the way government feels about particular conduct."

Prasad Kaipa, CEO coach and adviser to many Silicon Valley firms, who has met Gupta several times, said, "There are several people who know Rajat Gupta including myself because he is instrumental in creating ISB (*International School of Business in Hyderabad*) and have met him several times privately and publicly. I found him personally to be a very smart man, a very capable and thoughtful personality."

Gupta, Kaipa added, is a keen listener, a lucid speaker, an inspiring and very efficient communicator.

"In my perspective, he is innocent until proven guilty. If I



Rajat Gupta, left, with Richard Gere as Indian filmmaker Karan Johar and Indian socialite Parmeshwar Godrej look on

were to say there are half a dozen characteristics for a wise leader, I would say he has at least four of them," said Kaipa, who worked at Apple with Steve Jobs. "We have to use the same yardstick like we used for Steve Jobs — Steve was a

very smart man and wise in some areas that impacted the world a lot. The world pays more attention to what he brought than what he did not. Rajat brought a lot of good to the world."

In Hyderabad, a kind of hush

MOHAMMED SIDDIQUE

There has been a kind of hush at the Indian School of Business in Hyderabad after Rajat Gupta's arrest in an insider trading case broke.

The \$130 million business school is Gupta's brainchild, which he has nurtured since the 1990s. Gupta and another McKinsey executive, Anil Kumar, resigned from their positions at the ISB after they were accused of involvement in the insider trading case.

Gupta, the first non-American to head McKinsey, was the founder chairman of the board of governors at the ISB, and played a major role in getting the school international recognition by getting it affiliated to Wharton, Kellogg and the London Business School.

What makes the ISB unique is that it was wholly financed and promoted by 50 of India's top companies including Reliance, Mahindra and Mahindra and Godrej. Gupta was key in bring-

ing several national and international business leaders together to make this dream project a reality. He was the focus of atten-

tion when then Indian prime minister Atal Bihari Vajpayee inaugurated the ISB's sprawling campus in Hyderabad's Gali



Rajat Gupta, left, with Indian business tycoon Mukesh Ambani, second from left, and others at an AIF gala

Bowli area. Quoting extensively from the Vedas and reciting Sanskrit *shlokas*, Gupta laid emphasis on producing world class leaders in India to meet the Indian economy's growing demands and also promote Indian values and ethos in business.

Gupta was a huge draw when then Indian President A P J Abdul Kalam presided over the ISB's first graduation ceremony in 2002.

Now no ISB faculty member is willing to comment on Gupta's arrest on record.

"It is a sad development. We are shocked. We hope he will prove his innocence and come out clean," said an ISB faculty member on condition of anonymity. Others said as Gupta had quit the ISB, they did not have anything to say.

This is the second time the institution has figured in corporate scandal. Earlier, the ISB's Dean Emeritus M Rammohan Rao, handpicked by Gupta, quit after the Satyam Computers scandal. Rao was an independent board member of Satyam. Also, the tainted founder chairman of Satyam Computers, B Ramalinga Raju, had to resign as member of the ISB executive board.