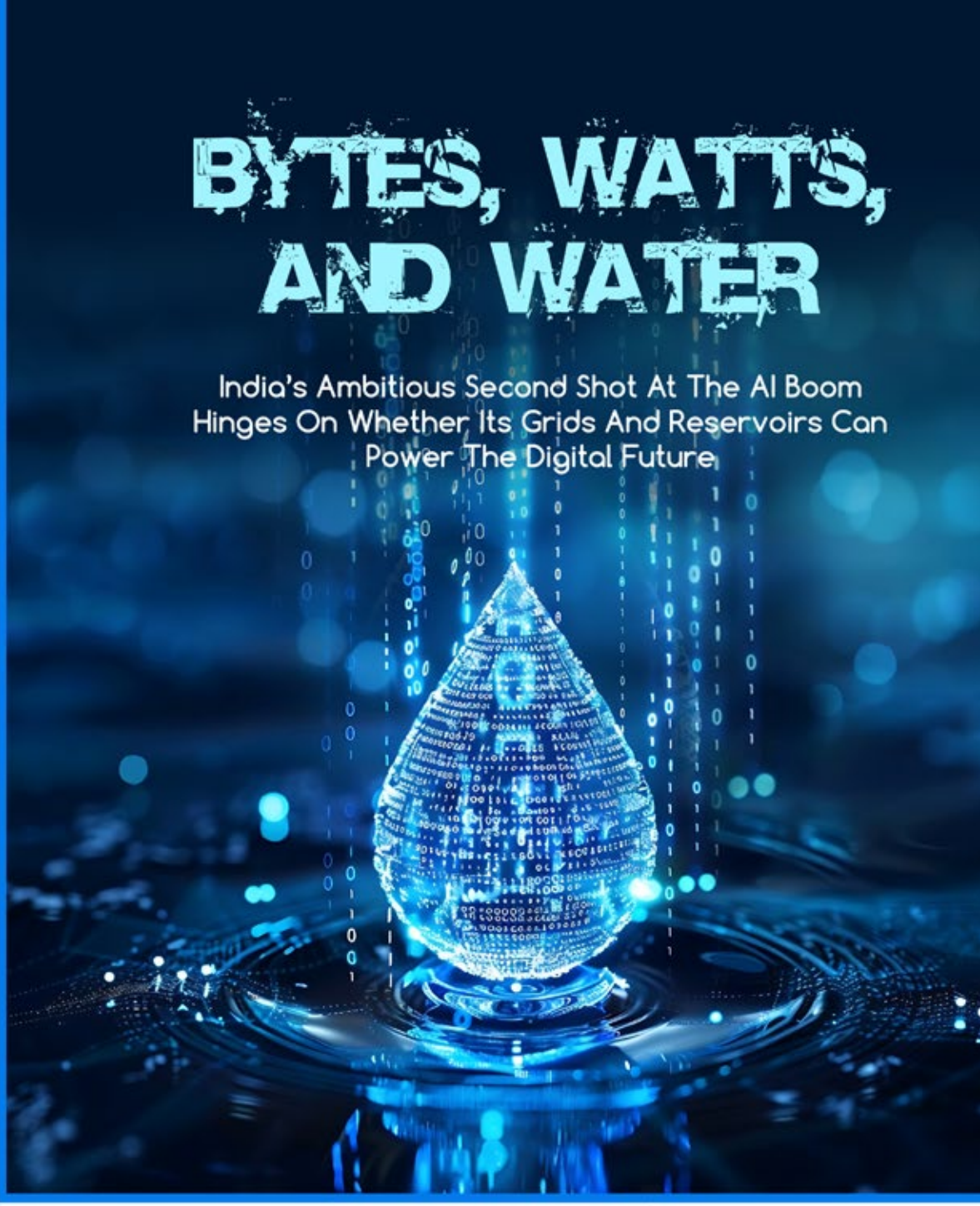
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BYTES, WATTS, AND WATER

India's Ambitious Second Shot At The AI Boom Hinges On Whether Its Grids And Reservoirs Can Power The Digital Future



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India Tunes In To Hollywood

Year 2026 is turning out to be the year hollywood releases - from superhero epics to genre-bending surprises - captured the hearts (and wallets) of Indian moviegoers - Page 18

The Paper Fortress

When margin calls came due, Subhash Chandra's Empire – the Essel Group – found out the hard way that paper promises don't count as cash – Page 22

Short-Term Squeeze, Long-Term Traction

India's tyre sector is witnessing a moderation in operating margins, stoked by high natural rubber prices. However, cost pass-through and healthy demand ensure a robust outlook – Page 30

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AYE AYE AI

Tushita Parikh
Editor

Recently, the Indian government announced a larger investment in data centres, potentially strengthening India's position in the world of Artificial Intelligence (AI). However, the strain this could put on power and water resources remains a matter of debate. In this issue of Beyond Market, our cover story explores the opportunities offered by data centres that could help propel India into the AI race, despite climate and resource constraints. Read on to see where we stand on this topic at this crucial juncture.

As you move through the issue, you will also find articles on why alternative fuel vehicles are gaining ground over petrol and diesel variants; the current state of the sugar sector amid a sharp rise in global prices and India's move towards duty-free imports to contain domestic prices; and Hollywood movies making a beeline for the Indian audience, encouraged by their growing popularity.

You can also read about the debt crisis surrounding Subhash Chandra's Essel Group; the importance of opportunity cost in harnessing the power of compounding; and a round-up of the tyre sector with companies announcing capex plans despite underlying challenges.

Do not miss the article in the Beyond Basics section, which discusses changes to the National Pension System (NPS), India's retirement savings product.

Towards the end of the magazine, the Beyond Learning section carries an interesting article on lessons from Wayne Gretzky, the ice hockey player, that have found relevance in the world of investing. Read on if this piques your curiosit**Y.**

"In The Coming Days, The Indian Stock Markets Are Likely To Remain Range-Bound."

Nifty Futures: 22,715

(Last Traded Price As On 29th Sept '26)



The ongoing conflict in the Middle East is pushing oil prices higher, adding to inflationary pressures and keeping bond yields elevated. Any prolonged disruption to oil supplies could further intensify these pressures.

In India, below-normal rainfall is creating three concerns: lower farm incomes, higher food inflation, and weaker collection efficiency for lenders, particularly those with rural exposure.

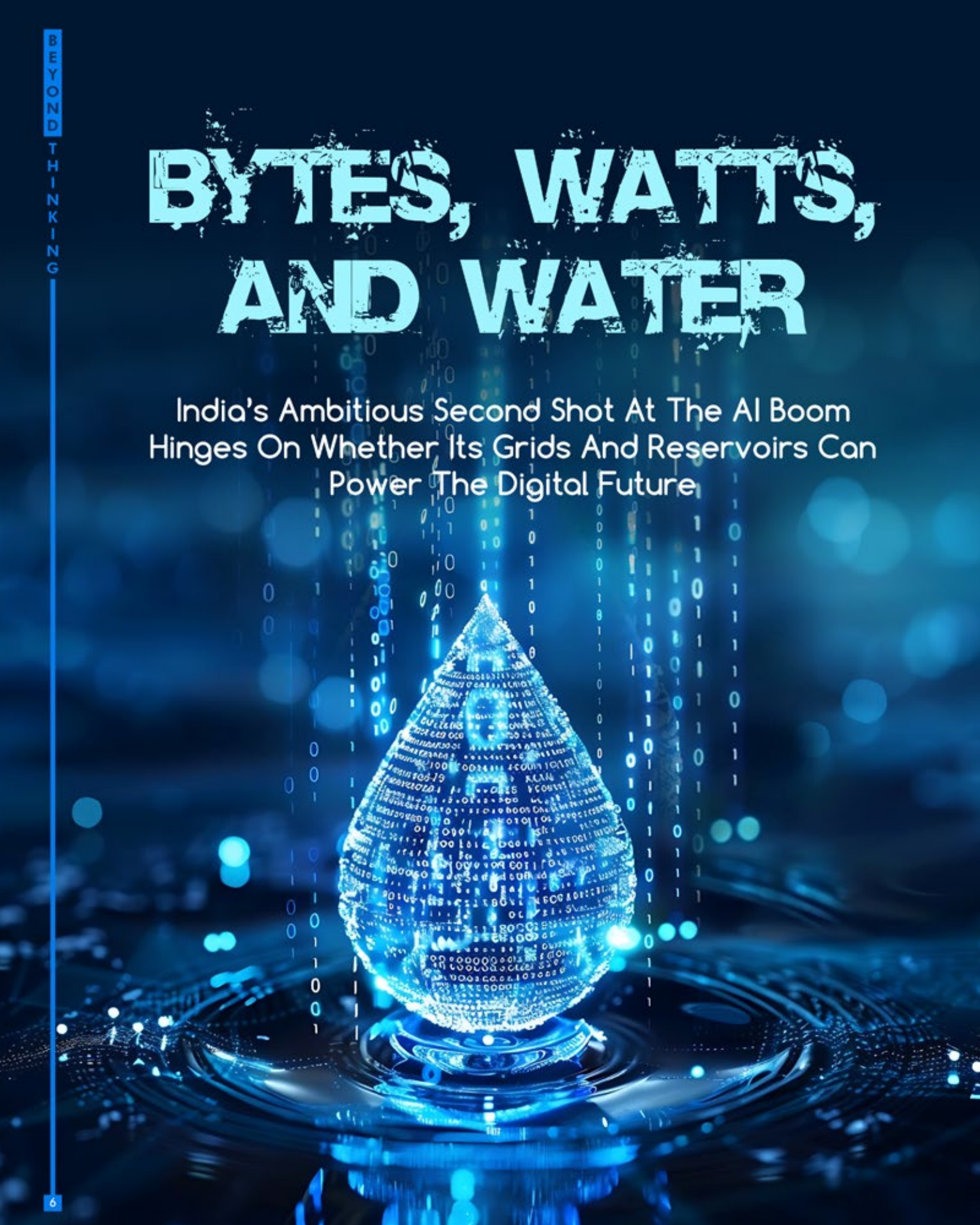
In the coming days, the Indian stock markets are likely to remain range-bound. Nifty Futures has support at the 22,600 and 22,450 levels. On the upper side, it is likely to touch 23,200 and 23,550, thereafter.

Be watchful of developments in US-Iran negotiations, which could influence oil prices and market volatility, as well as September-quarter earnings amidst hopes of positive results similar to those seen in Q1 **FY27.**

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BYTES, WATTS, AND WATER

India's Ambitious Second Shot At The AI Boom Hinges On Whether Its Grids And Reservoirs Can Power The Digital Future



n Visakhapatnam, the next phase of India's artificial intelligence (AI) ambitions is taking shape - not in a laboratory but on an industrial scale. Google's proposed $15 billion AI and data-centre hub is combining gigawatt-scale computing capacity with a new international subsea gateway, but the project also illustrates the less glamorous side of the AI boom.

Visakhapatnam's estimated daily water requirement was already around 480 million litres against a supply of about 410 million litres, while environmental groups have raised concerns about its proximity to the Kambalakonda Wildlife Sanctuary.

Google says it plans to use advanced cooling technology to limit water consumption. Yet, the project encapsulates the infrastructure paradox at the heart of India's second AI opportunity: a facility designed to bring unprecedented computing capacity to the country is being built in a city that already faces a 70 million-litre daily gap between water demand and supply.

India may have missed the first race to build the world's most capable foundation models and hyperscale cloud platforms, where the US and China dominate, but another race is taking shape beneath the models.

AI is turning computing into an infrastructure industry, making the location of machines almost as important as the software running on them. A large language model may appear weightless on a screen, but the computing behind it requires land, substations, fibre, cooling systems, servers, networking equipment, and a remarkably steady supply of electricity.

THE SCALE OF THE OPPORTUNITY

India has a plausible opportunity in this physical layer of the AI economy, even as the infrastructure becomes one of the country's most demanding industrial loads.

Commerce Minister Piyush Goyal has said that India should target at least 10 GW of data-centre capacity by 2030, against about 1.75 GW at the end of the first half of 2026. Reaching that target would require roughly 8.25 GW of additional capacity, or nearly six times the existing base.

Global research and consulting firm, Wood Mackenzie, estimates operational capacity will rise from 2.2 GW in 2025 to 12 GW by 2030, implying annual growth of about 40%, while AI-dedicated capacity is projected to rise from 275 MW to 6,546 MW - a nearly 24-fold surge.

The investment pipeline is equally substantial. The government has put the potential investment opportunity in India's data-centre sector at around $200 billion.

CBRE estimates that India had accumulated $173 billion of data-centre investment commitments between 2021 and the first half of 2026, including $38 billion in the first six months of this year.

Corporate commitments include Google's proposed $15 billion Visakhapatnam hub and AirTrunk's plan to invest $30 billion by 2030 to develop 5 GW of data-centre capacity in India.

Microsoft has announced a $20.5 billion India investment commitment linked to its AI and cloud infrastructure expansion.

Reliance and Adani have also announced roughly $110 billion and $100 billion respectively towards AI and data infrastructure.

THE REAL BOTTLENECK IS POWER

The scarce commodity, however, is not capital but dependable electricity. A

government estimate issued in March put data-centre electricity demand at 13.56 GW by 2031–32, while a separate CEA estimate cited by MeitY put the requirement at about 17 GW.

In July, the Power Ministry said AI data centres alone could add 26.3 GW of additional load by 2031–32.

Wood Mackenzie expects data-centre electricity consumption to rise from about 10 TWh in 2025 to 191 TWh by 2040, equivalent to roughly 7% of India's electricity demand.

Deloitte estimates consumption at 40-45 TWh in 2030, up from about 10-15 TWh in 2024, implying roughly a tripling even before some of the more aggressive AI capacity forecasts materialise.

India is not starting from a position of national power shortage. The country met a record peak demand of about 256 GW in 2026 without shortage and added about 65 GW of generation capacity during FY25–26.

The challenge is more local and far more stringent: a 500 MW or 1 GW data centre needs firm power at one location, around the clock, with adequate transmission and substation capacity. That distinction between installed generation and firm power is critical. Renewable capacity is not equivalent to 24x7 electricity.

Solar output disappears at night and wind output varies, so AI data centres need some combination of grid supply, storage, firm generation, and contracts that convert intermittent electricity into dependable power.

The National Electricity Plan envisages about ₹9.16 lakh crore of transmission investment during 2022–32. The storage roadmap calls for 47.24 GW and 236 GWh of battery storage and 26.69 GW and 175 GWh of pumped-storage capacity by 2031–32.

The government's September data-centre roundtable also focused on cluster-based transmission and substation planning, sanctioned load from the outset, dual power feeders, and access to renewable power across state boundaries.

This is the hidden arithmetic behind the headline numbers: generation, transmission, substations, storage, land, approvals, and grid connections have to arrive alongside the server halls.

THE GEOGRAPHY OF COMPUTING

AI is also changing the physical design of the data centre. Higher-density workloads are pushing operators towards direct-to-chip liquid cooling, immersion systems, and closed-loop designs.

Cooling is becoming part of the computing architecture, with the question no longer simply how many racks fit into a building, but how much computing power each rack can deliver and how efficiently its heat can be removed.

Firm 24x7 power availability at the grid node is now the principal site-selection factor, ahead of land and capital.

Maharashtra and Tamil Nadu account for about 65% of installed IT load, while Andhra Pradesh, Telangana, Uttar Pradesh, and Karnataka are emerging markets.

Mumbai's financial-services base, international connectivity, and submarine cable landings make it valuable for latency-sensitive workloads, but land, electricity demand, and water availability constrain expansion.

Concentration also creates a resilience issue, because putting too much capacity in a handful of metropolitan clusters increases exposure to local constraints.

Moving inland can reduce land costs but may require additional investment in fibre, transmission, and supporting infrastructure.

Google's Visakhapatnam project captures this logic: its proposed gigawatt-scale capacity is being paired with an international subsea gateway because computing capacity is only as useful as the networks connecting it to customers, data, and other computing clusters.

The next generation of locations will, therefore, compete on an infrastructure bundle rather than land prices alone - with electricity, fibre, subsea connectivity, cooling, water, and construction timelines forming a single investment decision.

WATER BECOMES PART OF THE AI EQUATION

Water could become the harder constraint in some locations. Data centres can consume considerable quantities depending on cooling technology, while competition for water is likely to intensify as temperatures rise and cities face greater demand from households and industry.

A typical 100 MW hyperscale data centre can consume ~2 million litres of water a day for on-site cooling, although actual use varies sharply with cooling technology, climate, and facility design.

While Visakhapatnam highlights water scarcity, AWS's proposed 422 MW data centre in Thane offers a different example. It includes 193 diesel generators and a projected water use of about 125 kilolitres a day (KLD).

Amazon has clarified that the facility will use no water for cooling: 10 KLD is intended for basic human needs, while 115 KLD of treated sewage water will be used for landscaping and irrigation. Its planned closed-loop cooling system uses no water for cooling. Renewable energy can reduce the carbon intensity of data-centre power but does not by itself solve reliability.

A power purchase agreement can match annual electricity consumption with renewable generation without guaranteeing electricity at the data centre every hour. Storage, grid access, firm generation, and backup capacity will, therefore, increasingly feed into the cost of Indian compute.

WHAT INDIA GETS FROM THE BUILD-OUT

The 10 GW target is an infrastructure milestone, not an economic outcome. The more meaningful test is what those 10 GW allow India to produce, export, digitise, and build domestically.

India did not win the first contest to build the dominant AI models, but the infrastructure race is still open. The opportunity is not simply to become the cheapest place to put somebody else's computers, but to build an environment in which computing can be powered, connected, and operated competitively while a sufficiently large domestic economy captures more of the value generated by those machines.

The global scale is still heavily concentrated in the US and China. Data centres consumed about 415 TWh of electricity worldwide in 2024, with the US accounting for 45%, China 25%, and Europe 15%.

Global consumption is projected to more than double to around 945 TWh by 2030, with the US and China together accounting for nearly 80% of the increase.

Meanwhile, as data centres spread, concerns are emerging across India - from Visakhapatnam, where environmental groups have questioned the proposed Google project's water requirements and proximity to the Kambalakonda Wildlife Sanctuary; to Thane, where residents have raised concerns about power demand, diesel generators, noise, and environmental impact from Amazon's proposed data centre.

These concerns are relevant as such facilities can concentrate enormous resource needs in a single location, even when broader economic benefits are distributed across regions.

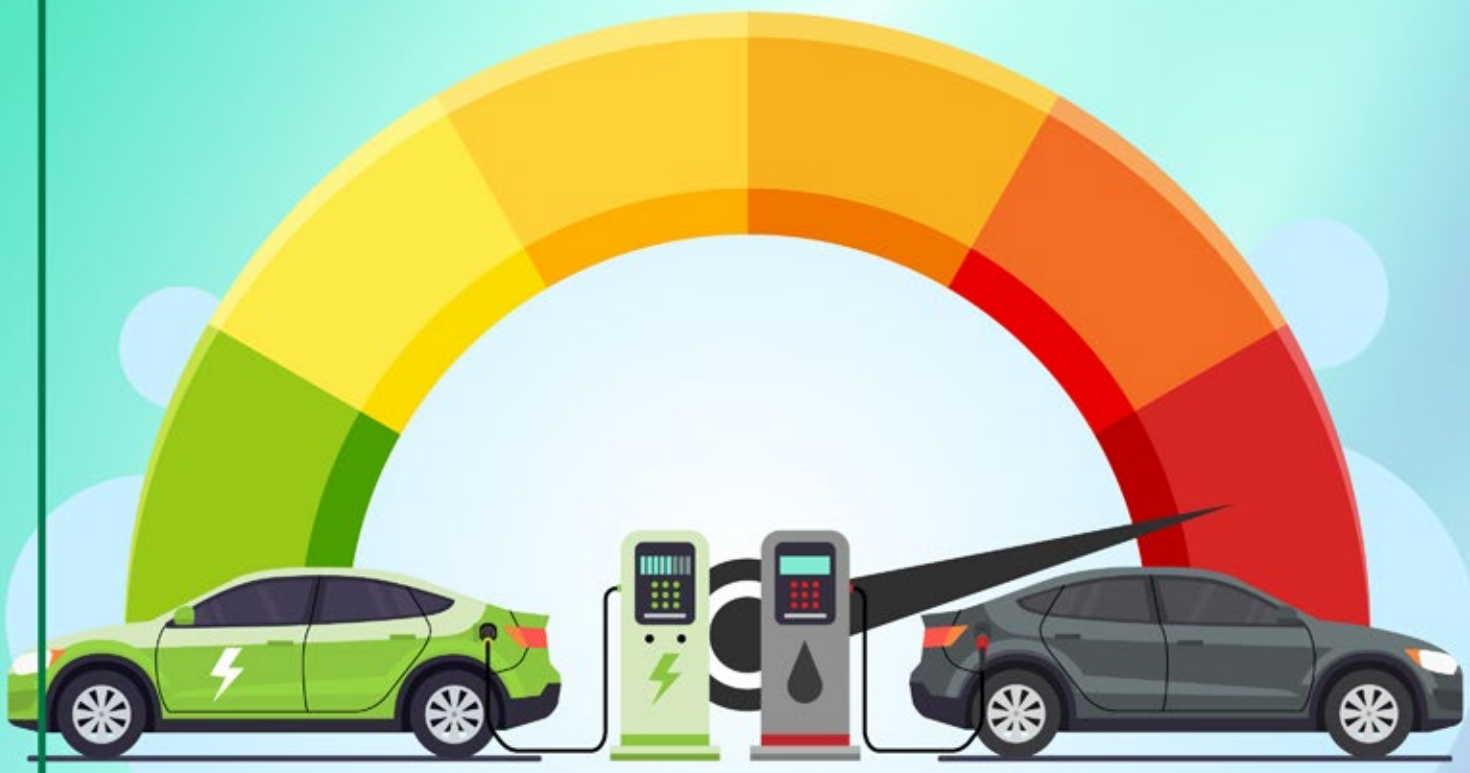
The way ahead is therefore likely to depend on better site selection, transparent assessment of water and power availability, greater use of treated or recycled water, closed-loop and low-water cooling, renewable power backed by storage or firm generation, and investment in transmission and local infrastructure.

For India, the test will be whether rapid capacity expansion can proceed without shifting the infrastructure costs of AI onto already stressed local resources.

The real test of India's second AI opportunity will, therefore, be whether the country can turn roughly 1.75 GW of capacity today into 10 GW by 2030 while simultaneously building the firm power, transmission, storage, water, and connectivity systems needed to keep those machines running - and whether the resulting infrastructure creates an economic ecosystem deeper than the server halls themselveS.

ALTERNATIVE POWER

E20 Uncertainty, Efficiency Concerns, And Expanding Choices Are Forcing Buyers To Rewrite The Automotive Rulebook



Are Indian consumers quietly rewriting the auto market? Buying a car in India once meant choosing between petrol and diesel. That decision is becoming far less straightforward. In August '26, passenger vehicles powered by alternatives to petrol - CNG, hybrids, and electricity - accounted for a larger share of retail sales than petrol-powered vehicles for the first time. The shift was substantial.

The shift was noteworthy. Alternative-fuel vehicles made up 41.95% of passenger-vehicle retail sales, compared with 40.85% for petrol. CNG alone accounted for 25.28%, hybrids for 9.04%, and electric vehicles for 7.63%, while diesel stood at 17.21%. Petrol remained the single largest fuel category, but its dominance is no longer unquestioned.

A BOOMING MARKET EMBRACES CHOICE

This change did not take place in a weak market. Passenger-vehicle retail sales rose 16.14% year-on-year in August to 4,02,398 units. Across all vehicle categories, retail sales reached a record 2.42 million units during the month, up 17.51% from a year earlier. Consumers were not simply postponing purchases or abandoning cars; they were buying a higher volume of vehicles while changing the types of vehicles they chose.

One month does not establish a permanent trend, but August offers a glimpse into how the economics of car ownership are changing. Cost is at the centre of this shift. Indian households look beyond the showroom price when choosing a vehicle. Monthly fuel bills, servicing expenses, and long-term running costs increasingly shape buying decisions.

CNG has long appealed to high-mileage users because of its lower running costs. Electric vehicles can offer savings on energy and maintenance to buyers whose driving patterns and charging access make them practical. Hybrids appeal to consumers seeking better fuel efficiency without relying entirely on charging infrastructure.

A wider range of choices is also changing the market. Alternative powertrains are no longer restricted to a small number of niche models or early adopters. Buyers can now compare CNG, hybrid, and electric options across more price points and vehicle segments. Petrol, consequently, has to compete more actively for the customer rather than remain the automatic default.

FUEL POLICIES AND ECONOMIC REALITY

Fuel uncertainty has added another consideration. India completed its nationwide switch to E20 petrol, a fuel blended with 20% ethanol, on 1st April '26. The policy is intended to reduce dependence on imported oil and support cleaner fuel use, but the transition has also generated debate among motorists, particularly owners of older vehicles.

Concerns have centred on mileage, compatibility, and fuel quality. The government has challenged many of the stronger claims, while India's chief economic adviser has argued that consumers with older vehicles should also have access to a lower-ethanol option such as E10.

POLICY DOUBTS AND GLOBAL OIL PRICES

The technical debate may matter less to a prospective buyer than the uncertainty surrounding it. When motorists are unsure how changes in fuel policy could affect mileage, performance, or running costs, alternatives naturally become more attractive. The Federation of Automobile Dealers Associations has linked the changing sales mix to running-cost considerations, concerns around E20, and the greater availability of alternative-fuel models.

Global oil prices reinforce the same calculation. India imports most of the crude oil it consumes, leaving domestic fuel economics exposed to international price swings. Consumers may not track every movement in Brent crude prices, but repeated periods of high fuel costs have made efficiency a far more prominent factor in purchase decisions.

A MULTI-TECH FUTURE FOR AUTOMAKERS

Much of the discussion around the future of mobility has presented the market as a contest between petrol and battery-powered vehicles. India's numbers point towards a far more nuanced transition. CNG currently commands a much larger share of passenger-vehicle sales than EVs, while hybrids are also gaining ground.

Indian consumers appear willing to choose whichever technology best fits their budget, driving pattern, and access to infrastructure. Instead of moving towards a single replacement for petrol, the market may be moving towards a mix of competing fuel technologies.

AUTOMAKERS ADAPT OR FALL BEHIND

Automakers will have to respond accordingly. Manufacturers can no longer assume that one powertrain strategy will serve the entire market. A company with a strong petrol portfolio but limited CNG, hybrid, or electric options may eventually find itself competing for a smaller share of consumer attention.

Automakers capable of offering several fuel choices on popular models will have the agility needed to respond to changes in fuel prices and consumer preferences without relying on a single technology.

Product development could change as well. Fuel economy, lifetime ownership cost, and flexibility may become the primary selling points for a larger section of buyers.

Engine size and traditional performance measures will still matter, but the winning proposition for many households may increasingly be the vehicle that makes the most economic sense over several years.

ADAPTING SHOWROOMS AND INFRASTRUCTURE

Dealerships will also have to adapt. Selling an electric vehicle requires a different conversation from selling a petrol car. Charging access, battery warranties, and driving patterns become part of the purchase discussion.

CNG buyers are more likely to focus on fuel availability, boot space, and running costs, while hybrid customers may want to know whether fuel savings will offset higher purchase costs.

As the market spreads across several powertrains, the showroom experience becomes less about choosing a model and more about choosing the form of ownership that best fits the buyer's needs.

Energy companies face a similar adjustment. Petrol will remain a major part of India's transport system for years to come. The country has a vast installed base of conventional vehicles, and petrol still leads every individual passenger-vehicle fuel category.

Even so, the direction of new sales matters. A growing share of vehicles running on CNG, electricity, or hybrid systems could gradually distribute transport energy demand across a wider range of sources.

New commercial opportunities will emerge alongside this shift. Gas distribution networks, charging providers, battery services, electricity utilities, and fleet operators all stand to gain from a mobility market that was once dominated primarily by oil companies and petrol pumps. Competition is expanding beyond the vehicle itself to encompass the surrounding infrastructure and services.

THE ROAD AHEAD

Several constraints remain. Discounts, new model launches, supply conditions, and seasonal buying can influence monthly sales.

Charging infrastructure remains uneven across the country. CNG stations are not equally accessible in every market.

Hybrids can carry a higher upfront cost, while EV economics depend heavily on usage patterns and charging

availability. Petrol, therefore, remains the simplest and most practical choice for many buyers. August's numbers are nevertheless difficult to ignore. In August '25, petrol accounted for 46.37% of passenger-vehicle retail sales.

CNG, hybrids, and EVs stood at 21.47%, 7.96%, and 5.83%, respectively. Within a year, the combined share of alternative-fuel vehicles had caught up with and surpassed petrol.

The most important change may not be the victory of one technology over another. Indian consumers now have enough credible alternatives to make very different choices from those available only a few years ago.

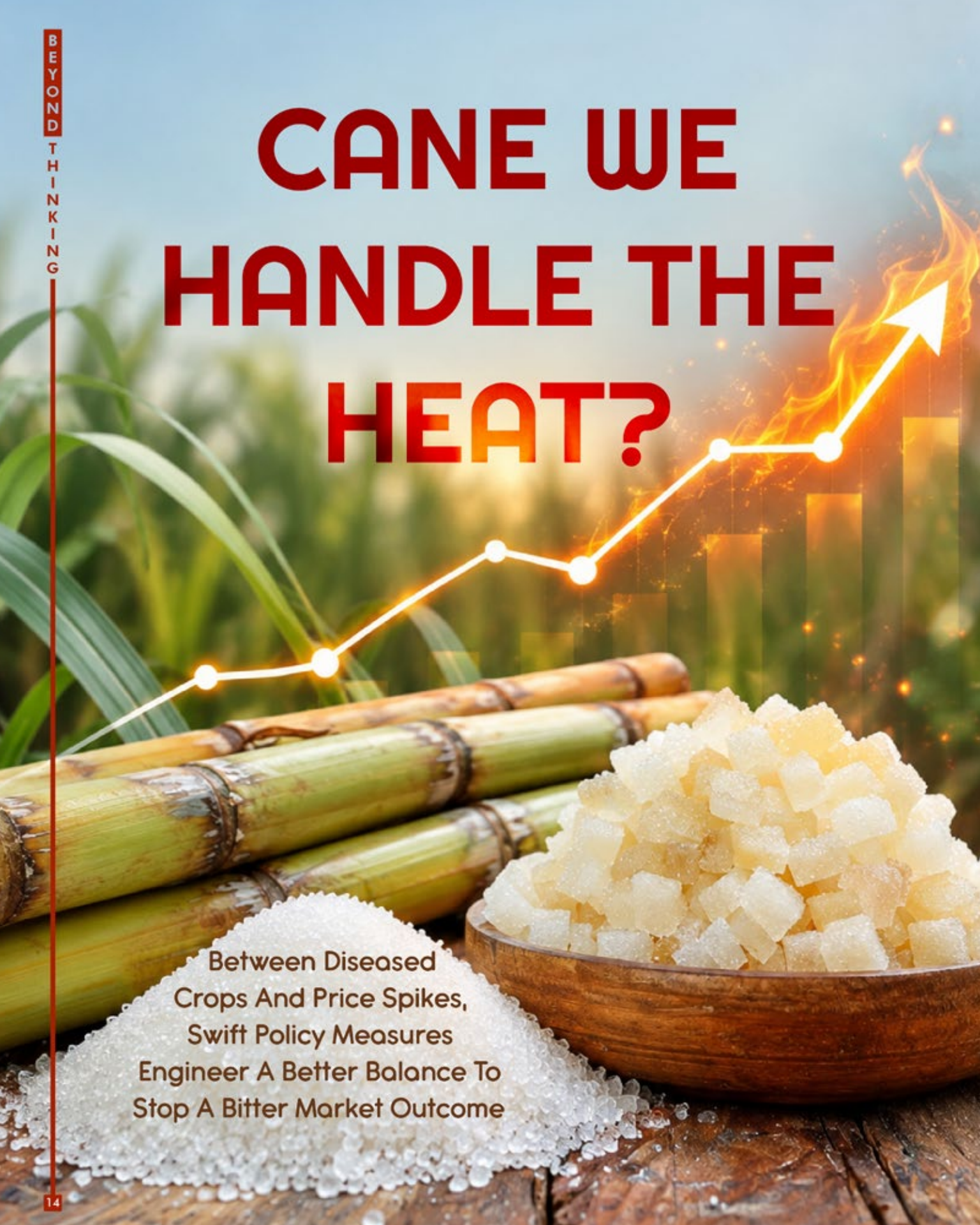
Automakers will have to compete across several technologies at once. Energy companies will need to prepare for transport demand distributed across petrol, gas, and electricity. Policymakers will have to account for a transition that may not follow a neat or predictable path.

Buyers, too, are no longer automatically choosing petrol cars. They are weighing what works best for them - price, convenience, fuel availability, and the cost of running the vehicle.

The difference in August may have been small, but it points to a transformative shift in India's auto market.



CANE WE HANDLE THE HEAT?



Between Diseased Crops And Price Spikes, Swift Policy Measures Engineer A Better Balance To Stop A Bitter Market Outcome

Domestic sugar prices are witnessing a high level of volatility. After surging to more than ₹65 per kilogram in August, ex-mill sugar prices dropped back towards previous baseline levels of around ₹44 per kilogram. Retail prices have also started to cool, although with some lag.

The recent swing in sugar prices was due to a combination of factors: tight supplies, inventory hoarding, and festive demand. Because sugar is a politically sensitive subject, the government quickly announced a few measures to control the short-term price surge and curb commodity hoarding. Consequently, a stock limit of 400 tonnes has been imposed on sugar dealers across the country until 30th Nov '26. Furthermore, from 1st Sept '26 onwards, bulk consumers will not be permitted to hold sugar stocks exceeding 15 days of consumption.

Most importantly, after almost a decade, the government has permitted the duty-free import of 1 million tonnes (MT) of raw sugar to augment domestic availability. Also, some states and sugar mills have been advised to advance the crushing season to 15th Oct '26 onwards, which would otherwise have started in late November or early December. To recall, in May this year, anticipating a production shortage, the government banned the export of sugar until 30th September.

Most analysts are of the view that while recent government measures have reduced near-term anxiety in the sugar market, they do not negate the underlying tight supply situation. Tighter supply is expected to support sugar prices, which is favourable to sugar mills. The industry and the government are now closely tracking the impact of the monsoon and cane availability for the next crushing season.

TIGHTER SUPPLY

Sugarcane production in India has recently been affected by two factors: red rot and top borer disease. Moreover, waterlogging caused by excess rainfall in some key cane-growing regions has led to lower production. These difficulties have posed challenges in estimating overall sugar output.

As a result, India's net sugar production is estimated at around 28 MT for the 2025–26 sugar season (SS26 – October to September). This is broadly in line with domestic consumption. The new figures contrast sharply with the much higher initial estimate of around 34 MT. In recent years, even as demand has stayed robust, sugar production has been lower, leading to reduced sugar inventories in the supply chain.

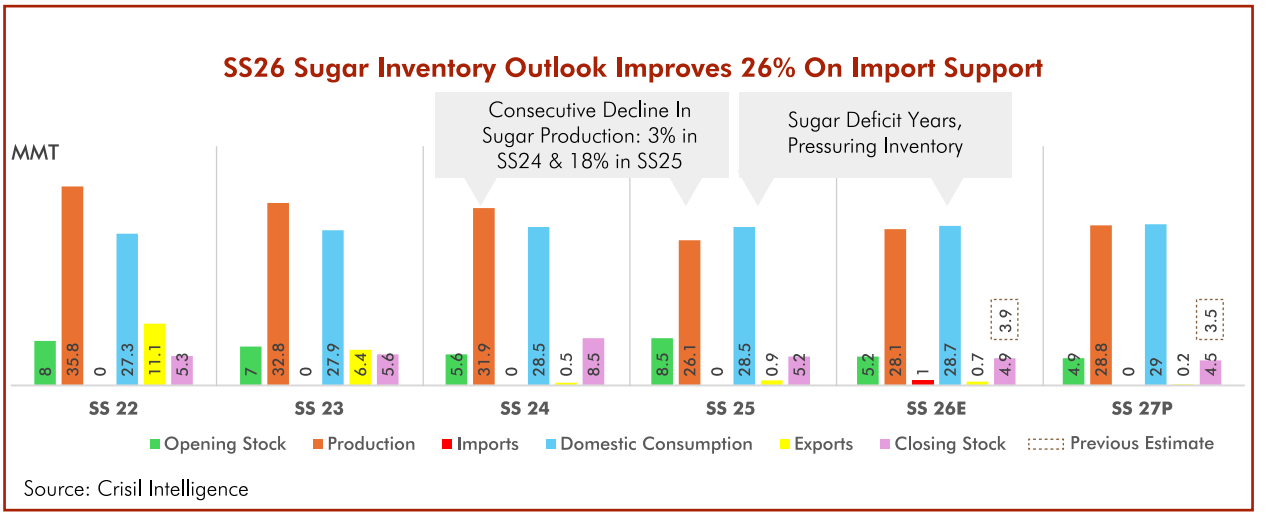
Consequently, India's sugar inventory is estimated to fall to a multi-year low of around 4.5 MT at the end of SS26. This is below the normative requirement of around 5.5 MT. However, with the duty-free import of 1 MT now allowed by the government, stock levels will revert to normative requirements.

ETHANOL DIVERSION – A CULPRIT?

While allowing imports may be a one-time fix, is the sugar production deficit structural in nature? Many have cited the diversion of sugar equivalent towards ethanol production as one of the key reasons for the current price rise.

According to Crisil Ratings, ethanol diversion has increased consistently over the past five years, rising from around 0.8 MT in SS20 to more than 3 MT in SS26. It will increase further in SS27, given the government's Ethanol Blending Program (EBP).

However, the government has clarified that ethanol blending will not lead to any shortage of sugar for domestic consumption. In anticipation of a sugar deficit, the proportion of sugar diverted to ethanol production has already fallen



Source: Crisil Intelligence

from 12% in 2022–23 to around 9% in 2025–26.

Moreover, the overall ethanol blending program - where the government mandates that petrol be mixed with 20% ethanol by volume - will not suffer. This is because nearly three-fourths of India's ethanol now comes from grains, particularly maize.

Crucially, the government's EBP, which aims to reduce dependence on fossil fuels and enhance the country's energy security, transcends temporary volatility in sugar prices. In fact, the diversion of excess sugar towards ethanol has helped address structural surpluses of production in the past and improved the financial health of sugar mills.

Historically, during years of surplus production, excess sugar stocks would block the funds of sugar mills and delay payments to sugarcane farmers. Ethanol diversion helps the sugar sector become more self-reliant and rely less on government support. The program also supports farmers by providing them with a stable source of income.

HIGHER, BUT SUPPORTIVE PRICES

While the EBP supports farmers and aids sugar mills with cash flow, what about end consumers? Higher sugar prices are good for sugar mills' realizations but bad for consumers.

However, sugar prices have remained stable over the last few years, barring the current period of volatility. Sugar prices rose by only about 3% annually between August '24 and July '26.

Nonetheless, prices are expected to grow at a steadier rate in the near future. Here are a few reasons supporting that assumption:

• **Global Prices:** The current sugar price surge in India has coincided with rising global prices. The global sugar deficit for 2026–27 is estimated at around 3.3 MT. After trading at a five-year low in February '26, international sugar prices rose sharply from US $474 per tonne on 30th Jun '26 to US $552 per tonne on 20th Aug '26, amid tightening supplies and heightened energy market volatility due to the West Asia crisis. Ratings agency Ind-Ra expects a combination of weather-related production risks, rising input costs, changing ethanol-sugar economics, and policy interventions across key producing regions to narrow global sugar availability.

• **Fair and Remunerative Price (FRP):** The FRP for sugarcane - the minimum price that sugar mills are legally mandated to pay farmers - for the 2026–27 sugar season has been set at ₹365 per quintal by the government. This is ₹135 higher than the FRP for the 2016–17 sugar season. A high FRP translates to higher cost structures for mills, which indirectly underpins baseline sugar prices.

IN A NUTSHELL

Given high FRP, production costs for mills have been on

the upside. Diversification to ethanol and exports support mills' cash flow and profitability. Ratings agency Crisil expects integrated sugar mills to record only a modest margin expansion of around 50 basis points for SS26, despite a sharp increase in sugar price realizations.

On the other hand, profitability in the distillery and cogeneration segments is expected to remain broadly stable, supported by steady ethanol prices.

There have been calls by industry bodies for an upward revision of the Minimum Selling Price (MSP) - below which no mill can sell sugar, effectively setting the price floor - to upwards of ₹41 per kilogram to aid mill profitability.

The MSP was last fixed at ₹31 per kilogram at the factory gate in 2019, since which production costs and the FRP have risen markedly. It is important to note that as of 20th Aug '26, 97% of sugarcane dues for the 2025–26 sugar season had already been paid to farmers. This reflects the improved financial position of sugar mills and their reduced dependence on government bailouts.

With timely policy intervention, the government has effectively balanced consumer interests, timely farmer payments, and industry viability. The current volatility in sugar prices largely reflects short-term market factors rather than a shift in fundamentals of the sector.

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INDIA TUNES IN TO HOLLYWOOD



Year 2026 Is Turning Out To Be The Year Hollywood Releases – From Superhero Epics To Genre-Bending Surprises – Captured The Hearts (And Wallets) Of Indian Moviegoers

n the past two years, one of the most intriguing shifts India's entertainment industry has seen is the growing popularity of Hollywood films among Indian audiences. For many years, foreign movies, especially Hollywood releases, were mainly watched by people in large cities and by those who were fluent in English.

In smaller cities and towns, most people preferred Indian films because they were available in local languages and dealt with relatable subjects. Hindi, Tamil, Telugu, Malayalam, Kannada, Bengali, Marathi, and other regional films were closely connected to local culture, family life, traditions, and emotions.

Many believed that Hollywood films, with their foreign settings and English language, could never become a major part of India's movie culture. But this notion has shifted dramatically. Let us understand why the share of Hollywood films in India's total box-office collection will hit an all-time high in 2026.

FROM NICHE FOREIGN IMPORT TO EVERYDAY BLOCKBUSTER

Today, Hollywood films have become an indispensable segment of the Indian cinema market. Large Hollywood movies are no longer treated simply as foreign films being shown in a few selected theatres. Big studios now see India as a pivotal market. They carefully plan their releases, advertising, ticket sales, language versions, and promotional activities for Indian audiences.

Indian viewers, especially younger people, have also become increasingly attuned to international entertainment through television, the internet, social media, and streaming platforms. As a result, a movie made in the US can create excitement in India almost simultaneously with its Western release.

DINOS, SHIPWRECKS, AND THE MAGIC OF CGI

Films such as Jurassic Park, Titanic, The Mummy, and later The Lord of the Rings attracted large numbers of Indian viewers. These movies showed audiences something that was sometimes difficult to find in Indian cinema at that time: immense visual effects, huge action scenes, imaginary worlds, and advanced technology.

Titanic is a particularly notable example. Released internationally in 1997, the film became a worldwide cultural event. It was not simply an action movie. It combined romance, history, tragedy, and spectacular visuals. Indian audiences connected with the emotional story. The success of Titanic showed that a Hollywood film could cross cultural boundaries when it contained a strong human story.

The success of Jurassic Park was another defining moment. The film was released in 1993 and introduced millions of viewers around the world to a new level of computer-generated dinosaurs and visual effects. For Indian audiences, dinosaurs were a major attraction. The movie proved that spectacular visuals could bring people into theatres even when the story was set in a world very different from their own. The film became an example of how technology could become a language understood by audiences across countries.

LOST IN TRANSLATION NO MORE: BREAKING THE VERNACULAR BARRIER

Over time, Hollywood studios became far more attentive to the Indian market. Instead of releasing their movies in only a few English-language theatres, studios began expanding screen counts and releasing movies in Indian languages. Hindi dubbing became common. Subsequently, major films were also released in Tamil, Telugu, and other languages. This was a crucial change,

because language had been one of the biggest barriers between Hollywood and the average Indian viewer.

Over the years, Marvel films provided extended innings for Hollywood films in India. The Marvel Cinematic Universe created characters such as Iron Man, Captain America, Thor, Spider-Man, and the Avengers. These characters became popular among Indian audiences, particularly young viewers. The movies were released with extensive dubbing and promotion. Audiences connected with these stories. Films such as Avengers: Endgame and Avatar showed the power of visual technology.

UPGRADING THE SENSES: THE MULTIPLEX & STREAMING REVOLUTION

The growth of multiplexes has played a transformative role in the popularity of Hollywood films in India. Earlier, many Indian movie theatres had basic screens and sound systems. As multiplexes expanded, especially in large cities and later in smaller cities, the movie-going experience changed.

Modern theatres offered large screens, better sound, comfortable seats, 3D technology, and premium formats such as IMAX. This development helped Hollywood because many Hollywood blockbusters are designed to be experienced on a large screen. Explosions, spaceships, superheroes, dinosaurs, racing cars, and fantasy worlds become much more impressive when they are shown on a huge screen with powerful sound. Indian audiences began to see cinema not only as a way of watching a story, but also as an experience.

The growth of streaming services has triggered another major change. Platforms such as Netflix, Amazon Prime Video, Disney+, and others have made international movies and television shows easily available to Indian viewers. People can now watch films from America, Korea, Japan, Spain, Britain, and many other countries from the comfort of their homes.

This has reshaped people's expectations. Indian viewers are now exposed to different types of storytelling. They compare Indian movies with films and series from around the world. They have become more familiar with international actors, directors, genres, and production styles. This does not mean that viewers automatically prefer foreign content. Instead, it means that they have more choices.

LOCAL FLAVOUR, GLOBAL HYPE: SPEAKING THE AUDIENCE'S LANGUAGE

Hollywood studios have also learned that Indian audiences cannot simply be treated as a copy of Western audiences. India has its own culture, traditions, languages, and movie preferences. Studios, therefore, increasingly use local marketing methods. They may work with Indian celebrities, social media creators, and local influencers. They may release trailers and promotional material in different Indian languages. Sometimes Hollywood actors visit India to promote their movies. This type of marketing helps create a feeling that the Indian audience is part of the global event.

The future of Hollywood in India will also depend on the growth of movie theatres outside the largest cities. India has a huge population living in smaller towns and cities. As more modern theatres open in these areas, more people will have access to premium movie experiences. Affordable tickets, local-language dubbing, better transportation, and stronger distribution networks can bring international movies to audiences who previously had fewer opportunities to watch them.

TOUGH CRITICS AND BIG TICKETS: THE 2026 BOX-OFFICE SURGE

Indian audiences have also become more demanding. In the past, the presence of a famous Hollywood character or a large special-effects budget might have been enough to attract attention. Today, audiences quickly share their opinions online. If a movie has a weak story, poor acting, or a disappointing ending, social media can spread negative reactions within hours. A famous brand alone cannot guarantee success.

This year, Hollywood films have performed exceptionally well. There have been several major box-office triumphs. According to a study by Ormax Media, a media and

entertainment research firm, Hollywood films collected ₹1,424 crore in India during the first seven months of 2026. This is close to the record collection of ₹1,595 crore achieved in 2019. These include the success of films such as Obsession, Michael, Project Hail Mary, The Odyssey, Evil Dead Burn, The Devil Wears Prada 2, The Mummy, and Spider-Man: Brand New Day.

According to media reports, producers, distributors, and film trade analysts estimate that international films could contribute 20%–25% of India's total box-office collections this year. If this happens, it would be higher than the record share of 15% held by Hollywood films in India's total box office in 2019.

The success of these Hollywood films lies in their appeal across different genres. Biopics and epic films such as Michael and The Odyssey have attracted audiences, while original films such as Project Hail Mary and Obsession have also performed well. At the same time, popular franchises such as Spider-Man: Brand New Day and Evil Dead Burn have benefited from loyal audiences.

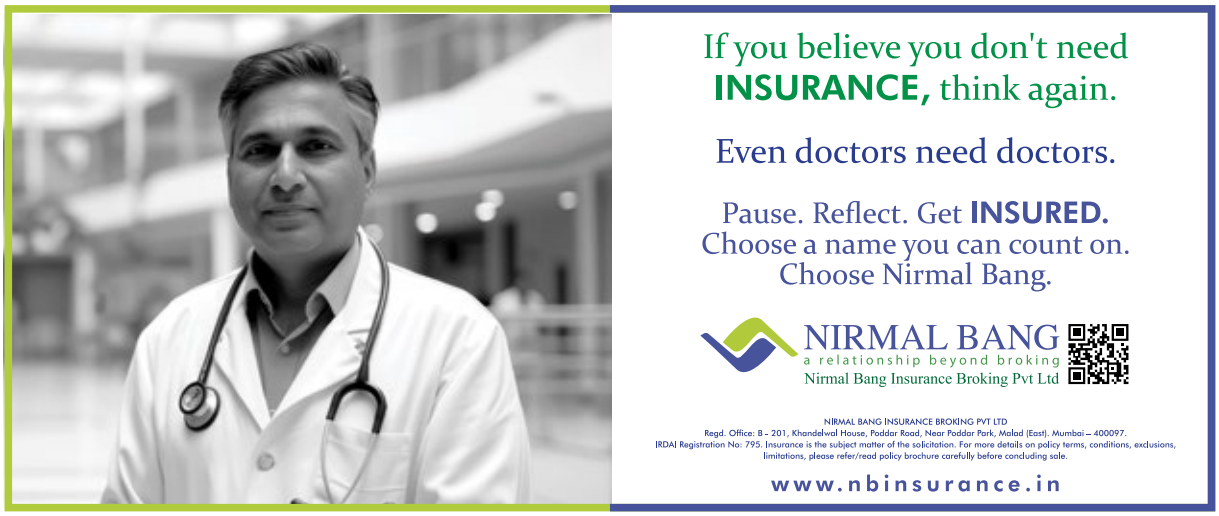
The share of international films in India's total box-office collections fell from 15% in 2019 to 9% in 2023. It then recovered to 10% in 2025. According to Ormax Media, this share increased further to 17% between January and July '26. Industry experts expect the share of Hollywood films to cross 20% by the end of the year.

THE MAIN EVENT: BLOCKBUSTERS ON THE HORIZON

The strong performance could continue in the remaining part of 2026. This is largely because of big-spectacle films. Films such as Avengers: Doomsday, Dune: Part Three, Godzilla Minus Zero, and Jumanji: Open World are a few prominent examples.

The success of Spider-Man: Brand New Day has already raised expectations for these films. Avengers: Doomsday is expected to deliver an extraordinary box-office run. The film has already collected $100 million globally in advance bookings. Then, there is Dune: Part Three, which could also benefit from its IMAX release.

On the whole, it is clear that Hollywood films are no longer distant events which reach Indians long after their Western counterparts have enjoyed them. In fact, today, Hollywood films act as real-time global cultural exchanges that are savoured and thoroughly appreciated by Indian cinephileS.



THE PAPER FORTRESS

When Margin Calls Came Due, Subhash Chandra's Empire – The Essel Group – Found Out The Hard Way That Paper Promises Don't Count As Cash



The financial world often teaches its most profound lessons when things go wrong. When share prices are rising and companies are announcing new projects, investors become confident. But the real strength of a company becomes clear in how it repays its debt.

One recent example from India's corporate history is the debt crisis connected with Subhash Chandra, the founder of the Zee Group and Essel business empire. His experience shows how large sums of borrowing, personal guarantees, pledged shares, and complicated business structures can create problems not only for business owners and banks, but also for shareholders.

A key question that arises is: what are the key learnings investors can take away from this issue?

THE ISSUE

A company may have a well-known brand, a long history, and an ambitious founder. But investors still need to look carefully at the company's debt, cash flow, and overall financial structure. The Essel Group grew into a large business group with interests in media and entertainment through Zee. However, it also expanded into several unrelated businesses.

Over the years, companies associated with the Group entered sectors such as infrastructure, solar energy, packaging, and other industries. These sectors require huge capital to sustain operations. Companies need money to buy land, build factories, install equipment, develop projects, and pay workers before these projects start generating enough revenue.

An easy way of arranging huge sums of money is through borrowing from banks and other financial institutions. Borrowing itself is not necessarily bad. In fact, many successful companies use debt to grow. If a company borrows ₹100 crore to build a factory and the factory later generates enough profit to repay the loan, the strategy works well up to that point. But the problem begins when a company borrows too much or depends on new loans to repay old loans. This is called leverage.

In simple words, leverage means using borrowed money to increase the size of a business. It can increase profits when everything goes well, but it can also magnify losses when things go wrong.

For example, imagine a person earns ₹10 lakh a year and borrows ₹50 lakh to buy several properties. If property prices rise and rent is strong, the person may make a lot of money. But if property prices fall, tenants disappear, and interest rates rise, the same debt can become a serious problem.

The person still must repay the loan even though the value of the property has fallen. Large companies face the same basic problem - only on a larger scale.

THE GUARANTOR'S NUANCE

In some cases, banks do not believe that a company's assets are enough to protect their loans. They may, therefore, ask promoters or founders to provide a personal guarantee. A personal guarantee is basically a promise by an individual that if a company does not repay a loan, the individual may also become responsible for repayment, subject to the terms of the guarantee and applicable law.

At first, such a guarantee can look very reassuring. A bank may think that the founder is personally standing behind the company. Investors may also think that the founder has enough wealth and will, therefore, protect the business. But this can create a dangerous misunderstanding. A personal guarantee is a legal commitment; it is not a

guarantee that liquidity will always be available.

Suppose a businessman owns shares worth ₹5,000 crore and gives a personal guarantee for loans of ₹10,000 crore. If the share price of his company later falls by 80%, the value of his shares falls to ₹1,000 crore. Other businesses owned by him may also lose value. At that point, the person's personal wealth may be nowhere near enough to cover the amount promised under the guarantees.

This is one of the most critical lessons from the financial problems surrounding Subhash Chandra and businesses associated with the Essel Group.

As financial pressures increased, pledged shares became an important part of the story. When shares are pledged, the owner uses those shares as security for borrowing. If a borrower fails to meet its obligations, the lender may have rights over the pledged shares under the relevant agreements and law.

Share pledging can be useful when used carefully. It is not automatically a sign that a company is bad. It becomes problematic when promoters pledge a very large portion of their holdings or repeatedly use shares to support large amounts of borrowing.

The problem becomes even more serious when a company's share price falls. Imagine that a promoter owns 100 shares, each worth ₹100. The total value is ₹10,000. The promoter pledges those shares and borrows ₹5,000. If the share price falls to ₹50, the shares are now worth only ₹5,000. The lender's protection has turned weaker.

The lender may then demand more security or take steps to sell the pledged shares, depending on the agreement. If many pledged shares are sold in the market, the share price can fall further. A lower share price can create even more pressure, resulting in a damaging cycle: falling prices lead to selling, selling causes a further decline in price, and further declines create additional financial pressure.

A HISTORICAL PERSPECTIVE

History provides several examples of how excessive debt can damage businesses. The global financial crisis of 2008 is one of the clearest examples. Banks and financial companies had taken on enormous amounts of debt and had invested heavily in assets whose values later fell.

When confidence disappeared, companies that looked powerful only a short time earlier suddenly faced serious financial problems. Lehman Brothers, a major American investment bank, collapsed in September '08 after it could no longer manage its financial obligations.

India has also seen many examples of companies struggling under heavy debt. The collapse of the Infrastructure Leasing & Financial Services (IL&FS) group in 2018 was another major warning. IL&FS had borrowed heavily to finance infrastructure projects. When some parts of the group faced difficulties in meeting payments, the problem spread through the financial system. This shows how problems at a large and complicated business group can affect banks, investors, mutual funds, and other companies.

These examples do not mean that every company with debt will fail. Debt can be useful when it is kept at a manageable level and supported by strong cash flows. The important question for an investor is whether the company can comfortably repay what it has borrowed.

This brings us to another important difference: corporate liability and personal liability. A company is a separate legal entity from its shareholders and directors in many circumstances. Mostly, a company is responsible for its own debts. But when a promoter provides a personal guarantee, the promoter can become personally exposed as per terms of that guarantee.

When a company gets into serious financial trouble, insolvency proceedings can turn complicated. Creditors, lenders, shareholders, courts, management teams, and insolvency professionals may all become involved.

In India, the Insolvency and Bankruptcy Code, 2016, created a legal framework for dealing with insolvency and trying to resolve financially troubled companies. Personal guarantors to corporate debt can also face insolvency proceedings.

The Essel-related disputes showed how complicated these situations can become. Large claims against a guarantor do not automatically mean that creditors will recover the same amount. The final recovery depends on many factors.

These include a person's available assets, the legal process, competing claims, settlements, and the terms of relevant agreements. A very large guarantee on paper can, therefore, result in a much smaller actual recovery.

THE LESSONS

This is an key warning for investors. They should never assume that a promoter's personal guarantee will protect the value of their shares. If a company fails to repay its debt, then shareholders do not automatically become creditors with a guaranteed right to recover their money.

Equity is fundamentally different from debt. A shareholder owns a part of a business and participates in its upside. But a shareholder also faces the risk of losing a large part/ even all their investment.

Another lesson is to look beyond a company's famous brand. Sometimes, investors are emotionally attached to well-known names. A company may have millions of customers and a respected brand, but its financial statements may still reveal severe risks. Companies that appeared powerful on certain metrics may have had weak balance sheets.

This is why investors should study cash flow and debt rather than focusing only on revenue or profits. Profit in an income statement is important, but cash is what pays salaries, interest, suppliers, and lenders. A company can report accounting profits and still face cash shortages if too much money is tied up in projects, receivables, or other assets.

Investors should also see how a business group is structured. Large groups may have many companies that borrow money from banks and lend money to other group companies. These groups may have companies that provide guarantees. These arrangements can make it difficult for an investor to understand where the real financial risk lies.

Kingfisher Airlines, once one of India's largest airlines, is another example of the perils of debt and business expansion. The airline, owned by Vijay Mallya, became a major brand, but it struggled with heavy financial losses and debt. The company eventually stopped operations in 2012. The episode shows how a popular brand and ambitious expansion cannot compensate for a business model that cannot generate enough cash for its financial obligations.

For investors, the lesson is not that ambitious companies should always be avoided. Innovation and expansion are necessary for businesses to grow. The lesson is that growth should be supported by a strong financial foundation.

If a company constantly needs new borrowing just to survive, investors need to know why. Promoter share pledging deserves special attention.

Before buying a stock, investors can check company filings and exchange disclosures to see how much of the promoter's shareholding has been pledged.

They should also look at whether the percentage is increasing or decreasing over a given period. A falling pledge level can mean either some borrowings have been repaid or pledged shares have been released.

It is also useful to ask why a promoter is pledging shares. If the money is being used for the company's productive growth and the borrowing is manageable, then the situation may be different from a promoter pledging shares to support unrelated businesses or to meet urgent financial obligations.

The most important point is that no single financial number should be used by itself. Debt, promoter pledging, cash flow, interest costs, related-party transactions, corporate guarantees, and the overall business structure should be looked at together.

The experience connected with Subhash Chandra and the Essel Group adds another important lesson: a personal guarantee may look powerful during good times, but its value depends on the guarantor's actual ability to pay when things go wrong. A signature cannot create wealth that no longer exist**S.**

Weeds In The Wealth Garden

Opportunity Cost Becomes The Ultimate Drag On A Compounding Engine When An Investor Refuses To Cut Laggard Positions



Reflecting on Berkshire Hathaway's history, Warren Buffett has explained that people usually expect him and Charlie Munger to confess to visible blunders, like overpaying for a business.

However, their costliest errors never showed up as realized losses on a balance sheet. Instead, they were "mistakes of omission rather than commission" - moments when capital remained tied up in mediocre holdings while high-performing compounding engines sailed right past them.

In today's investment landscape, millions of ambitious retail investors make this exact error. The Indian retail investor is exceptionally disciplined when it comes to avoiding visible ruin. You worry deeply about market crashes, volatile mid-caps, and capital loss. But while you watch the front door for visible thieves, a far more dangerous bandit is slipping out the back window.

That bandit is Opportunity Cost - the invisible tax you pay every time you hold a mediocre investment simply because you refuse to take a loss, or because the position feels "safe."

THE ANATOMY OF AN INVISIBLE MISTAKE

Human psychology is wired with a peculiar flaw: we feel the pain of a loss twice as acutely as the pleasure of an equivalent gain. Psychologists call this phenomenon loss aversion. In Dalal Street terms, an investor will gladly hold a stagnant PSU stock or an underperforming legacy textile manufacturer for seven years, waiting for it to "just break even," while passing up the compounding machines sitting right in front of them.

If you buy a stock at ₹500 and it drops to ₹300, your portfolio statement shows a clear ₹200 loss. It is painful. However, if you hold a stagnant stock at ₹500 for five years while the broader economy compounds at 12% to 15%, your contract note shows a ₹0 loss. You congratulate yourself on "not losing money."

In reality, you have suffered a catastrophic loss of capital velocity. Capital is like arable farmland. If you own ten acres of fertile soil in Punjab, you wouldn't leave eight acres covered in weeds just because clearing them demands effort. You would plant high-yield crops on every square inch.

"Opportunity cost is the formidable filter that upside potential must cross. Most people compare an investment to cash. We compare every investment to our best existing idea," said Charlie Munger, legendary investor and Vice Chairman of Berkshire Hathaway.

Charlie understood this better than anyone. Cash isn't your baseline benchmark; your best opportunity is your baseline benchmark. If you hold a business earning an 8% return on capital when you could redeploy that capital into a high-moat business compounding at 20%, you aren't playing it safe. You are burning 12% per year in unseen opportunity.

A TALE OF TWO INDIAN PORTFOLIOS: THE 10-YEAR REALITY CHECK

Consider a simple, real-world example of how this invisible tax plays out over time.

Take two hypothetical investors in 2014, Ramesh and Suresh, each possessing a capital pool of ₹1,00,00,000 (₹1 Crore).

Ramesh's Approach (The Loss-Averse Anchor): Ramesh invested ₹50 lakhs in a high-quality private sector bank boasting a robust moat and digital advantage. His remaining ₹50 lakhs went into a legacy public-sector industrial enterprise that was struggling with low pricing power and structural inefficiencies. After three years, his banking stock doubled, whereas the industrial stock fell by 30%. Reluctant to book a ₹15 lakh

loss, Ramesh declared: "I'll sell it once it comes back to my purchase price." He held it for the full decade.

Suresh's Approach (The Capital Reallocator): Suresh bought the exact same portfolio in 2014. However, three years in, he evaluated both businesses purely on future return potential, disregarding his original purchase price. Seeing that the legacy industrial firm generated a dismal 6% Return on Capital Employed (ROCE), he cut his losses, swallowed the ₹15 lakh hit, and redeployed the remaining ₹35 lakhs into the same compounding private bank.

Ramesh feels proud that his legacy stock eventually crawled back close to its purchase price. He believes he "didn't lose anything." Meanwhile, Suresh walks away with over ₹1.75 crores of additional wealth - all because he treated his capital as a dynamic resource rather than a historical anchor. Ramesh didn't lose money on paper; he lost a fortune in compounding time.

THE POWER OF PRUNING IN BULL MARKETS

When the tide is rising, even a leaky boat floats. In a strong Indian bull market, market liquidity can temporarily mask bad businesses. Prices rise across the board, giving investors a false sense of security about their worst holdings. This is precisely when the disciplined investor acts. Bull markets offer a rare, forgiving window to perform portfolio surgery. They provide liquidity to exit mediocre businesses at respectable prices, allowing you to reallocate capital into secular growth engines before the next market cycle tests balance sheets.

"In the short run, the market is a voting machine, but in the long run, it is a weighing machine."- Benjamin Graham.

Benjamin Graham taught us that price is what you pay, but value is what you get. In a buoyant market, the "voting machine" often overprices low-grade businesses based on short-term sentiment. If you hold a basket of businesses with low pricing power, high debt, or weak management, a bull market isn't a reason to hold on - it is a gift. It is your opportunity to exchange low-weight assets for true heavyweights.

THE RULES OF OPPORTUNITY COST ALLOCATION

To master opportunity cost, you must rewire your daily portfolio assessment. Here are five practical principles for Indian investors looking to eliminate this silent tax:

Rule 1: The "Sunken Anchor" Rule

Forget what you paid for a stock. The market is unaware that you own it, nor does it care what prices is stamped on your buy contract. Every morning, ask yourself: "If I held this entire portfolio in cash today, would I buy these exact businesses at these exact prices?" If the answer is no, holding them is mathematically identical to buying them today.

Rule 2: Measure By ROCE, Not Price Charts

Focus on the underlying engine of the business. A company consistently generating a 20%+ Return on Capital Employed (ROCE) without financial engineering will almost always outperform a cheap stock sitting in a secularly challenged sector. Do not trade business quality for statistical cheapness.

Rule 3: Cultivate The Courage To Concentrate

Great investment ideas are rare. When you find a business with a wide economic moat, exceptional management, and decades of runway in India's expanding economy, do not dilute it with twenty mediocre ideas merely for the sake of diversification.

"Diversification is protection against ignorance. It makes little sense if you know what you are doing."- Peter Lynch.

Peter Lynch knew that your top five ideas will almost always carry the heavy lifting on your wealth creation. Tending to a garden of 50 stocks where half are neglected weeds will only guarantee average results.

Rule 4: The "24-Hour Capital Reallocation" Test

Every single rupee sitting in a mediocre holding is capital actively withheld from your highest-conviction compounder. If you wouldn't buy a stock today with fresh cash, holding it is identical to

repurchasing it right now. Force yourself to ask: "If I liquidated this laggard today, would I re-invest it here or put it straight into my top idea?" If the answer isn't this stock, sell within 24 hours.

Rule 5: The "Regret Minimization" Standard (Jeff Bezos)

Jeff Bezos built Amazon using the Regret Minimization Framework, projecting himself to age 80 to eliminate future remorse. In investing, your deepest regret won't be taking a small loss on a stagnant stock; it will be enduring paralysis. Holding mediocre assets out of inertia starves your portfolio of generational wealth. Choose the path that minimizes your 80-year-old self's regret: dump the laggards and back your highest-conviction compounders today.

THE ULTIMATE YARDSTICK

Investing is not the art of avoiding every loss; it is the discipline of maximizing the productive power of your capital over a lifetime. India is currently witnessing one of the greatest economic transformations in modern history. The tailwinds behind domestic consumption, infrastructure, and financialization are unprecedented. In such an environment, the cost of holding capital in stagnant, uncompetitive businesses is far higher than it was a generation ago.

The next time you review your portfolio, do not just look at the green and red numbers on your broker statement. Look at the capital tied up in mediocrity, and ask yourself what that capital could achieve if placed in the hands of India's finest compounders. Cut your losses, trim your laggards, and let your capital run where it can truly groW.

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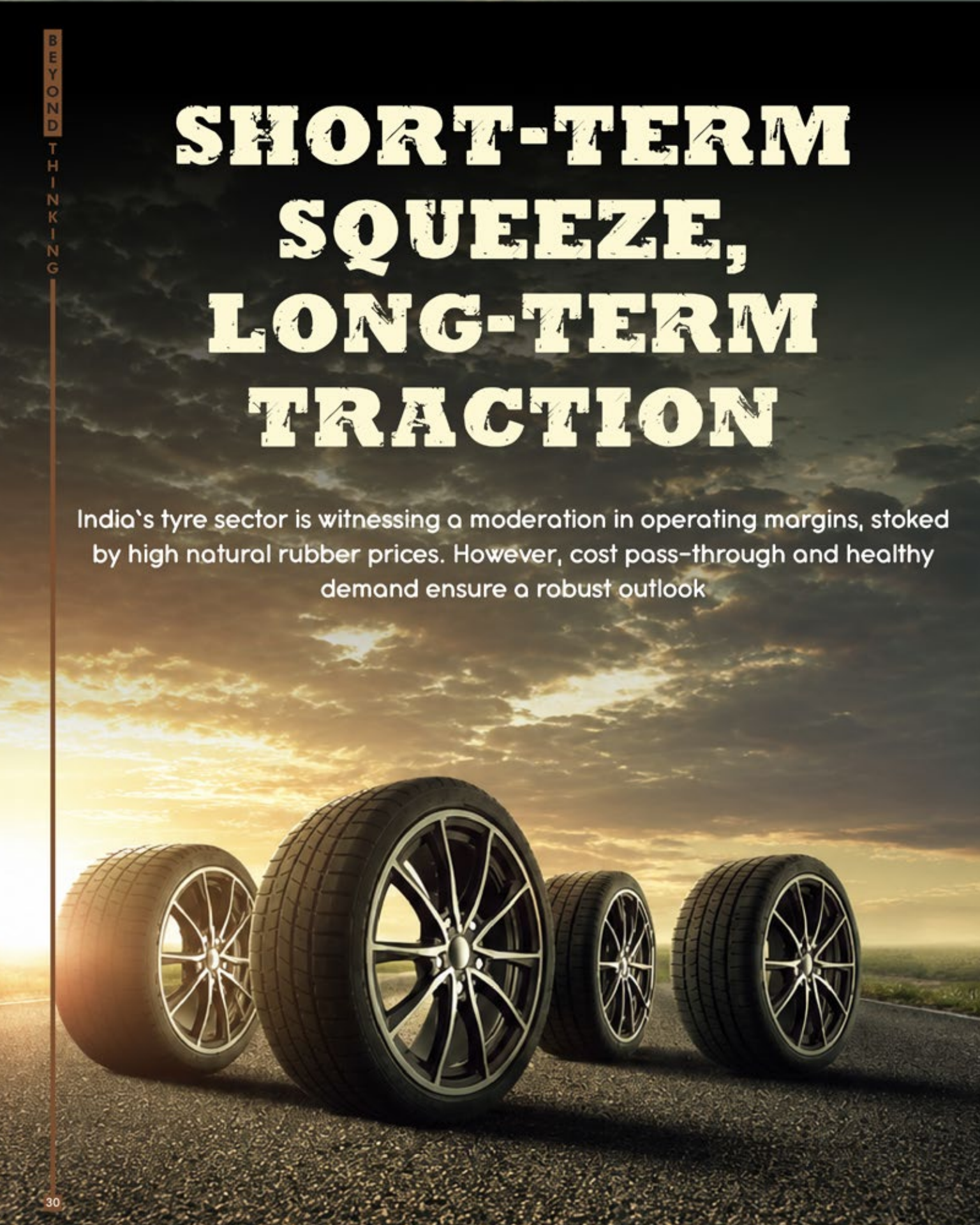
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SHORT-TERM SQUEEZE, LONG-TERM TRACTION

India's tyre sector is witnessing a moderation in operating margins, stoked by high natural rubber prices. However, cost pass-through and healthy demand ensure a robust outlook



Will the squeeze in the margins of Indian tyre makers, as seen in the last few quarters, impact the long-term outlook of the sector? This question on investors' minds is worth reflecting on: after all, the sector is expected to double its capital expenditure (capex) to more than ₹17,000 crore in the current and the next fiscal year compared to the capex committed in the previous fiscal year.

The worry is genuine, as the current capex cycle coincides with ongoing cost pressures faced by the sector. Natural rubber prices, which have reached 15-year highs, have resulted in elevated input costs. The West Asian conflict, leading to volatility in crude oil prices and supply chain disruptions, adds another layer of uncertainty to the sector's outlook. With falling realizations, any impact on profitability could hurt the sector's ability to fund future growth. However, despite near-term challenges, most market participants expect the squeeze in margins to be transitory. This conviction is backed by the industry's ability to pass on cost inflation to end consumers. Price hikes will help margins stabilize in the next few quarters.

MARGINS - NEAR-TERM MODERATION

The tyre industry is raw-material intensive, utilizing over 200 raw materials - mostly natural rubber or crude oil derivatives. Raw material costs account for 55% to 65% of revenue. Typically, a tyre is composed of natural rubber (up to 45% by weight) and crude derivatives such as carbon black (23%), nylon tyre cord fabric (12%), synthetic rubber (10%), and others (10%).

Broadly, the margins of tyre makers are negatively correlated with rubber prices. Natural rubber accounts for nearly half of the industry's raw material costs. Currently, natural rubber prices have climbed to around ₹275 per kg in June '26 from around ₹220 per kg in fiscal 2026, driven by unseasonal rainfall and uneven monsoons in the rubber-growing regions of Kerala and Southeast Asia.

This tightened supply has created a global deficit. As a consequence, key inputs have experienced a sharp 35%–40% surge in the last year alone. To point out, the last time natural rubber breached the ₹200 per kg mark was in 2011 due to higher demand for the commodity. But for a decade after that, prices fell below ₹150 per kg on average. A Crisil analysis of the top six tyre makers - which accounted for around 85% of the sector's ₹1.36 lakh crore revenue last fiscal year - shows that operating margins could moderate in the ongoing fiscal year by 200–250 basis points from around 14.2% last fiscal due to raw-material inflation.

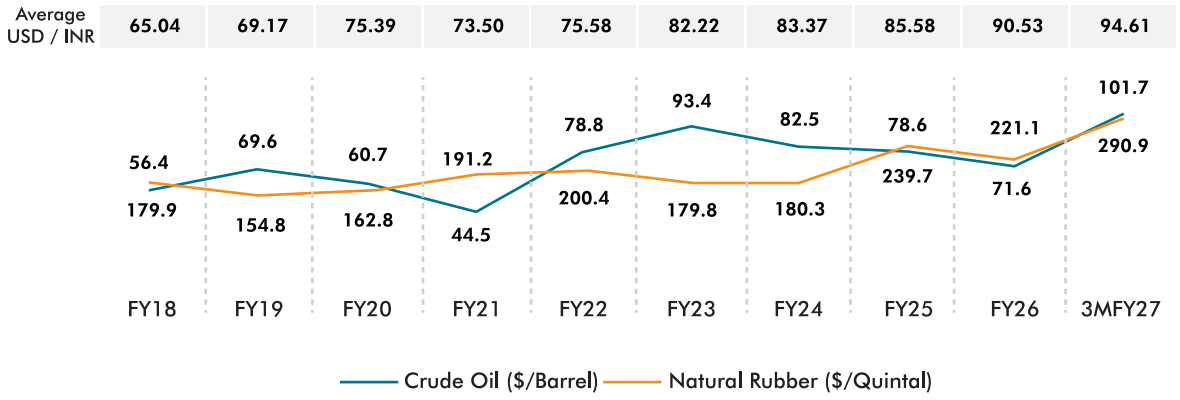
NO STRUCTURAL RESET

However, analysts expect a cost pass-through to customers, albeit with some lag. They do not see the temporary margin impact as a structural profitability reset. Currently, the rise in natural rubber prices is outpacing price hikes by companies, which remain staggered.

Given that higher natural rubber prices exert a substantial influence on the profitability of tyre makers, it remains to be seen how quickly the industry is able to pass on the rise in commodity prices to end clients without much disruption to their market share. Generally, the tyre industry has displayed notable pricing discipline over the years. If the industry succeeds this time - as most anticipate - then tyre makers' realizations are likely to recover fully.

For now, however, near-term margin pressure is guaranteed. There are fears that higher rubber prices are here to stay, given the shifting global supply-and-demand dynamics for the commodity. Yet, if the sector continues to exercise pricing discipline, margin contraction will prove

Trend In Natural Rubber And Crude Oil Prices



Source: Rubber Board, Crisil Intelligence And Crisil Ratings

less severe than widely estimated. This will position the Indian tyre sector favourably for the medium- to long-term horizon.

GROWTH OUTLOOK

Importantly, what benefits the sector currently are robust demand conditions. For the long term, the tyre industry is looking to play a pivotal role in India's aspiration to become a global manufacturing hub. The industry is optimistic about the outlook for tyre demand, driven by policy reforms and the government's unwavering focus on infrastructure development.

The industry aspires to double its revenue to US $22 billion by 2032. Currently, the Indian tyre industry is worth around US $11 billion, with 28 companies operating 62 manufacturing plants across the country. The Indian tyre industry primarily caters to two segments: tyres for new vehicles fitted at the factory gates of Original Equipment Manufacturers (OEMs), and replacement demand for older vehicles. Around 67% of tyre demand stems from the replacement of old tyres with new ones, while 33% is consumed by OEMs, predominantly within the automobile sector.

Importantly, exports account for around 25% of sales value for the sector. Tyres manufactured in India are exported to more than 170 countries, with major global markets including the EU, US, Brazil, UAE, and UK. The industry body, the Automotive Tyre Manufacturers' Association (ATMA), has set an export target of US $5 billion and aims for India to rank among the top three global tyre hubs by 2030. Currently, India exports tyres worth ~US $3 billion, a figure that has doubled since FY19–20.

Additionally, there is a pronounced domestic trend towards premiumization across product categories. This will benefit technologically advanced tyre companies. Further bolstering the sector is the pricing discipline showcased by companies over the years.

FINALLY - A SECTOR WITH A STRONG BALANCE SHEET

The industry is dominated by four publicly listed companies - namely MRF, Apollo Tyres, JK Tyre, and CEAT - which command roughly a 65% market share. Global players such as Bridgestone, Michelin, Goodyear, Continental, and Yokohama have also been seeking to capture market share in India in recent years, alongside regional players catering to local markets.

The finances of key Indian tyre makers have strengthened over time. These companies have focused on deleveraging in recent years, resulting in markedly healthier balance sheets. While the trajectory of raw material prices and the pace of cost pass-through warrant close monitoring in the near term, the long-term outlook for wealth creation in the tyre sector remains exceptionally brighT.

THE NEW RULES OF RETIREMENT

From Higher Lumpsum Withdrawals To A Lower Annuity Requirement, NPS Is Changing The Way Indians Can Build And Access Their Retirement Corpus



Retirement planning is becoming increasingly important in India as rising life expectancy and an ageing population extend the period for which individuals need to fund their post-retirement lives. Unlike many developed economies, India lacks a comprehensive social security system that can provide a reliable income stream after retirement, which places greater responsibility on individuals to build adequate financial resources during their working years.

The challenge, therefore, is not simply to accumulate wealth, but to create a sustainable corpus that can generate income throughout retirement while preserving the desired standard of living and financial independence. It is against this backdrop that retirement-focused investment products are gaining relevance, with the National Pension System (NPS) emerging as a key instrument designed to help individuals systematically build a retirement corpus.

WHAT IS NPS?

NPS, or the National Pension System, is a government-backed, market-linked retirement savings scheme regulated by the Pension Fund Regulatory and Development Authority (PFRDA).

At its core, NPS is designed to build a sufficiently large corpus during the working years to generate financial security after regular employment income comes to an end. To achieve this, individuals contribute to their NPS account during their working years, and the accumulated funds are invested in market-linked assets, unlike traditional pension products that provide a defined benefit.

Over time, these contributions, together with investment returns, build a retirement corpus that can be drawn upon at retirement. This underlying philosophy - of preparing gradually over the years, rather than waiting until retirement - is crucial to easing the financial burden towards the end of one's working life.

NPS was initially introduced in India in 2004 for Central Government employees, as part of the shift towards a defined-contribution pension framework. Five years later, in 2009, the scheme was opened to all Indian citizens, significantly expanding its role from a government-employee pension arrangement to a broader retirement-planning instrument.

NPS has two account types, namely Tier I and Tier II. Tier I is the core retirement account designed for long-term retirement savings, offering the principal NPS tax benefits and subject to specific withdrawal and exit conditions.

Tier II, on the other hand, is optional and offers a more liquid investment account. It can be opened only if the subscriber has a Tier I account and allows withdrawals at any time. However, it generally does not offer the same tax benefits as Tier I.

INVESTMENT CHOICES UNDER NPS

The NPS offers subscribers two broad investment approaches, namely Active Choice and Auto Choice. Under Active Choice, subscribers decide how their contributions are allocated across different asset classes, subject to PFRDA-prescribed limits. The options include equities up to 75%, corporate bonds up to 100%, Government Securities (G-Secs) up to 100% and Alternative Investment Funds (AIFs) up to 5%.

Active Choice is suited to subscribers who want greater control over their investment mix and are comfortable making investment decisions themselves. By contrast, Auto Choice is preferable for subscribers who prefer a more hands-off approach and can opt for a life-cycle fund, under which the allocation to equity, corporate bonds and

government securities is automatically adjusted as the subscriber ages.

Under these life-cycle funds, equity exposure is generally higher during the earlier years and gradually reduces with age, thereby reducing investment risk as retirement approaches.

Subscribers can choose among different life-cycle funds based on their preferred risk level, including Life Cycle 25 (Low), Life Cycle 50 (Moderate), Life Cycle 75 (High) and Life Cycle – Aggressive. The last option was formerly known as the Balanced Life Cycle Fund (BLC).

OVERHAUL OF THE NPS

Despite its long presence in the Indian financial landscape, NPS has historically faced a key challenge, i.e. the trade-off between retirement discipline and liquidity. While restrictions on withdrawals help ensure that accumulated savings remain earmarked for retirement, these restrictions can feel like a hindrance, especially to individuals who prefer greater flexibility and access to their money.

Recognising this need to strike a better balance between long-term retirement security and individual financial flexibility, PFRDA introduced a new regulatory framework effective from December '25, with some changes in July '26. Together, these changes mark an important evolution in NPS.

The scheme is no longer simply about locking away savings until retirement; instead, it is increasingly being positioned as a more flexible retirement-planning framework that allows individuals to accumulate wealth systematically while having greater control over how that wealth can be accessed and deployed later in life.

Some of the key changes include:

Greater Flexibility In Determining Normal Exit:

Normal exit is no longer linked solely to reaching 60 years of age. For the All Citizen Model, a subscriber becomes eligible for normal exit after completing 15 years of subscription or upon reaching 60 years of age, whichever is earlier. This is particularly relevant for individuals who start contributing to NPS at a relatively young age, as they may be able to access their retirement corpus before turning 60 once the 15-year vesting period is completed.

Higher Lumpsum Withdrawal At Normal Exit

The proportion of the NPS corpus that can be withdrawn as a lumpsum at normal exit has increased from 60% to up to 80%. This, in turn, gives retirees greater control over their accumulated savings and allows them to use a larger portion of the corpus to meet immediate or planned retirement needs.

Lower Mandatory Annuity Requirement

The mandatory purchase of an annuity has been reduced to at least 20% of the corpus, compared with 40% previously in the case of a normal exit. This change provides greater flexibility while retaining an annuity component to help provide a regular income stream during retirement.

Removal Of The Five-Year Minimum Lock-In

The earlier five-year minimum lock-in requirement for the All Citizen Model has been removed. This makes NPS more accessible to individuals who may need greater flexibility during their working years, although withdrawals from Tier I continue to be subject to specific conditions.

Greater Flexibility for Smaller Retirement Corpus

The revised rules provide significantly more favourable withdrawal options for subscribers with relatively smaller accumulated pension wealth at normal exit.

- If the corpus is ₹8 lakh or less, the entire corpus can be withdrawn as a lumpsum, or through Systematic Lumpsum Withdrawal (SLW), Systematic Unit Redemption (SUR) or another approved option.

- If the corpus is more than ₹8 lakh but does not exceed ₹12 lakh, up to ₹6 lakh can be withdrawn as a lumpsum, while the balance must be used for periodic payouts through SUR for at least six years, an annuity, or another option approved by PFRDA.

- For a corpus above ₹12 lakh, the general rule of up to 80% as a lumpsum and at least 20% towards an annuity applies.

Premature Exit Remains More Restrictive

The reforms have retained a stronger annuity requirement where a subscriber exits before becoming eligible for normal exit. In the case of a premature exit, up to 20% of the corpus can be withdrawn as a lumpsum, while at least 80% must be used for an annuity. However, where the accumulated pension wealth is ₹5 lakh or less, the entire corpus can be withdrawn as a lumpsum or through SLW, SUR or another approved payout mechanism.

Introduction Of Dormant NPS Accounts

From 1st July '26, an NPS account is classified as dormant if no contribution is received for four consecutive quarters. The account is not closed and can be reactivated when a subsequent contribution is made.

The provision, therefore, gives subscribers flexibility to pause contributions when required, while still allowing NPS to encourage long-term retirement saving.

Taken together, these changes represent an important evolution in NPS. The scheme is moving away from a relatively rigid structure towards a more flexible retirement-planning product.

In doing so, the reforms seek to strike a balance between liquidity and retirement security, giving individuals greater control over their accumulated wealth without completely removing the mechanism designed to provide an income stream after retirement, thereby providing greater financial security.

ADVANTAGES OF NPS

Encourages Disciplined Savings

By encouraging individuals to make regular contributions over a long investment horizon, NPS seeks to inculcate disciplined saving and harness the power of compounding. Over time, the longer the accumulation period, the greater the opportunity for contributions and investment returns to build into a meaningful corpus.

Flexibility In Contributions

Subscribers have flexibility in deciding how much and how often to contribute, subject to the applicable minimum contribution requirements. This means that contributions to be increased during periods of higher income and adjusted when finances are tighter.

Choice Of Investment Strategy

NPS allows subscribers to choose between Active Choice, where they decide their asset allocation, and Auto Choice, where the allocation is automatically adjusted based on age. This flexibility enables investors to select an approach that suits their risk appetite, investment knowledge and time horizon.

Diversification Across Asset Classes

NPS spreads investments across asset classes such as equity, corporate bonds and government securities. This diversification can help balance the potential for higher returns from equities with the relatively lower risk associated with debt and government securities.

Professional Fund Management

NPS contributions are managed through pension fund managers regulated by PFRDA, allowing subscribers to benefit from professional investment management rather than having to select and manage individual securities themselves.

Tax Benefits

NPS provides specific tax benefits for eligible contributions and withdrawals, subject to the applicable provisions of the Income-tax Act. Under the old tax regime, eligible NPS contributions can qualify for deductions. The tax benefits do not accrue under the new tax regime. Therefore, subscribers should consider the regime applicable to them when assessing the tax advantage of NPS.

Portability Across Employment

The NPS account remains with the subscriber even when they change employers. As a result,

it is possible to continue building retirement savings without having to close or transfer the underlying pension account each time employment changes.

Retirement Income Through Annuity

At retirement, the portion of the corpus used to purchase an annuity can provide a regular income stream during retirement. This can, in turn, help supplement other sources of retirement income, such as provident fund savings, investments or rental income.

Greater Flexibility Under the Revised Withdrawal Rules

Recent changes to NPS rules have increased flexibility around withdrawals and the use of the retirement corpus, while retaining safeguards intended to ensure that a portion of the savings supports retirement income. As a result, NPS is more adaptable to subscribers' financial needs than a purely locked-in retirement product.

Transparent And Convenient Account Management

NPS provides digital access through which subscribers can monitor their contributions, accumulated corpus and investment performance. In addition, they can also make contributions and, where permitted, exercise investment and account-related options online.

IN A NUTSHELL

Retirement planning has become an essential part of long-term financial planning, and NPS is a retirement savings vehicle that combines long-term investing with greater flexibility than it traditionally offered. With greater flexibility in accessing the corpus, an annuity component, professional fund management, multiple investment choices and convenient digital access, NPS is a retirement-planning option worth serious consideration for those planning for their post-retirement financial needS.



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POWERED BY NIRMAL BANG

A spotlight on the real journeys, insights, and breakthroughs of trailblazing mutual fund distributors

MR. DEEPESH ARORA
Mutual Fund Distributor

MR. RITESH SHETH
MR. TEJAS SHETH
Mutual Fund Distributors



Ahmedabad-based Mutual Fund Distributor, Mr Deepesh Arora, built an MFD business with ₹1,500+ crore AUM in mutual funds, has more than 4,000 client relationships, and has managed to stay motivated for over 20 years. In this episode of the Billionaire Code, he tells Mr Rakesh Bhandari, Director, Nirmal Bang, how prospecting, client trust, the 75-meetings rule, the 4 SW Rule, and a Day One mindset helped him build one of India's leading mutual fund businesses.

Edited excerpts from Mr Deepesh Arora's conversation with Mr Rakesh Bhandari, Director, Nirmal Bang.



Rakesh Bhandari: Welcome To The Billionaire Code Series, Mr Deepesh Arora. Tell Us How You Got Started. How Did You Become An MFD?

Deepesh Arora: My journey as an MFD has been quite adventurous. I didn't intend to become an MFD. The reason was that I never really understood how the revenue worked, because my background was in insurance. For someone from insurance, becoming an MFD is quite difficult. The calculations and the way the business works are not easy to understand.

The feeling is that the effort is the same, but the ultimate result is minuscule. But one of my seniors from school, and people in my friend circle, were all somehow connected to finance, because I was in

insurance. Someone was doing loans, someone was doing insurance, and so on.

So, one senior who was very aggressive in mutual funds would always say, "If you are doing well in insurance, mutual funds can be a cakewalk."

It's a volume game. The only thing is that you have to continuously upgrade your knowledge and put in a little bit of effort.

At that time, mutual funds were still not very popular. I actually became an MFD in 2013. Mutual funds were doing reasonably well then, but they were not as popular as they are today. The kind of effort you have to put into insurance is immense compared with mutual funds. I was beginning to understand that it was a volume play, but I was never really inclined towards it.

But when I started, and believe me, within the next two years, in 2015, Wealth Forum gave us the Rising Star Award. They would nominate an MFD as an emerging star and give an award. That's when I thought, "This is actually a very good business."

Until then, the thought had always been that we would focus on insurance and develop the other businesses alongside it. But now, it is the other way


Deepesh Arora

around. We will focus on mutual funds, and if the other businesses work out, that's fine. If they don't, it's still okay. There is so much potential in the mutual fund business.

Rakesh Bhandari: So, Was This Easier For You Because You Already Had Strong Experience Of Dealing With Rejection In The Insurance Business?

Deepesh Arora: Becoming a mutual fund distributor is easy. There is really no challenge in becoming an MFD in India. The challenge is building the business. Becoming a distributor is easy; bringing in business is the challenge.

Now, why is it a challenge? Because it requires a bit of legwork. You have to meet more people. You have to work on the law of averages. The more people you meet, the more business you will get.

Rejections will come, boss. Rejection is simply a part of life. So, if you sit back because you are afraid of rejection, the work will not happen. So, I feel - and I still feel this today - that there is no better business, and no easier business, than this...

To access the full interview, please scan the QR code provided or tune into Nirmal Bang's YouTube channel @NirmalBangGroup.

From their family's first small savings agency to serving 7,000+ families and 15,000+ investors, their journey proves: "We earn people, rather than AUM," say the Sheth Brothers – Ritesh and Tejas Sheth. They say it's about starting with small savers, earning clients through referrals, embracing every customer, staying visible, working an eight-hour day, and building wealth by helping people build their own.

In this episode of the Billionaire Code, the Sheth Brothers share how their family built a multi-generational Mutual Fund Distribution (MFD) business by focusing on people, offering personalised service, building trust, and developing long-term relationships.

Edited excerpts from Mr Ritesh and Mr Tejas Sheth's conversation with Mr Rakesh Bhandari, Director, Nirmal Bang.



Rakesh Bhandari: Let's Meet Today's Guests, Whose Family AUM Is More Than ₹700 Crore In Mutual Funds And, Across Other Products, Exceeds ₹1,200 Crore In AUM. Let's Hear Their Story In Their Own Words. Meet The Sheth Brothers.

Welcome, Sheth Brothers. We Have Already Had Two Brothers On This Episode. But In Your Case, The Entire Family Is Involved In The Business. Unfortunately, Your Parents Could Not Join Us Due To Medical Reasons. But I Am Very Happy That Both Of You Could Make It. So, Tell Us, How Did It All Begin? And How Is The Entire Family Involved In This?



Ritesh Sheth: Thank you for inviting us. I am very happy that you are taking this initiative. It will be a good source of motivation for MFDs – mutual fund distributors. And with that sentiment, I feel that perhaps we may not have enough time if we were to narrate our entire journey, but I will try to explain it briefly and tell you about our family.

So, in the 1980s, my mother was around at a time when education was not considered as important as it is today. Graduation was considered higher education; today, we would perhaps compare it with an MBA or other higher education. My mother had done her BA and my father had done his BCom.

And my grandparents were freedom fighters. My grandmother was always involved in social work. She would always tell my mother, "What will you do sitting at home?"

It was a different kind of Gujarati family, where a mother-in-law would tell her daughter-in-law, "Why are you sitting at home? You should do something." She would say, "There is nothing much to do at home. You don't have to worry; we are not all at home. You people are out most of the time. The house can be managed. Do something for yourself. I have already stepped out; you should go out and do something too."

So, my mother wanted to balance the household. She wondered what she could do. At that time, small-savings agencies were being offered by field officers who would come to people's homes and look for people willing to take up an agency. They would say, "Why don't you take up an agency?"

There was a trust issue with the government as well. People traditionally invested in gold or kept their money at home. Lockers were not used as much as they are today. So, this was still the early stage of investing.

My mother said, "Let me see what I can do." Since she wanted to do something while managing the household, she was convinced by one of the field officers to give it a try. So, she took up a small-savings agency.

Within the initial year itself, it generated some good revenue. She told my father, "There is something good here. You should look into it." My father was working with a firm. He quit his job and started looking into the business that my mother had started, and joined her...

To access the full interview, please scan the QR code provided or tune into Nirmal Bang's YouTube channel @NirmalBangGroup.

TECHNICAL OUTLOOK

September was a corrective month for Nifty, with continuous supply since the beginning of August pushing the index down from 24,774.30 to 22,762, indicating that sellers had regained short-term control.

On the weekly chart, Nifty is approaching the strong support zone of its rising channel, which has been in place for two years. This support also coincides with the Fibonacci extension (L: 16,828, H: 20,222, L: 18,837), with the 100% level at 22,645, providing additional confluence for a potential reversal once these levels are tested.

Each dip towards the rising channel's support has been accompanied by a significant decline in volume, indicating the absence of strong selling pressure near these zones. This suggests that strong demand could emerge during the October series, making it a closely-watched period, provided the above-mentioned zone holds on a closing basis.

Nifty has consistently seen lower-level buying around 22,645, triggering rebounds. It is currently struggling near 23,500 resistance, which also aligns closely with the 20-day Moving Average (20-DMA). A decisive breakout above 23,100 could trigger a swift rally towards 23,500–24,000. For the October series, price action could advance towards these levels, provided Nifty sustains above 22,600. Any dips towards the 22,200–22,000 support zone could offer fresh buying opportunities, while 21,700 can be used as a stop-loss if any breakdown occurs below this level.

Bank Nifty's current price action indicates strong profit booking and a slowdown in upside momentum, with immediate support near 54,000. A breakdown below this level could resume the downward momentum towards 53,200–51,500. On the upside, resistance is placed at 55,800; a close above this level could trigger a further rise towards 56,700–57,700.

In Nifty Options for the October series, the highest OI build-up is concentrated at the 23,500 and 23,000 Call strikes and the 22,500 and 22,000 Put strikes, making them key strikes to watch. On the downside, the 22,500 Put strike holds the immediate support level, while on the upside, the 23,500 Call strike represents a key resistance level in the near term.

The September series saw major liquidation from higher levels. On the upside, 23,000 remains crucial, with considerable Call OI; clear liquidation at this strike could confirm further upside. Until then, movement is expected to remain range-bound with a bearish bias.

In the October series, Telecom, Banking, Infrastructure and Power witnessed negative movement towards the end of the series, while Pharmaceuticals saw slight positive movement, with long positions getting added.

India VIX, which measures near-term 30-day market volatility, remained in the 10–13 range during September and is expected to stay between 13 and 20 through the October series.

The Put-Call Ratio based on Open Interest (PCR-OI) for Nifty Options ranged between 0.70 and 1.20 in September and is likely to remain within the 0.70–1.20 band in October.

OPTIONS STRATEGY
Long Strangle

A Long Strangle strategy can be initiated by buying one lot of the NIFTY 27 October 23,000 CE at ₹220 and one lot of the NIFTY 27 October 22,500 PE at ₹220. The net premium outflow is 440 points, representing the maximum loss. A stop-loss may be set at 200 points, implying a loss of 240 points from the total premium paid. The maximum gain in this strategy is unlimited.

MUTUAL FUND BLACKBOARD

Large Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Baroda BNP Paribas Large Cap Fund - Growth	218.1	-1.3	10.5	9.2	13.2	11.8	2641.1
Edelweiss Large Cap Fund - Growth	82.1	-3.1	8.7	8.2	12.8	11.5	1434.0
Invesco India Largecap Fund - Growth	71.4	0.9	12.8	10.0	14.4	12.0	2020.8
Kotak Large Cap Fund - Reg - Growth	552.5	-4.6	9.0	7.8	13.2	11.3	10937.1
Nippon India Large Cap Fund - Reg - Growth	87.8	-5.5	10.2	12.1	15.0	13.1	54133.7
Nifty 100 TRI (Scheme Benchmark)	34079.0	-4.3	8.9	7.8	12.8	11.9	--

Mid Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Edelweiss Mid Cap Fund - Growth	108.0	5.8	19.9	17.3	22.7	17.5	19891.0
Kotak Midcap Fund - Reg - Growth	144.5	3.7	16.8	15.7	21.0	16.5	71256.3
Mahindra Manulife Mid Cap Fund - Reg - Growth	35.9	7.8	16.7	16.5	21.4	--	5406.4
Nippon India Growth Mid Cap Fund - Reg - Growth	4474.4	6.2	17.6	17.3	22.6	17.4	52270.6
WhiteOak Capital Mid Cap Fund - Reg - Growth	22.0	12.4	20.6	--	--	--	7485.4
Nifty Midcap 150 TRI (Scheme Benchmark)	29165.7	5.4	15.7	16.3	22.0	17.1	--

Small Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Small Cap Fund - Reg - Growth	52.0	9.1	23.7	18.4	--	--	34176.0
Edelweiss Small Cap Fund - Reg - Growth	47.6	7.2	14.6	15.8	23.8	--	7252.9
HDFC Small Cap Fund - Growth	139.8	-3.4	10.4	14.2	19.9	16.4	41890.9
ITI Small Cap Fund - Reg - Growth	34.3	18.8	23.8	17.8	--	--	3602.8
Tata Small Cap Fund - Reg - Growth	40.2	-1.5	11.8	14.4	21.7	--	13093.9
TRUSTMF Small Cap Fund - Reg - Growth	13.6	28.6	--	--	--	--	3438.9
Nifty Smallcap 250 TRI (Scheme Benchmark)	23349.4	6.0	15.6	15.7	22.5	14.8	--

Large & Mid Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Large & Mid Cap Fund - Reg - Growth	140.6	2.9	16.8	15.7	18.2	14.6	21020.5
DSP Large & Mid Cap Fund - Reg - Growth	607.4	-2.0	12.4	10.9	15.6	13.2	18410.9
Edelweiss Large & Mid Cap Fund - Growth	89.6	2.6	13.2	11.7	16.4	13.8	4942.4
Kotak Large & Midcap Fund - Reg - Growth	347.4	0.4	12.4	12.3	16.7	14.0	32325.5
UTI Large & Mid Cap Fund - Growth	182.4	1.4	14.0	13.3	17.3	13.2	6514.5
NIFTY Large Midcap 250 TRI (Scheme Benchmark)	21395.8	0.5	12.3	12.1	17.4	14.6	--

Multicap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Groww Multicap Fund - Reg - Growth	12.3	16.1	--	--	--	--	1476.1
HDFC Multi Cap Fund - Reg - Growth	18.6	-3.1	10.9	--	--	--	20649.1
ICICI Prudential Multicap Fund - Growth	849.3	6.0	15.0	14.0	16.9	13.6	19537.6
Mahindra Manulife Multi Cap Fund - Reg - Growth	39.4	11.0	16.2	14.5	20.3	--	7662.3
Nippon India Multi Cap Fund - Reg - Growth	298.6	-2.2	12.6	16.0	18.4	14.7	56297.6
NIFTY 500 Multicap 50:25:25 TRI (Scheme Benchmark)	21432.9	0.8	12.4	12.1	17.6	14.1	--

FlexiCap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bajaj Finserv Flexi Cap Fund - Reg - Growth	15.5	3.5	15.4	--	--	--	8655.4
DSP Flexi Cap Fund - Reg - Growth	101.9	-2.2	10.2	8.5	14.2	12.7	12500.3
Edelweiss Flexi Cap Fund - Reg - Growth	38.4	-0.5	13.0	11.1	15.1	13.5	3721.7
Mirae Asset Flexi Cap Fund - Reg - Growth	16.1	0.9	10.9	--	--	--	4506.3
Parag Parikh Flexi Cap Fund - Reg - Growth	82.5	-4.4	12.2	10.7	18.3	16.2	147402.9
WhiteOak Capital Flexi Cap Fund - Reg - Growth	17.9	1.9	13.3	--	--	--	9595.0
BSE 500 TRI (Scheme Benchmark)	46431.9	-1.6	10.4	9.8	15.0	13.0	--

Focused Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Focused Fund - Growth	230.4	-2.5	14.2	16.8	17.5	13.3	28200.7
ICICI Prudential Focused Equity Fund - Ret - Growth	93.2	-1.4	15.6	13.9	18.2	13.7	17948.8
Nippon India Focused Fund - Reg - Growth	121.5	-1.0	8.9	9.8	15.5	12.1	8650.8
BSE 500 TRI (Scheme Benchmark)	46431.9	-1.6	10.4	9.8	15.0	13.0	--

Dividend Yield Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
ICICI Prudential Dividend Yield Equity Fund - Reg - Growth	51.3	-4.0	13.5	15.2	18.6	14.0	6711.6
UTI Dividend Yield Fund - Growth	172.7	-3.2	11.9	9.7	15.2	13.0	3772.4
Nifty 500 TRI (Scheme Benchmark)	36772.3	-1.3	10.8	10.0	15.0	13.0	--

Contra/Value Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Value Fund - Reg - Growth	145.1	-2.2	9.2	11.8	17.8	14.1	9981.1
HDFC Value Fund - Growth	787.2	5.1	15.3	13.2	16.3	13.3	8266.0
SBI Contra Fund - Growth	371.7	-3.2	10.2	14.0	20.5	14.4	47589.4
BSE 500 TRI (Scheme Benchmark)	46431.9	-1.6	10.4	9.8	15.0	13.0	--

ELSS Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bajaj Finserv ELSS Tax Saver Fund - Reg - Growth	11.4	1.5	--	--	--	--	91.9
Bandhan ELSS Tax saver Fund - Reg - Growth	152.1	-1.0	8.4	10.4	16.2	13.7	6964.9
Groww ELSS Tax Savings Fund - Reg - Growth	18.7	-7.6	8.0	6.8	10.1	--	51.6
Parag Parikh ELSS Tax Saver Fund - Reg - Growth	28.9	-10.9	7.6	9.5	15.7	--	5613.3
Nifty 500 TRI (Scheme Benchmark)	36772.3	-1.3	10.8	10.0	15.0	13.0	--

Thematic / Sector Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Canara Robeco Consumption Fund - Reg - Growth	106.1	-5.4	9.8	9.9	15.0	13.8	1986.6
ICICI Prudential Business Cycle Fund - Reg - Growth	24.1	-3.9	13.8	14.5	--	--	15873.3
Mirae Asset Great Consumer Fund - Growth	91.9	-6.3	9.6	10.9	14.9	14.2	4742.2
Nippon India Pharma Fund - Reg - Growth	577.0	11.5	18.3	13.1	21.9	14.7	9479.1
Tata Digital India Fund - Reg - Growth	40.6	-13.5	3.3	1.6	15.3	15.7	10322.0
Nifty 500 TRI (Scheme Benchmark)	36772.3	-1.3	10.8	10.0	15.0	13.0	--

Arbitrage Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	2 Years	3 Years	
Bandhan Arbitrage Fund - Reg - Growth	34.7	5.4	5.4	5.7	6.0	6.5	7796.0
Edelweiss Arbitrage Fund - Reg - Growth	20.8	5.6	5.6	6.0	6.2	6.7	14849.0
Invesco India Arbitrage Fund - Growth	34.2	5.7	5.7	6.1	6.3	6.8	30618.0
Kotak Equity Arbitrage Fund - Reg - Growth	40.2	5.7	5.7	6.1	6.3	6.8	75712.0
Tata Arbitrage Fund - Reg - Growth	15.4	5.6	5.6	6.0	6.2	6.7	24950.0
Nifty 50 Arbitrage Index	2736.1	1.6	3.0	7.2	7.3	7.4	--

Equity Savings Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
DSP Equity Savings Fund - Reg - Growth	22.2	1.3	7.5	6.5	8.4	7.3	3306.3
HDFC Equity Savings Fund - Growth	67.6	1.5	7.3	7.4	9.1	8.5	5758.1
Kotak Equity Savings Fund - Reg - Growth	27.5	3.0	9.1	9.0	9.7	8.9	10683.9
NIFTY 50 Hybrid Composite Debt 65:35 Index (Suitable Index)	20197.3	-3.4	6.8	6.7	10.6	10.2	--

Fund Of Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Multi-Asset Active FOF - Reg - Growth	19.5	4.4	12.2	11.9	--	--	6200.3
ICICI Prudential Dynamic Asset Allocation Active FOF - Growth	123.5	1.2	9.7	9.9	11.8	11.1	28660.6
ICICI Prudential Aggressive Hybrid Active FOF - Growth	224.4	-1.7	12.4	12.2	18.5	14.5	9431.1
Kotak Income Plus Arbitrage Omni FOF - Reg - Growth	13.2	5.6	7.3	--	--	--	7904.3
Nippon India Multi - Asset Omni FoF - Reg - Growth	23.7	7.6	15.6	14.5	--	--	3055.5
Nifty 500 TRI (Scheme Benchmark)	36772.3	-1.3	10.8	10.0	15.0	13.0	--

Balanced Advantage Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Edelweiss Balanced Advantage Fund - Growth	52.8	3.2	9.5	8.1	12.2	10.6	13445.0
Mirae Asset Balanced Advantage Fund - Reg - Growth	14.6	2.9	8.9	--	--	--	2169.2
Nippon India Balanced Advantage Fund - Reg - Growth	182.4	1.6	9.5	8.5	10.5	9.8	9917.5
Kotak Balanced Advantage Fund - Reg - Growth	20.9	1.2	8.5	7.8	10.1	--	17373.4
NIFTY 50 Hybrid Composite Debt 65:35 Index (Suitable Index)	20197.3	-3.4	6.8	6.7	10.6	10.2	--

Hybrid Aggressive Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Baroda BNP Paribas Aggresive Hybrid Fund - Reg - Growth	27.7	-0.9	9.5	8.5	12.6	--	1259.5
Edelweiss Aggressive Hybrid Fund - Growth	64.5	0.3	11.5	11.4	14.2	11.8	3997.7
Kotak Aggressive Hybrid Fund - Growth	64.7	1.4	11.5	10.9	14.6	11.9	9334.6
UTI Aggressive Hybrid Fund - Growth	401.0	-0.9	9.9	10.3	13.8	10.9	6740.4
NIFTY 50 Hybrid Composite Debt 65:35 Index (Suitable Index)	20197.3	-3.4	6.8	6.7	10.6	10.2	--

Multi Asset Allocation Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Nippon India Multi Asset Allocation Fund - Reg - Growth	25.0	10.3	17.9	14.3	--	--	17983.9
Tata Multi Asset Allocation Fund - Reg - Growth	25.3	5.2	11.9	10.9	--	--	5241.6
UTI Multi Asset Allocation Fund - Growth	78.0	2.8	14.1	12.1	12.7	10.1	7062.5
WhiteOak Capital Multi Asset Allocation Fund - Reg - Growth	16.1	10.1	15.6	--	--	--	8777.6
NIFTY 50 Hybrid Composite Debt 65:35 Index (Suitable Index)	20197.3	-3.4	6.8	6.7	10.6	10.2	--

Gold Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Gold ETF Fund of Fund - Growth	45.1	34.6	35.2	25.1	20.7	15.7	12359.2
Kotak Gold Fund - Reg - Growth	57.9	34.4	35.1	24.8	20.6	15.8	7195.0
Nippon India Gold Savings Fund - Reg - Growth	57.7	34.4	35.2	25.1	20.7	15.5	7602.4
Prices of Gold (Scheme Benchmark)	152404.0	36.9	37.3	26.9	22.2	17.2	--

Overnight Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		2 Weeks	1 Month	3 Months	1 Year	YTM	
Kotak Overnight Fund - Reg - Growth	1461.8	4.7	4.7	5.0	5.2	5.1	8618.0
Tata Overnight Fund - Reg - Growth	1444.3	4.7	4.7	5.0	5.2	5.1	4571.0

Liquid Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		2 Weeks	1 Month	3 Months	1 Year	YTM	
ICICI Prudential Liquid Fund - Reg - Growth	416.4	5.1	6.2	6.3	6.4	6.2	62798.0
Mahindra Manulife Liquid Fund - Reg - Growth	1831.5	5.3	6.4	6.4	6.4	6.4	1392.0
Nippon India Liquid Fund - Reg - Growth	6867.4	5.2	6.3	6.3	6.4	6.3	43125.0

Ultra Short Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Aditya Birla Sun Life Savings Fund - Reg - Growth	592.4	1.8	3.4	6.4	7.2	7.3	18819.3
Kotak Savings Fund - Reg - Growth	46.1	1.7	3.2	6.1	6.7	7.2	15961.6

Money Market Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Aditya Birla Sun Life Money Manager Fund - Reg - Growth	400.1	1.9	3.6	6.4	7.3	6.9	29876.8
UTI Money Market Fund - Reg - Growth	3335.6	1.8	3.5	6.5	7.3	6.8	19467.7

Low Duration Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Bandhan Low Duration Fund - Reg - Growth	41.4	1.5	3.2	5.9	6.8	7.0	6404.2
ICICI Prudential Savings Fund - Reg - Growth	587.3	1.7	3.3	6.4	7.3	7.4	21047.2
UTI Low Duration Fund - Reg - Growth	3825.4	1.6	3.3	6.2	7.2	7.1	2679.9

Short Term Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
HDFC Short Term Debt Fund - Growth	34.2	1.1	2.8	5.3	7.1	7.8	14486.1
ICICI Prudential Short Term Fund - Growth	64.5	1.2	3.0	5.6	7.1	7.9	19402.6
Nippon India Short Duration Fund - Reg - Growth	56.3	1.1	2.7	5.2	7.1	7.7	6556.8

Corporate Bond Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Aditya Birla Sun Life Corporate Bond Fund - Reg - Growth	119.5	1.0	2.5	4.7	6.9	7.6	22635.9
HDFC Corporate Bond Fund - Growth	34.4	0.8	2.5	4.5	6.8	7.6	30286.1

Dynamic Bond Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential All Seasons Bond Fund - Growth	39.1	1.1	2.8	4.8	6.9	8.0	13162.8
Nippon India Dynamic Bond Fund - Reg - Growth	39.3	0.6	1.8	4.8	6.8	7.2	3875.5

Medium Duration Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Axis Strategic Bond Fund - Growth	30.2	1.4	3.2	6.1	7.6	8.3	2112.3
ICICI Prudential Medium Term Bond Fund - Growth	48.7	1.7	3.9	6.8	7.7	8.3	5418.9
SBI Medium Duration Fund - Growth	55.0	1.8	3.6	6.2	7.2	8.3	6488.6

Gilt Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Bandhan Gilt Fund - Reg - Growth (Re-launched)	37.5	1.0	4.7	6.9	7.2	5.6	1713.3
ICICI Prudential Constant Maturity Gilt Fund - Reg - Growth	25.9	0.6	2.0	4.0	7.0	7.1	2012.5
Kotak Gilt Fund - Growth	97.0	0.7	2.3	2.1	4.6	6.9	2107.8
Nippon India Nivesh Lakshya Long Duration Fund - Reg - Growth	18.2	0.5	2.2	2.0	5.7	7.5	6111.8

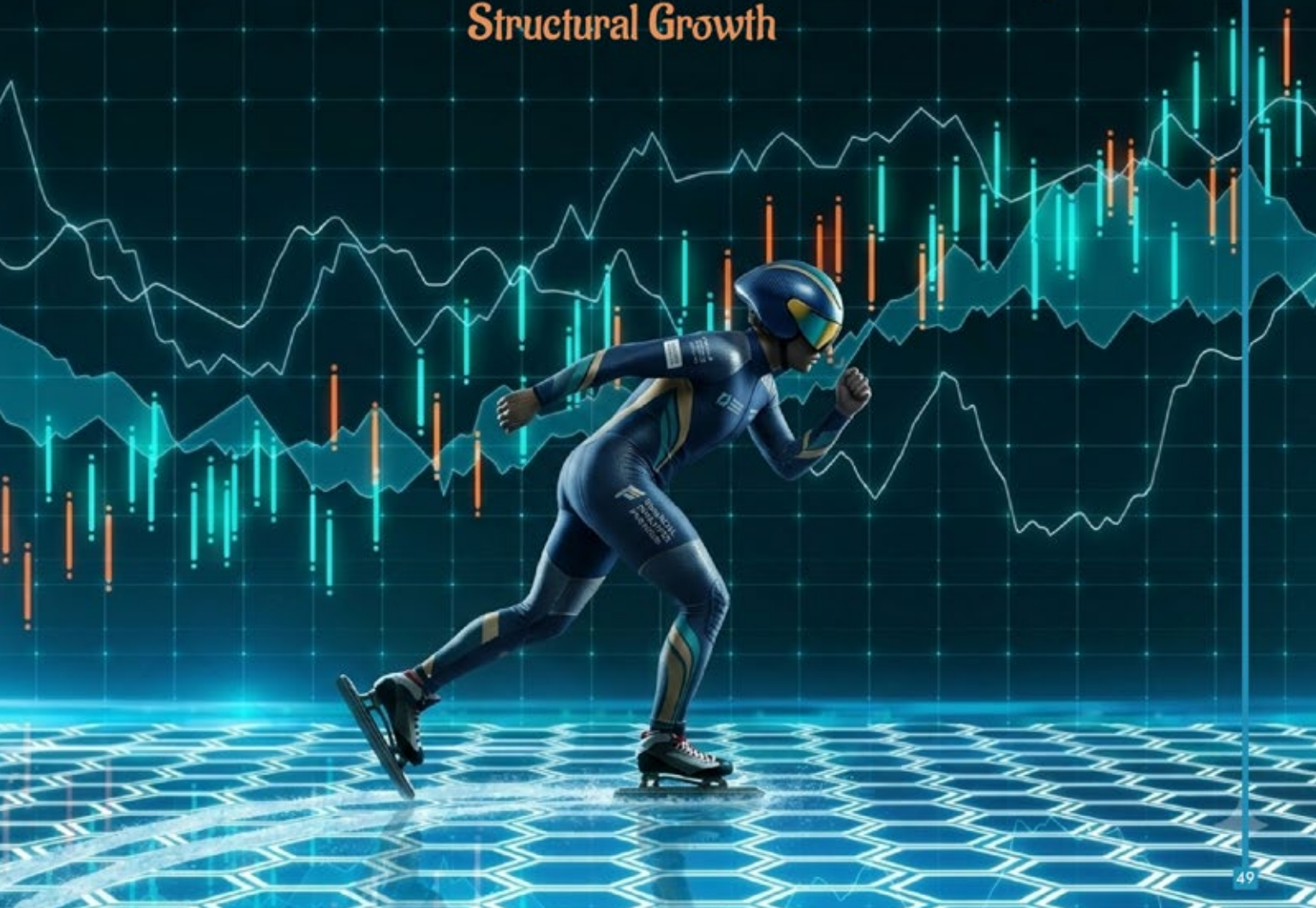
Credit Risk Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential Credit Risk Fund - Growth	34.9	2.1	4.2	7.6	8.4	8.5	6332.6
Nippon India Credit Risk Fund - Reg - Growth	38.2	1.6	3.7	7.1	8.1	8.6	1573.8

Disclaimer : Mutual Fund Investments are subject to market risks. Please read the offer document carefully before investing. Past performance is no guarantee of future performance. Returns are of Growth option of Regular plans. Returns which are below 1 year period are Annualized Returns. Source: - ICRA MFI, NAV as on 21st September 2026

SKATING TO WHERE THE MARKET is GOING

Applying Wayne Gretzky's Classic Strategy Could Help Investors Look Past Short-Term Market Noise Towards India's Long-Term Structural Growth



For the last two or three months, Indian stock markets have faced a demanding stretch. There has been considerable noise surrounding tariff threats from the US, foreign investors pulling money out of India, crude oil prices climbing because of tensions in the Middle East, and bond yields rising globally. The Nifty recently went through its longest losing streak in about 11 months, recording seven straight sessions of red before it finally snapped back.

That bounce back happened for a few straightforward reasons. US bond yields cooled off slightly after the US Treasury announced it would buy more long-term government debt, which calmed nerves globally. Simultaneously, traders who had bet against the market started covering their positions, while foreign investors who had been selling for weeks began buying again. The gains that day were broad, with most sectors closing in the green rather than just isolated pockets of the market.

LOOKING BEYOND SHORT-TERM MARKET SIGNALS

This recovery is not absolute proof that every issue is resolved, and nobody can say for sure that the worst is fully behind us. Crude oil remains elevated, and geopolitical risk has not disappeared.

However, there are enough encouraging indicators, such as cooling bond yields, returning foreign institutional investors (FIIs), broad-based buying across the market, a recovering earnings cycle, and an ascending capital expenditure trend, that suggests the panic phase of the last few months might be behind us.

Without predicting where markets are going to be next, what matters now is where we place our bets from here. This brings to mind an insight from Wayne Gretzky, the iconic ice hockey player, who once said something that has become one of the most quoted lines in business and investing.

He noted that he skates to where the puck is going to be, not where it has been. That simple idea captures the entire strategy. Gretzky was not the fastest skater on the ice, nor was he the strongest, but he was almost always in the right spot at the right time because he was not chasing the puck. Instead, he predicted where it would go next and positioned himself there first.

CHASING TRENDS VERSUS ANTICIPATING SHIFT

In investing, this principle applies in the exact same manner. Most people invest based on what is already doing well. They see something that is up 40% this year and jump in, thinking the trend will simply continue. Yet, by the time something is obviously doing well, much of the easy money has usually already been made.

The real skill in investing is not spotting what is hot today, but rather building a habit of asking where growth, profits, demand, or capital is headed next, and getting positioned there before everyone else catches on.

Warren Buffett captured a similar spirit from a different angle when he advised investors to be fearful when others are greedy, and greedy when others are fearful.

Buffett emphasized that the crowd is usually looking backward and reacting to what just happened. If you want real returns, you often have to think differently from what feels comfortable at the time.

Investor, Rakesh Jhunjhunwala, frequently referred to as India's own Warren Buffett, believed that being wrong about the market for a while is fine, whereas staying wrong out of stubbornness is something a good investor cannot afford.

His whole approach was built

on staying invested in the country's long-term growth story, even when short-term noise made things look scary. That mindset lines up exactly with the puck idea, which focuses on thinking ahead to the next few years rather than reacting to the last three months.

FRAMEWORK FOR FORWARD-THINKING INVESTORS

The whole point of the puck idea is that it is a way of thinking, not a shortcut to an answer. If we just handed you three sector names, you would be relying on someone else's judgment instead of building your own, and that habit runs out the moment the environment changes and those names stop working. Therefore, it is helpful to look at what the process of skating to where the puck is going actually looks like in practice.

First, separate what is temporary from what is structural. When you look at what pulled the market down over the last few months, ask which of those pressures are likely to fade on their own, such as negotiations settling, weather related supply issues resolving, or a rate decision passing, versus which ones reflect something that will still matter two or three years from now.

The temporary factors represent where the puck has been, whereas the structural factors represent where you want to spend your attention.

Second, look at where money and policy are already quietly moving. You do not need insider information for this because a lot of it is public. Government budget priorities, regulatory changes, capital expenditure trends, and what large domestic institutions are doing with new money are all published information. These flows tend to move before stock prices fully reflect them.

BUILDING DISCIPLINE FOR THE LONG TERM

Third, ask what a country of India's size and demographics will need more of over the next decade. This is not about picking a sector, but is rather a mental exercise to consider what a growing, young, and increasingly urban population consistently requires over time, and what gets built out as an economy matures. You do not have to answer this with a specific name because the goal is to practice thinking in years rather than days.

Fourth, compare price against your own read of the future, not against what the price did last week. Many retail investors accidentally use recent price movements as their only signal, believing that if a price already moved, they missed it, or if a price already fell, it must be cheap.

Neither of those tells you much about where things are actually headed. Gretzky was not looking at where the puck had just been to decide where to skate, he was reading the play.

Fifth, build in time and patience as part of the plan, not as an afterthought. Positioning ahead of a trend usually means being early, and being early often looks like being wrong for a while. That is normal because the skill is not just spotting the direction, it is also being able to sit with some discomfort while the rest of the market catches up to what you already saw.

Sixth, revisit your reasoning, not just your returns. Every few months, go back to why you made a decision in the first place. If the reasoning still holds even though the price moved, that is useful information.

If the reasoning has quietly stopped making sense, that is useful information too, regardless of whether the position is currently up or down. None of these steps will hand you a name to buy, but over time, they will build the muscle of thinking ahead of the crowd instead of reacting to it.

SEIZING OPPORTUNITY IN UNCERTAIN MARKETS

After a rough two or three months, many retail investors tend to either panic and pull out completely right near the bottom, or wait for full confirmation that everything is fine before getting back in, by which point much of the recovery has already happened.

Both of these are examples of chasing the puck instead of skating to where it is going. The smarter approach, in line with the Gretzky mindset, is to use periods like this where there is still some uncertainty, yet early signs of stabilizing are showing up.

John Templeton, another legendary investor, used to say that bull markets are born in pessimism and die in euphoria. If that is true, a market that has just come off a rough three month stretch and is still nursing some doubts is a very different, and often more useful, place to be doing this kind of thinking than one that is already euphoric and where everyone already agrees on the story.

THE BOTTOM LINE

Nobody can promise that Indian markets have fully turned the corner because there are still real risks, including oil prices, global tension, and the unpredictability of tariff policy. However, the goal was never to wait for certainty, nor was it to hand out a shortcut list.

It is to notice when enough of the picture is changing and to have a process ready for figuring out what that means for yoU.

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IMPORTANT JARGON

JCR UPGRADES: REFLECTS INDIA'S RESILIENT ECONOMIC GROWTH AND INVESTMENT-FRIENDLINESS

Recently, the Japan Credit Rating Agency (JCR) upgraded India's sovereign credit rating from BBB+ to A-. The ratings upgrade underpins the assessment of India's strong economic growth.

Q. What Has Been The Announcement?

JCR has upgraded India's Foreign Currency and Local Currency Long-term Issuer Ratings one notch to A- from BBB+. The ratings agency has cited India's strong economic growth, fiscal consolidation, a healthier financial system, and resilient external finances. JCR expects India to grow over 6% in FY2026–27.

Q. Why Does JCR's Rating Upgrade Matter To India?

The upgrade comes against the backdrop of a challenging global environment. The action thus underscores the continued strengthening of India's economic fundamentals, supported by effective policy making, improved fiscal quality, and a stronger financial system.

Q. What Is A Credit Ratings Agency?

A CRA is an entity that assigns ratings to a debt instrument. CRAs provide an independent, unbiased, and objective opinion on the future debt repayment ability and willingness of a borrower to repay with respect to a specific debt instrument. A rating is arrived at based on data and information provided by the borrower. There are many domestic and overseas CRAs. In India, the CRAs are regulated by SEBI.

Q. What Is The Importance Of Ratings To Investors And The Financial Markets?

At the outset, a credit rating is not a recommendation to buy, sell, or hold a rated debt instrument.

A rating merely reflects the risk of default in making timely repayment of principal and interest by a borrower for a particular debt instrument.

This helps investors make an informed decision before investing in the debt instrument. A rating also helps in determining the pricing of that debt instrument.

From financial market point of view, a credit rating helps remove information asymmetry thus helping market function more efficiently.

Q. What Is The Validity Period Of A Credit Rating?

Once a rating is assigned by a CRA, it remains under surveillance over the tenure of the debt instrument.

So, a CRA can come out with ratings changes as and when

situations change.

The rating is kept updated as required through the surveillance process. Such ratings are made public through the CRA's website and the stock exchange's website if the borrower is a listed entity.

Q. How Are Credit Ratings Denoted?

Credit ratings are typically expressed through alphabetic symbols, often accompanied by modifiers such as '+' or '–'.

These symbols indicate different levels of credit risk, ranging from high safety and low default risk to higher levels of credit risk.

For instance:
AAA: Highest degree of safety/lowest credit risk.

AA: High degree of safety/very low credit risk.

A: Adequate degree of safety/low credit risk.

BBB: Moderate degree of safety/moderate credit risk.

BB: Moderate risk of default.

B: High risk of default.

C: High risk of default.

D: In default or are expected to be in default soon.

Q. What Were The Key Drivers Behind The Upgrade By JCR?

JCR has cited a few reasons for the rating upgrade: the government's continued focus on infrastructure and capital expenditure; low bad debt levels of the financial sector; India's strong domestic demand, which remains a key growth engine for the economy; and a comfortable external position supported by high forex reserve levels.

Q. What Will Be The Impact Of JCR's Rating Upgrade?

The rating upgrade reinforces India's position as a resilient, credible, and increasingly investment-friendly major economy.

Firstly, it is significant for India's economic credibility and policy framework.

Secondly, the action potentially strengthens investor confidence, making international capital more accessible.

Thirdly, a higher sovereign rating could lead to lower external borrowing costs for the government and Indian corporates.

Fourthly, the rating action supports greater foreign portfolio and direct investment.

Q. Before JCR, What Have Been Some Of The Rating Actions On India By Other Global CRAs?

A few of the world's most prominent global agencies are S&P Global Ratings, Fitch Ratings, and Moody's Ratings.

While these three CRAs acknowledge India's strong economic momentum, they have traditionally been more conservative on India, keeping India at the lowest tier of investment grade (which is or similar to BBB). Yet, India has received sovereign rating upgrades from other major international rating agencies over the past year.

Morningstar DBRS upgraded India's sovereign rating in May 2025, followed by S&P Global Ratings in August '25 and Rating and Investment Information, Inc. (R&I), Japan, in September '25. With JCR's rating action, attention has now turned to how other major CRAs view India.

Q. What Is A Cause For Concern According To JCR?

While the upgrade reinforces confidence in India's economic growth story, high general-government debt and interest burdens, complex Centre-State fiscal relations, and fiscal management that remains susceptible to electoral cycles continue to be important structural challenges, according to JCR.

Q. How Has The Indian Government Reacted?

The government of India has welcomed the decision of JCR to upgrade India's sovereign ratings. It is a validation of the country's economic potential as well as the government policy moves.

India's real GDP growth has remained strong at 7.8% in FY26. JCR's action comes as a breather for the Indian government as the FDI and FPI flows have been volatile in the last few years. One can expect foreign investors to take note of the ratings action by JCR.



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