

How geopolitical crises create wealth for generations

Crisis, Capital & Compounding



*When you buy a share,
you are buying a claim
on every rupee that
business will ever earn.*

— Discounted back to today

70–80%

of intrinsic value lies beyond Year 5

>10 yrs

The largest single block of value

Terminal

Value is the dominant DCF driver

WHAT WAR CHANGES — AND WHAT IT DOESN'T

WHAT CHANGES

Sentiment — violent, visible, temporary

1–2 quarters of earnings disruption

Market prices in fear immediately

Headlines scream permanence

WHAT DOESN'T CHANGE

Terminal value of the business

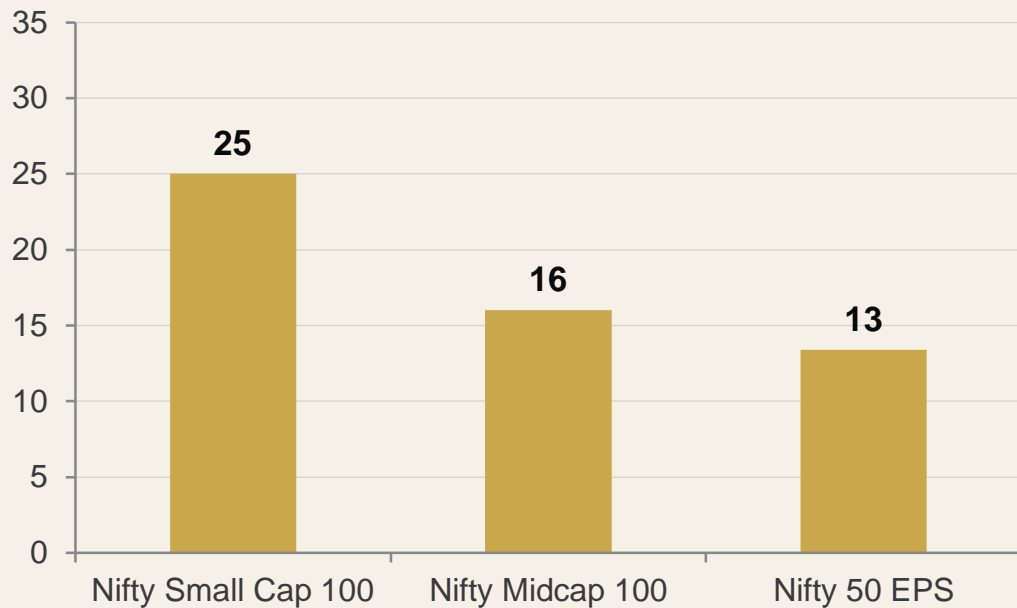
Decades of compounding ahead

Structural earnings power

Patient investors own this

Markets, in moments of fear, price the sentiment. Patient investors own the terminal value. History is unambiguous on which one wins.

Corporate India entering 2026 from a position of strength — Q3 FY26 confirmed the recovery



25%

YoY Net Profit
Nifty Small Cap 100

16%

Profit Growth
Nifty Midcap 100

+13.4%

Nifty 50 EPS
vs 10.1% estimate

US–Europe Equation

The transatlantic alliance faces structural strain. Defence spending priorities and economic alignment are being permanently reconfigured.

US–Middle East Dynamics

Energy politics, security guarantees, and regional alliances are being redrawn. The old playbook no longer applies.

China — The Quiet Beneficiary

China watches and smiles. Its political and economic capacity to endure this pain is structurally higher, and it gains relative influence with every passing week.

India — Exposed & Vulnerable

India's energy dependence creates real macro pressure. Government is managing, but India's endurance is far lesser than China. A current account repair is urgently needed.

INDIA'S CURRENT ACCOUNT UNDER PRESSURE

Three converging forces are widening India's Current Account Deficit

| | BEFORE CRISIS | POST-CRISIS EST. | DELTA |
|-----------------------|---------------|------------------|--------------------------|
| Energy Bill (Oil) | USD 90–100 bn | USD 140–150 bn | +50–55 bn |
| Chip Imports | USD 80–90 bn | USD 130–140 bn | +50 bn (+40–250%) |
| Gold Imports (750 MT) | USD 50 bn | USD 80–100 bn | +30–50 bn |

With oil prices surging and the current account deficit widening, India faces sharp currency depreciation pressure. Repair will require concrete action on a war footing — and will not happen quickly.

India average gold imports: 750 MT/year. Chip price increases: 40–250% depending on type, over last 6–12 months.

WHAT THIS EVENT DOESN'T CHANGE

01

Corporate Balance Sheets

Strongest in a generation — low leverage, high interest coverage, ample liquidity buffers

02

Pro-Growth Policy

Fiscal and monetary policy aligned toward growth. Government spending remains a key multiplier

03

Demographics

India's young, growing workforce is a multi-decade structural tailwind no geopolitical event can alter

04

Low Inflation Base

Core inflation remains contained, giving the RBI room to act and businesses room to expand margins

05

Strong Banking System

NPAs at cycle lows, credit growth robust, bank capital ratios healthy — credit transmission intact

06

Fiscal Discipline

India's fiscal situation remains strong — deficit under control and revenue buoyancy holding firm

CRISES CREATE VINTAGES

Every crisis India has navigated became the foundation for the returns that followed

1991 Balance of Payments Crisis

Liberalisation era — decades of growth

2001 9/11 & Tech Bust

Markets bottomed; BRICs decade followed

2008 Global Financial Crisis

Markets recovered; India decoupled by 2010

2016 Demonetisation

Formal economy expanded; digital India emerged

2020 COVID-19 Lockdown

Markets bottomed on lockdown day; 2x recovery

2022 Russia–Ukraine

Markets bottomed in June — before crisis ended

Pattern: Markets bottom well before the crisis ends. Investors who focus on data, not headlines, emerge stronger every time.

There is no permanent impairment to the terminal value of the India story.

Short-term disruptions. Intact compounding engine. Clear historical precedent.

- 1** Earnings dented for 1–2 quarters — or longer depending on war evolution. This is knowable and priced.
- 2** Structural earnings power of Corporate India remains entirely intact. Monitor for permanent moat changes.
- 3** Macro pressure (CAD, currency) is real and requires close monitoring — but is manageable at a country level.
- 4** History shows: markets bottom before crises end. Investors who act on data, not sentiment, create the most wealth.

**Every crisis
brings
opportunity.**

Crises create vintages.

The Compounding Engine

Silent. Persistent. Permanent.

Patient capital, not reactive capital, is what compounds over a lifetime.

Sentiment is the price you pay for entry. Terminal value is what you actually own.

India's structural story — its demographics, policy direction, balance sheet strength — is intact.

This moment, like every before it, will be remembered as a vintage.