CHAPTER 1

My Dinner with Rakesh Jhunjhunwala and the Birth of a Lifelong Idea

Compound interest is the eighth wonder of the world. He who understands it, earns it… he who doesn't, pays it.

— Albert Einstein

In early 2002, a friend invited me to a small gathering of investors, an intimate setting over good food and wine. Among the guests was Rakesh Jhunjhunwala, already renowned for his uncanny ability to spot companies with massive long-term potential.

As the evening unfolded, everyone was eager for his latest picks. With unshakeable conviction, he offered a single piece of advice:

"Sell everything you own and buy Titan. Keep it forever. This company will create generational wealth."

At the time, Titan traded at about ₹2 per share, adjusted for splits and bonuses. Today, it hovers near ₹3,600, a nearly 1,800-fold return. I'm still amazed by the clarity and confidence he displayed. This wasn't just another tip; it was a lesson in visionary, long-term thinking. Until his passing in 2022, he held onto Titan, a stake that soared to about $1.5 billion.

Imagine standing at the base of Mount Everest, gazing up at a peak that only a handful of climbers ever conquer. Those who do return with tales of courage, glory and immense reward. Investing follows the same pattern. Many never move beyond the foothills, buying and selling with each market tremor. But a select few reach the Everest of investing. These are the people who see what most overlook: Terminal Value.

In 1997, one forward-thinking individual walked into a small bookshop that had just begun selling books online. He did his homework and invested $10,000 in Amazon. Twenty-seven years later, that stake was worth over $7 million. Back then, this venture was barely profitable, making the investment seem risky. Yet it wasn't just another bookshop — it was quietly building the infrastructure for the future of global commerce, something most failed to see.

This book is about identifying the next Titan or Amazon before the rest of the world catches on. It's about finding the rare companies that don't simply grow; they dominate. These aren't flashes in the pan; they're industry-defining giants capable of delivering 100x or even 1,000x returns over time. But to find them, you have to shift your gaze from quarterly numbers to long-term potential, from price to Terminal Value.

VISION IS THE ART OF SEEING VALUE LONG BEFORE THE MARKET DOES.

What if I told you that finding a 100x stock isn't about perfect timing or insider information, but about understanding one core principle: Terminal Value Investing? Real fortunes come from holding great businesses long enough for compounding to work its magic, not from flipping stocks in search of a quick win.

Welcome to the Everest of Investing. If you're ready to aim higher and leave the small stuff behind, you're in the right place.

What is Terminal Value Investing?

Terminal Value Investing is about investing in companies where the market doesn't discount longevity beyond typical financial forecasts. Instead of just looking at short- to medium-term growth, this approach values a business based on its ability to generate cash flows significantly in the very long term.

Why is Terminal Value Important?

When investors analyse a company, they often forecast its earnings for two, five or ten years. But the cash generation happens in the long term and continues generating cash flows for decades. Terminal value estimates how much the company will be worth after the forecast period.

Why Terminal Value Investing is Like Climbing Everest

Just like climbing Everest, Terminal Value Investing is a long, challenging journey that rewards patience, discipline and resilience. Few reach the summit, just as few investors hold onto 100x stocks long enough to realise their full potential.

- Preparation is Key: Climbers train for years; successful investors study businesses, competitive moats and future cash flows.

- The Climb is Tough: Market downturns and volatility test investors, just as extreme weather and exhaustion test climbers.
- Shortcuts Lead to Failure: Rushing up Everest can be fatal, just like chasing hype stocks without understanding long-term value.
- The Summit is Worth It: Those who endure the journey, holding great companies through decades, reach financial freedom, just as climbers reach the breathtaking Everest summit.

Why Most Investors Fail to Recognise Terminal Value

Most investors fail to grasp Terminal Value because they are trapped in short-term thinking. They focus on quarterly earnings, stock price fluctuations, and short-lived market trends, completely overlooking the long-term compounding power of great businesses.

Here are the key reasons why investors miss out on terminal value:

1. Impatience and Short-Term Bias
    - Investors often expect immediate returns and lack the patience to hold investments for years or decades. This leads to premature selling, cutting off the potential for exponential compounding.
2. Market Noise and Emotional Reactions
    - The financial media constantly bombards investors with news about interest rates, inflation and economic downturns. This distracts them from focusing on a company's long-term fundamentals, causing them to panic sell during volatility.
3. Obsession with Valuation Over Growth
    - Many investors overanalyse short-term valuation metrics (P/E ratios, price-to-book) without understanding the true growth runway of a company. A high-quality business can grow into its valuation over time, delivering massive long-term returns.

4. Failure to Identify Durable Competitive Advantages
    - Terminal value is driven by businesses with strong economic moats, network effects, high switching costs, brand power or technological dominance. Investors often undervalue these moats, focusing instead on short-term profitability.
5. Selling Too Early
    - Even investors who identify great businesses often sell too soon. They take quick profits instead of holding long enough for 100× growth. The biggest gains come from long-term compounding, not short-term flipping.

The Terminal Value Mindset

To truly capitalise on terminal value, investors must shift their mindset:

- Think in decades, not months
- Ignore market noise and short-term volatility
- Identify companies with long-term industry dominance
- Hold through market cycles to allow compounding to work

The investors who understand this principle don't just make money; they build generational wealth.

Investor Takeaways: Climbing the Everest of Terminal Value

1. Great fortunes are built not by buying fast, but by holding long. Rakesh Jhunjhunwala didn't just spot Titan early; he stayed. That decision alone created over $1.5 billion in wealth.
2. The best investments look unimpressive early on. Amazon in 1997. Titan in 2002. What made them generational winners wasn't early profitability, but early potential hidden from most, obvious to a few.

3. Terminal Value is where the Everest lies.
   Most of a great company's value lies beyond Year 10. If you sell early, you forfeit the summit for the base camp.
4. Compounding is invisible until it's undeniable.
   A 100x stock doesn't move in a straight line. It tests your patience, convictions and distractions. Those who win are the ones who keep climbing.
5. You must shift from being a stock picker to a business partner.
   Terminal Value Investing means thinking like an owner, studying cash flows, reinvestment, moats and management, not tickers and tips.
6. Everyone gets told about Titan. Few actually buy it. Fewer still hold.
   The Everest is real, but only those with discipline, patience and vision get to plant the flag.