

Jhunjhunwala bet on India and won. A2Z still fell 94%

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Maxim: *Optimism about India does not remove the risk of losing money.* — Rakesh Jhunjhunwala, in substance

Being right about a country is not the same as being right about a company, a price or a year. India's most famous optimist learned that more than once.

You can be right about the India story and still lose money in it.

No one believed in that story more loudly than Rakesh Jhunjhunwala. He started on Dalal Street in 1985 with ₹5,000, and by the time he died in August 2022 his listed holdings were valued at more than ₹32,000 crore, [Business Standard reported](#). The paper credited his rise to “unwavering faith in the India story” over two decades. The tributes that followed, from the Prime Minister and the Finance Minister down, all said the same thing: he believed in India's growth when many did not.

He was right. And yet the record of India's best-known bull is also a record of large, painful losses.

The dud and the crash

In 2006 Jhunjhunwala paid about ₹20 crore for a 21% stake in A2Z Maintenance & Engineering Services, a facilities and infrastructure services company. It listed in 2010; he sold some shares in the offer at ₹400 and then, after the stock fell on its first day, bought more at about ₹351. In May 2012 he bought again, at ₹100. By May 2013 the share price was ₹19.45, down 94%, while the Sensex had slipped just 4% over the same period. Profits of ₹93 crore had turned into losses and debt had nearly tripled, [Outlook Business reported](#) in a piece it titled “Spectacular bust,” calling A2Z his “biggest dud.”

The India story did not change between 2010 and 2013. The company's story did.

Seven years later came a different kind of loss. In the Covid panic of early 2020, the listed holdings of the Jhunjhunwala family fell from about ₹12,480 crore at the end of December 2019 to about ₹8,021 crore by mid-March, a drop of 36% in under three months, according to [Business Standard](#). Titan, his most famous holding, fell a third. Several other holdings halved. This time the businesses mostly recovered; the A2Z kind of loss is permanent, the 2020 kind was not. But in both cases, conviction about India offered no protection while the losses were happening.

The 2026 version

The gap between a country's progress and its market's returns is on display again this year. India's real GDP grew 7.7% in 2025–26, up from 7.1% the year before, according to MoSPI data [reported by All India Radio](#) in June 2026. The economy, by that measure, is doing what optimists said it would.

The stock market has not followed. By late May 2026 the Nifty was down about 8.5% for the year, foreign investors had pulled more than \$23 billion out of Indian equities, and a Reuters poll pointed to the index's first calendar-year loss since 2015, [Invezz reported](#). The Indian IT index was down more

than a third from its December 2024 level. Investors who bought because “India is growing” have been right about India and still behind on their money.

That is not a contradiction. Stock prices reflect expectations as well as growth. When prices already assume a great deal of good news, even good news can disappoint. And within any growing economy, plenty of individual companies fail.

Optimism with guardrails

None of this argues against optimism about India. Over long periods, a growing economy has been a powerful tailwind for Indian equity investors, and Jhunjhunwala’s career is evidence of it. The point is narrower: optimism is a reason to own Indian equities, not a reason to stop managing risk.

In practice that means three things. First, separate your view of the country from your view of any company. A great decade for India can be a terrible decade for one stock, as A2Z showed; owning several businesses, or a diversified fund, means one dud cannot sink the plan. Second, respect price. Optimism that pays any price for growth is how investors end up with a strong economy and weak returns. Third, size your exposure for the bad years, not the good ones. If a 36% fall in three months, the kind even Jhunjhunwala’s portfolio suffered, would force you to sell, you own too much equity for your circumstances, however bullish you are.

If you do one thing: For each stock you own because of the India story, write one sentence on why this particular company will benefit, and one on what would make you wrong. If the only reason is “India will grow,” consider whether a diversified index fund would capture that belief with far less risk.

Jhunjhunwala’s faith in India made him rich. It did not make him immune. The fortune came from being right about the country over decades and being willing to sit through falls like the one in 2020; the dents came from individual bets that went wrong despite that faith. Both halves belong to the lesson. Be an optimist about India. Just do not ask optimism to do the work of diversification, valuation and patience.

Sources

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