

30th ANNUAL WEALTH CREATION STUDY (2020-2025)

India – The Multi-Trillion Dollar Opportunity

Compounding economy, compounding stocks

HIGHLIGHTS

- The world is getting wealthier, and so is India
- There is no absolute upper limit to financial wealth, albeit with potholes on the way
- India's GDP quadrupled to USD 4 trillion in the last 17 years; in the next 17, it can quadruple again to USD 16 trillion
- In this Multi-Trillion Dollar opportunity, Financials (including Capital Market) and Consumer discretionary will see explosive expansion as they hit the tipping point
- The MTD era will see many compounding stocks
- Large caps are likely to perform better in the medium term

TOP 10 WEALTH CREATORS (2020-2025)

BIGGEST		FASTEST		CONSISTENT			
Rank	Company	Wealth Created (INR b)	Company	5-year Total Return CAGR (%)	Company	No. of years outperformed	5-year Price CAGR (%)
1	Bharti Airtel	7,944	BSE	124	Hind. Aeronautics	5	75
2	ICICI Bank	7,417	Rail Vikas Nigam	95	Welspun Corp	5	70
3	SBI	5,593	Jindal Stainless	90	Bharat Dynamics	5	70
4	Bajaj Finance	4,206	GE Vernova T&D	85	Indian Bank	5	69
5	Larsen & Toubro	3,974	Persistent Systems	83	Bharat Electronics	5	66
6	ITC	3,765	FACT	82	Jindal Steel	5	62
7	HCL Technologies	3,708	Dixon Technologies	79	Patanjali Foods	5	61
8	Sun Pharma	3,459	Adani Power	79	Cholamandalam Invt.	5	58
9	M & M	3,055	Adani Enterprises	76	Minda Corp	5	57
10	NTPC	2,997	Hitachi Energy	76	Radico Khaitan	5	56

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Motilal Oswal 30th Annual Wealth Creation Study

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Abbreviations and Terms used in this report

Abbreviation / Term	Description
2020, 2025, etc	Reference to years for India are financial year ending March, unless otherwise stated
Avg	Average
CAGR	Compound Annual Growth Rate
INR bn	Indian Rupees in billion
L to P / P to L	Loss to Profit / Profit to Loss. In such cases, calculation of PAT CAGR is not possible
Price CAGR	In the case of aggregates, Price CAGR refers to Market Cap CAGR
WC	Wealth Created
Wealth Created	Increase in Market Capitalization over the last 5 years, duly adjusted for corporate actions such as fresh equity issuance, mergers, demergers, share buybacks, etc.

Note: Capitaline database has been used for this study. Source of all exhibits is MOFSL analysis, unless otherwise stated

Wealth Creation Study

Objective, Concept & Methodology

Objective

The foundation of Wealth Creation is to buy businesses at a price substantially lower than their “intrinsic value” or “expected value”. The lower the market value compared to the intrinsic value, the higher is the margin of safety. Every year, as in the past 30 years, we endeavor to cull out the characteristics of businesses and companies that create value for their shareholders.

As Phil Fisher says, *“It seems logical that even before thinking of buying any common stock, the first step is to see how money has been most successfully made in the past.”* Our Wealth Creation Studies are attempts to study the past as a guide to the future, and gain insights into the various dynamics of stock market investing.

Concept & Methodology

Wealth Creation is the process by which a company enhances the market value of the capital entrusted to it by its shareholders. It is a basic measure of success for any commercial venture. For listed companies, we define Wealth Created as the difference in market capitalization over a period of last five years, duly adjusted for corporate events such as fresh equity issuance, dividends, share buybacks, mergers, etc.

We start with the top 500 market cap companies in the base year i.e. 2020 for this Study

We define **Biggest Wealth Creators** as the top 100 companies in descending order of Wealth Created 5 years i.e. 2020-2025 for this Study. This is subject to the company’s Total Return at least outperforming the benchmark index (Nifty 50 Total Return Index in our case). Over 2020-25, Nifty 50 TRI return CAGR is 23.7%.

We define **Fastest Wealth Creators** as top 100 companies delivering the highest Total Return CAGR during 2020-2025.

We define **Consistent Wealth Creators** based on the number of years the stock has outperformed in each of the last 5 years. Where the number of years is the same, the Total Return CAGR decides the rank.

We define **All-round Wealth Creators** based on the summation of ranks, under each of the 3 categories – Biggest, Fastest and Consistent. Where the scores are tied, the Total Return CAGR decides the All-round rank.

Report structure

We present the 2020-2025 Wealth Creation Study highlights in pages 2-3. The detailed findings are presented in pages 38-52. Appendix 1 (pages 54-55) presents the top 100 Biggest Wealth Creators. Appendix 2 (pages 56-57) presents the top 100 Fastest Wealth Creators. Appendix 3 (pages 58-59) lists the Consistent Wealth Creators. Appendix 4 (pages 60-61) presents the All-round Wealth Creators. Appendix 5 (pages 62-63) provides an alphabetical listing of the Biggest Wealth Creators. Appendix 6 (pages 64-65) provides an alphabetical listing of the Fastest Wealth Creators. Appendix 6 (page 66) carries the list of top 20 Fastest Wealth Creators under various market cap categories, namely, large, mid, small and mini.

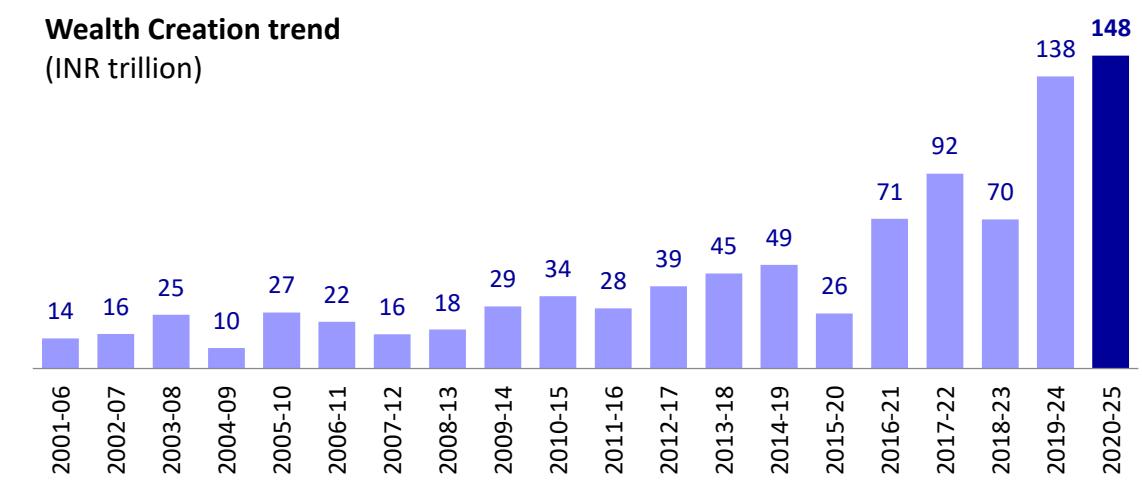
This year’s theme study titled **“India – The Multi-Trillion Dollar Opportunity”** is featured in pages 4-37.

Wealth Creation 2020-2025: Highlights

2020-25 Wealth Created at all-time high of INR 148 trillion

- During 2020-25, the top 100 Wealth Creators of India Inc created all-time high wealth of INR 148 trillion, as March 2020 was a sharp low for the markets due to covid lockdown.
- Pace of Wealth Creation at 38% CAGR is the highest in the last 17 study periods, also significantly higher than the BSE Sensex return CAGR of 21%.

Exhibit 1 2020-25 Wealth Created at an all-time high of INR 148 trillion



Bharti Airtel is the Biggest Wealth Creator

- At INR 7.9 trillion, **Bharti Airtel** is the biggest Wealth Creator over 2000 to 2025, followed closely by **ICICI Bank** at INR 7.4 trillion.

Exhibit 3 Top 10 Biggest Wealth Creators (2020-25)

Rank	Company	Wealth Created		CAGR (%)		P/E (x)		RoE (%)	
		INR bn	% share	Price	PAT	2025	2020	2025	2020
1	Bharti Airtel	7,944	5.4	32	30	48	42	19	7
2	ICICI Bank	7,417	5.0	34	40	19	22	16	8
3	SBI	5,593	3.8	33	37	9	11	17	7
4	Bajaj Finance	4,206	2.8	33	26	33	25	17	16
5	Larsen & Toubro	3,974	2.7	35	10	31	12	16	14
6	ITC	3,765	2.5	24	5	26	14	28	24
7	HCL Technologies	3,708	2.5	33	9	25	11	25	21
8	Sun Pharma	3,459	2.3	38	24	36	21	16	9
9	M & M	3,055	2.1	57	L to P	26	N.A.	17	-1
10	NTPC	2,997	2.0	36	16	17	8	11	9
Total of Top 10		46,117	31	34	25	23	16	17	10
Total of Top 100		147,988	100	38	30	21	16	15	8

L to P – Loss to Profit

BSE has emerged the Fastest Wealth Creator

- BSE has emerged the Fastest Wealth Creator with 2020-25 Total Return CAGR of 124%.
- INR 10 million invested equally in 2020 in the top 10 fastest Wealth Creators would be worth INR 240 million in 2025, a return CAGR of 88% v/s 24% for Nifty Total Return Index.

Exhibit 5 Top 10 Fastest Wealth Creators (2020-25)

Rank	Company	Total Return		PAT CAGR %	Mkt Cap (INR bn)		P/E (x)	
		(x)	CAGR %		2025	2020	2025	2020
1	BSE	56	124	65	742	13	53	12
2	Rail Vikas Nigam	28	95	11	733	27	57	4
3	Jindal Stainless	25	90	105	479	12	19	17
4	GE Vernova T&D	21	85	L to P	398	19	65	N.A.
5	Persistent Systems	20	83	33	858	42	63	13
6	FACT	20	82	45	414	21	1,880	599
7	Dixon Tech.	18	79	43	792	41	108	34
8	Adani Power	18	79	L to P	1,964	107	15	N.A.
9	Adani Enterprises	17	76	33	2,680	151	66	16
10	Hitachi Energy	17	76	15	564	32	147	16

Hindustan Aeronautics is the Most Consistent Wealth Creator

- **Hindustan Aeronautics** has emerged as the Most Consistent Wealth Creator. It has outperformed the Nifty Total Return Index in all the last 5 years, and has the highest Total Return CAGR of 75%.

Exhibit 7 Top 10 Most Consistent Wealth Creators (2020-25)

Rank	Company	No. of years of outperformance	2020-25 Total Ret. CAGR (%)	2020-25 PAT CAGR (%)		P/E (x)		RoE (%)	
				2025	2020	2025	2020	2025	2020
1	Hind. Aeronautics	5	75	24	33	6	24	21	
2	Welspun Corp	5	70	13	19	2	16	20	
3	Bharat Dynamics	5	70	1	85	6	14	21	
4	Indian Bank	5	69	67	6	3	18	4	
5	Bharat Electronics	5	66	24	42	10	27	18	
6	Jindal Steel	5	62	210	26	677	7	0	
7	Patanjali Foods	5	61	42	50	22	11	7	
8	Chola. Investment	5	58	32	30	12	18	13	
9	Minda Corp	5	57	L to P	51	N.A.	12	0	
10	Radico Khaitan	5	56	7	94	14	13	16	

Hindustan Aeronautics is the Best All-round Wealth Creator

- We define All-round Wealth Creators based on the summation of ranks, under each of the 3 categories – Biggest, Fastest and Consistent. Where the scores are tied, the Total Return CAGR decides the All-round rank.
- Based on this criteria, **Hindustan Aeronautics** has emerged as the Best All-round Wealth Creator.

Exhibit 9 Top 10 All-round Wealth Creators (2020-25)

All-round		Rank			Total of Ranks	2020-25 Total Return CAGR (%)
Rank	Company	Biggest	Fastest	Consistent		
1	Hind. Aeronautics	12	11	1	24	75
2	Bharat Electronics	22	23	5	50	66
3	Adani Power	27	8	18	53	79
4	BSE	66	1	14	81	124
5	Persistent Systems	60	5	17	82	83
6	Rail Vikas	68	2	15	85	95
7	Indian Bank	67	17	4	88	69
8	Varun Beverages	30	30	29	89	63
9	Trent	29	33	31	93	62
10	Jindal Steel	57	32	6	95	62

Detailed findings page 38 onwards.

Theme Study

India – the Multi-Trillion Dollar Opportunity

Compounding economy, compounding stocks

“There is no absolute upper limit to financial wealth”

– Professor John Edmunds in his book *The Wealthy World*

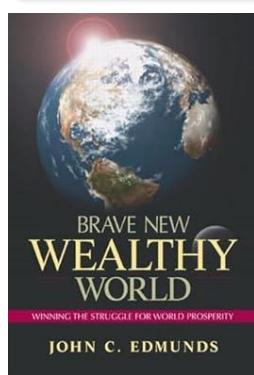
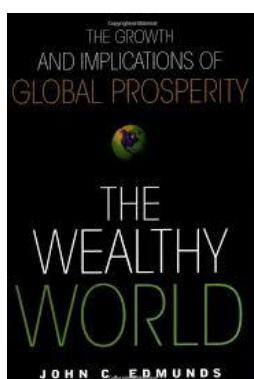
1. In a nutshell

The key points in this report are –

- The world is getting wealthier by the day, and so is India.
- As an economy gets wealthier, Wealth Effect kicks in, which further boosts economic growth, which in turn, propels wealth, creating a virtuous cycle of growth and wealth creation.
- India's GDP quadrupled from USD 1 trillion to USD 4 trillion in the last 17 years. In the next 17, expect it to quadruple again to USD 16 trillion.
- **This is a Multi-Trillion Dollar (MTD) Opportunity for many businesses to explode, especially Financials (including Capital Market) and Consumer discretionaries such as Autos, Consumer Durables, Healthcare, etc.**
- This MTD era will see many compounders. We identify 29 such compounders here.

2. This study's bedrock – Wealthier world, wealthier India

Opening up the mind to investment infinity



The major inspiration for this study is a set of two pathbreaking books by Professor John Edmunds of Babson College in the US – *The Wealthy World* (published in 2001) and followed up with *Brave New Wealth World* (published in 2003).

The key takeaways from both books combined are –

- The world is getting wealthier by the day
- There is no limit to how much financial wealth can get created
- Financial wealth can expand at a pace that real output can never match
- Securitization – i.e. transforming the ownership of large businesses into tradable bits way of bonds and stocks – has become the most powerful engine of wealth creation in today's world economy.
- Rapid rise in financial wealth can lift millions of people from poverty faster than incomes can.

Some of the above points can be easily backed by data.

2.1 The world is getting wealthier by the day

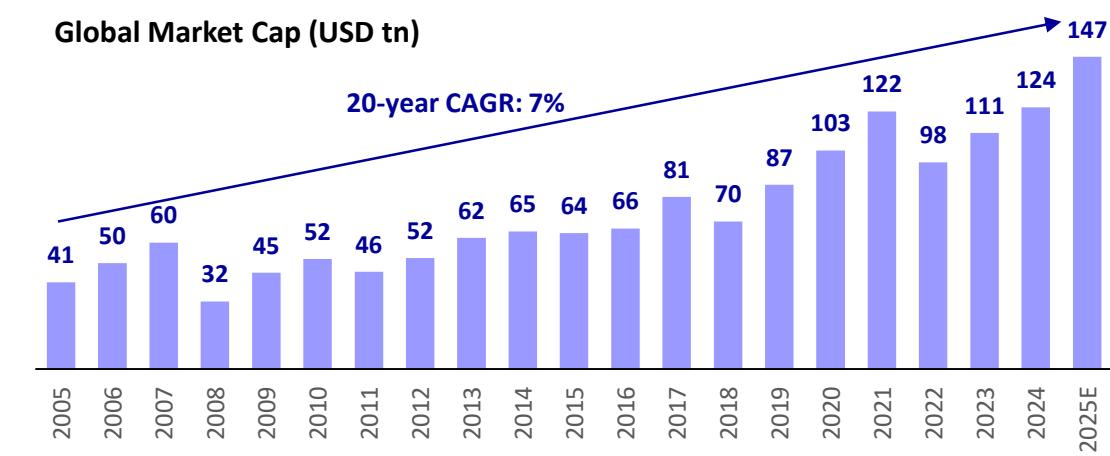
There are two broad categories of household wealth –

1. Real (mainly real estate and gold) and
2. Financial (equity stocks, bonds and cash & bank deposits).

Increasingly, financial wealth is dwarfing real wealth globally. Further, within financial wealth, it's equity stock wealth which is increasingly tracked, and has the potential to make a meaningful difference in the lives of people. For instance, in its October 2025 study, McKinsey Global Institute places global household financial assets at USD 570 trillion. Of this equity accounts for the lion's share of 41% followed by currency & deposits at 25%.

So, in this study, we consider equity market cap as a good representation of household financial wealth. Exhibit 1 below suggests how the world is getting wealthier by the day.

Exhibit 1 **The world is getting wealthier by the day**



2.2 There is no limit to how much financial wealth can get created

It is believed by many even now that the ratio Market Cap-to-GDP of 1x is a limit to how much equity wealth can get created. However, data suggests that this is not the case. Relentless securitization and globalization of corporate profits can expand Market Cap to well beyond GDP as is evident in well-organized capital markets like the US and India.

Exhibit 2 **There is no limit to how much financial wealth can get created**

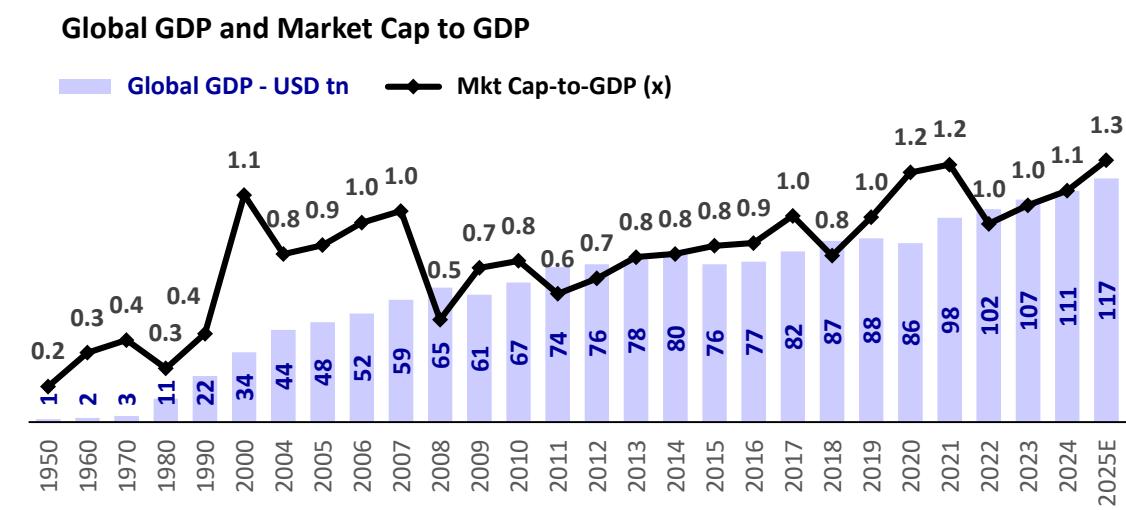
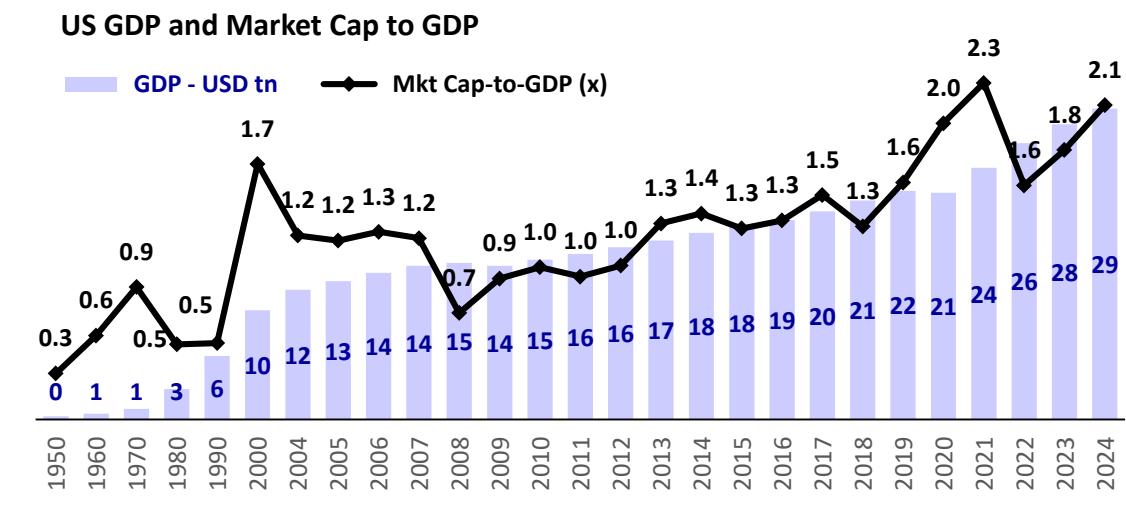


Exhibit 3 **US Market Cap-to-GDP on a relentless rise as corporate profits increasingly become global**



An important caveat: The road of financial wealth and prosperity will have its fair share of potholes. We have already seen dotcom bust, global financial crisis, pandemic, wars, etc. All these and more could appear in some form or the other going forward. But, as was the case in the past, they will only temporary break the journey, not derail it.

2.3 Financial wealth can expand at a pace that real output can never match

Exhibit 4 clearly establishes this fact. The main reasons are (in Prof Edmunds's words) –

- “Traditional economic theory holds that growth is slow and rooted in expanding production capacity and knowledge.”
- In contrast, “The worldwide total of these (*financial*) assets has grown rapidly ... because middle-class people around the globe are buying more of these assets every month.”

Exhibit 4 **Market cap growth is consistently faster than GDP growth**

CAGR	World		US		India	
	Mkt Cap	GDP	Mkt Cap	GDP	Mkt Cap	GDP
20-year	7%	5%	7%	4%	14%	9%
15-year	7%	4%	11%	5%	9%	7%
10-year	9%	4%	10%	5%	11%	7%
5-year	7%	6%	13%	6%	25%	7%

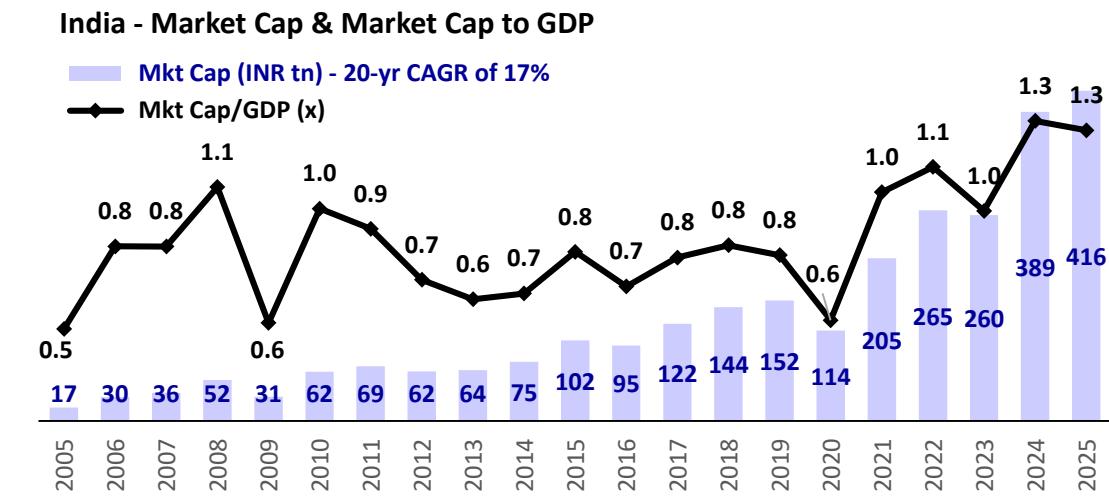
Note: Both Market Cap and GDP returns in dollar terms

Slowing inflation and falling interest rates are lowering returns on other asset classes such as bank deposits. Hence, it is fair to expect that people will increasingly take to equities, which will sustain the above phenomenon.

2.4 India too is getting wealthier by the day

In keeping with the world, India too is getting wealthier by the day. Over the last 20 years, India's market cap in rupee terms has clocked a robust 17% CAGR. Market cap-to-GDP is up from 0.5x in 2005 to 1.3x in 2025.

Exhibit 5 **India too is getting wealthier by the day**



India has also moved up in the global market cap rankings from 7th in 2007 to 4th in 2024, with its share of global market cap rising from 3% to 4.2%.

Exhibit 6 **India's global market cap rank is steadily climbing**

Rank	Country	2007 Mkt Cap (USD tn)	Share of World	Rank	Country	2024 Mkt Cap (USD tn)	Share of World
1	US	17.7	29.6%	1	US	62.0	50.1%
2	Japan	4.5	7.6%	2	China	10.0	8.1%
3	UK	4.0	6.8%	3	Japan	6.4	5.2%
4	China	3.9	6.4%	4	India	5.2	4.2%
5	France	2.7	4.6%	5	Canada	3.1	2.5%
6	Germany	2.2	3.7%	6	UK	3.1	2.5%
7	India	1.8	3.0%	7	France	2.9	2.4%
8	Canada	1.7	2.9%	8	Saudi Arabia	2.7	2.2%
9	Russia	1.5	2.5%	9	Germany	2.4	1.9%
10	Australia	1.4	2.4%	10	Switzerland	2.0	1.6%
Total of above		40	67%	Total of above		98	79%
World		60	100%	World		124	100%

2.5 Impact of significant wealth creation – the “Wealth Effect”

The impact of significant wealth creation is what behavioral economics calls the “**Wealth Effect**”. Simply said, Wealth Effect suggests that consumers spend more as the value of their assets, such as stocks and real estate, rises. This increased spending occurs because people feel more financially secure and confident, even if their income has not changed. Conversely, a decline in asset values can lead to reduced consumer confidence and spending.

The Wealth Effect is particularly important in the US where over 60% citizens own stocks. Thus, rise and fall in the value of stocks influences their consumption behavior which has meaningful impact on economic growth.

Despite its importance, **Wealth Effect defies precise measurement**. Various studies place Wealth Effect in the US ranging from 2-6 cents to the dollar. In other words, if the value of assets rise by 1 dollar, US consumers are likely to spend an additional 4 cents on average i.e. 4%.

2.6 Wealth effect and India

The concept of Wealth Effect has more far-reaching implications for India than the US. This is so because India's per capita income is about USD 2,650 i.e. less than INR 240,000 per annum or INR 20,000 per month. Further, considering income inequality, the per capita income is successively lower as one moves down the income pyramid.

Low per capita income implies **high Marginal Propensity to Consume (MPC)** i.e. every additional rupee of income in the hands of the lower income class is likely to be almost entirely spent on goods and services. In such a situation comes the wealth effect.

As wealth in India is highly concentrated, the first signs of Wealth Effect are visible in big ticket activity by the upper classes – premium homes, luxury vehicles, lavish weddings, etc. However, MPC in the upper class is very low. Among the middle class, rising ownership of equity and mutual funds is barely a 5-year old phenomenon when covid caused regulators to allow digital onboarding of potential investors.

Thus, we believe, the wealth effect has not yet fully played out in India. Yet it holds tremendous potential as tabled below.

Exhibit 7 **Illustration of how Wealth Effect could potentially play out in India**

	INR tn
Market cap - March 2025	(A) 416
Market cap - March 2024	(B) 389
Delta Market Cap - Proxy for additional wealth	(C) = (A) - (B) 27
Wealth Effect (say, higher than US due to higher MPC)	(D) 5%
Additional spending on goods and services in FY26	(E) = (C) x (D) 1.35
FY25 GDP	(F) 331
Additional GDP growth in FY26 due to Wealth Effect	(G) = (E) ÷ (F) 0.4%

Note: The above calculation does not consider the GDP multiplier effect, which will boost growth further

Going by the above, Wealth Effect can meaningfully push up economic growth. This implies higher sales and profits for the corporate sector, which raises the value of equity assets further, which in turn drives up the Wealth Effect i.e. **a virtuous cycle of economic growth and wealth creation**. Such Wealth Effect significantly supports our next argument that India's macroeconomic growth story will sustain for a long time to come.

3. Indian's macroeconomic story – from NTD to MTD

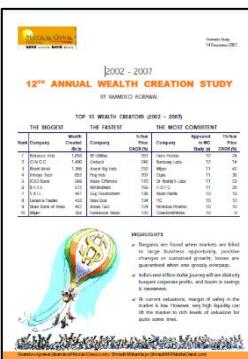
Expect GDP to expand even on an ever-rising base

In this section, we do a 17-year flashback of the India story from 2007 to date (the NTD era), followed by a 17-year flashforward to 2042 (the MTD era).

3.1 The NTD era: GDP quadruples from USD 1 trillion to USD 4 trillion

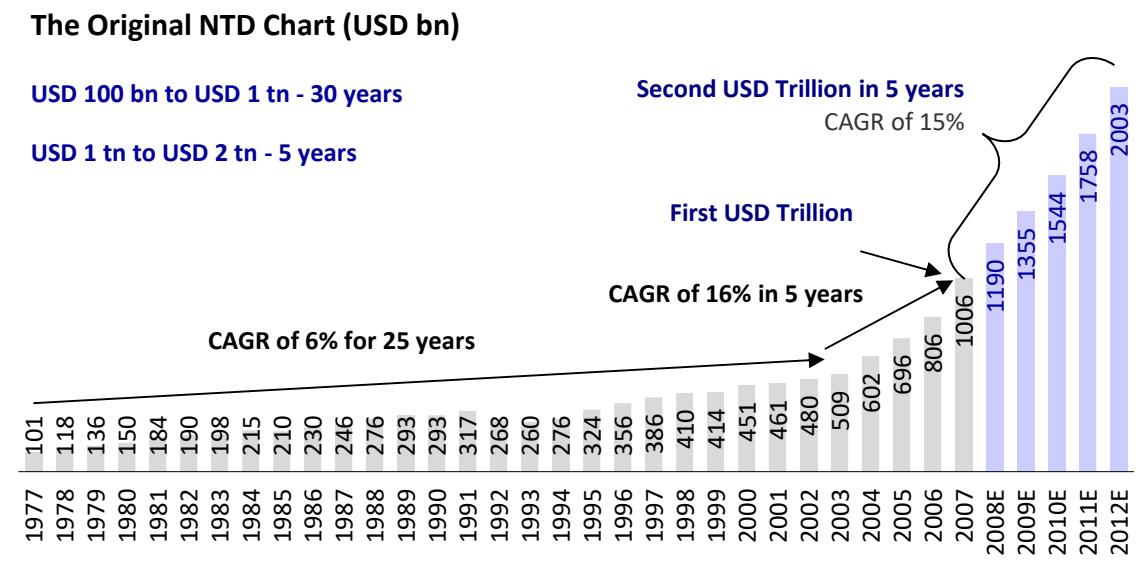
In our 2007 Wealth Creation Study, we introduced the concept of **NTD i.e. Next Trillion Dollar of GDP** for India. The core thesis of NTD was as under –

- It took India 60 years post-Independence to clock its first trillion dollar of GDP in 2007 (FY08).



- However, due to the power of compounding even on the higher base, the NTD would arrive in a much shorter period of 5 years i.e. CAGR of about 15%, the same as that of India's journey from USD 0.5 trillion GDP to USD 1 trillion.

Exhibit 8 **The original NTD argument**



- The NTD phenomenon would drive **exponentiality** in several macro and micro aspects–
 - **Consumption** – discretionary products like air-conditioners and cars
 - **Government finances** – led by buoyant tax revenues
 - **Investment** – given improved government finances and public-private partnerships
 - **Sectors** like Financial services, Wireless Telecom, Cars, Engineering & Construction, Cement, and Steel, and finally,
 - **Corporate sector profits.**

The post mortem

- We were directionally right but mathematically wrong.
- The NTD did indeed happen, but in 2015 versus the expected 2012 i.e. a compounding of 10% versus the expected 15%.
- Looking back, we could attribute this delay to:
 1. Sharp 6% compounded depreciation of the rupee v/s our assumption of a flat USD-INR
 2. The global financial crisis of 2009
 3. Followed by a long spell of policy paralysis in India.

3.1.1 Extending the NTD idea

Along the way, we extended the core NTD idea into the **NTD era**. The core thesis here is that after the first trillion dollar of GDP, successive NTDs would take much shorter periods. Looking back, the second trillion dollar took 7 years (2008 to 2015), as did the third (2015 to 2022).

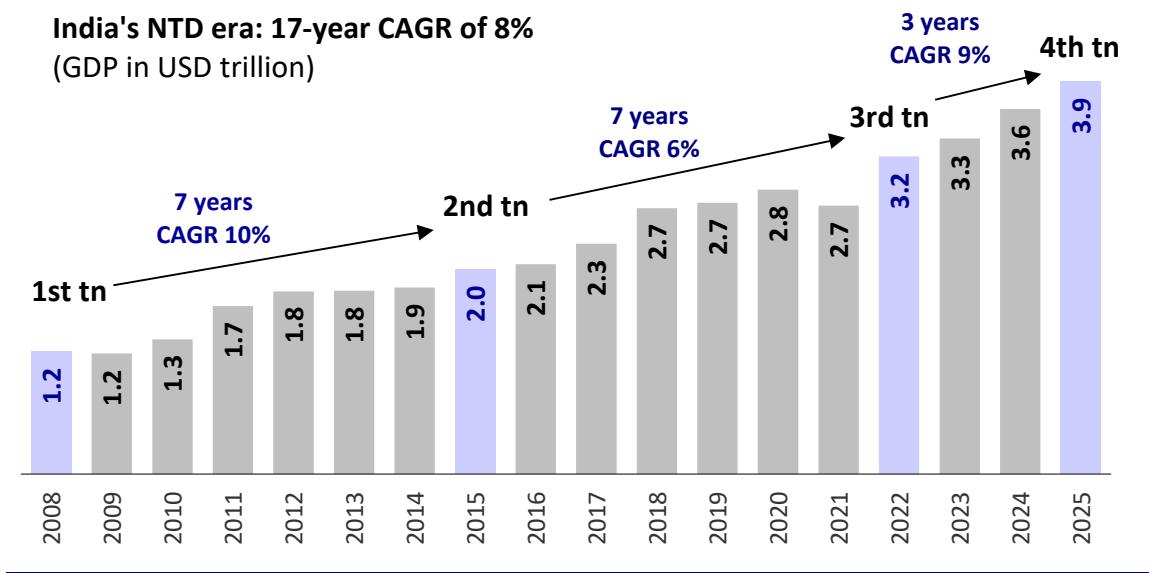
The main reasons here were –

- **A series of short-term economic disruptions** – demonetization, teething troubles of GST launch, Insolvency & Bankruptcy Code, Real Estate Regulation Act (RERA), etc, and the most important of all,

- **Covid-led stagnation** of economic activity for almost a year and a half.

It's the fourth trillion dollar of GDP where the NTD thesis held true as it came in about 3 years at a CAGR around 9%. Exhibit 10 presents the full picture of the NTD era – GDP quadrupling from USD 1 trillion to USD 4 trillion over 17 years, at a CAGR of around 8%.

Exhibit 9 **India's NTD era growth was slower than expected**

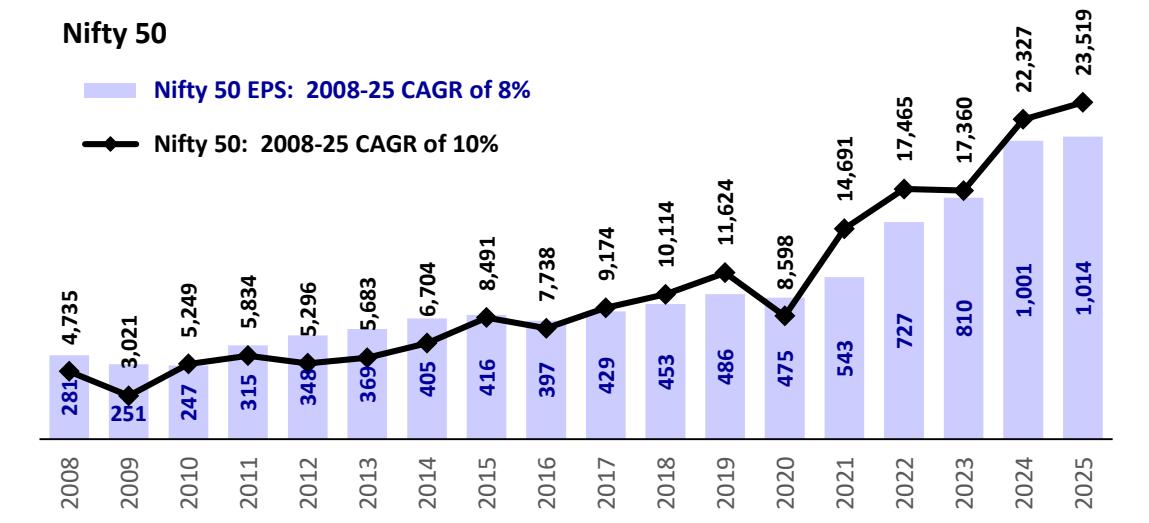


3.1.2 Low market returns on the back of weak corporate profit growth

The NTD era is marked with low Nifty 50 returns of 9-11% for every NTD. This is on the back of weak corporate profit growth – Nifty EPS CAGR over 2008 to 2025 is just 8%. A semblance of earnings revival is in the USD 3 trillion to USD 4 trillion journey with Nifty EPS clocking 12% CAGR.

There is a high probability of improving upon this level of earnings growth in the MTD era.

Exhibit 10 **India's NTD era: Muted Nifty 50 CAGR of 10% on the back of earnings CAGR of 8%**

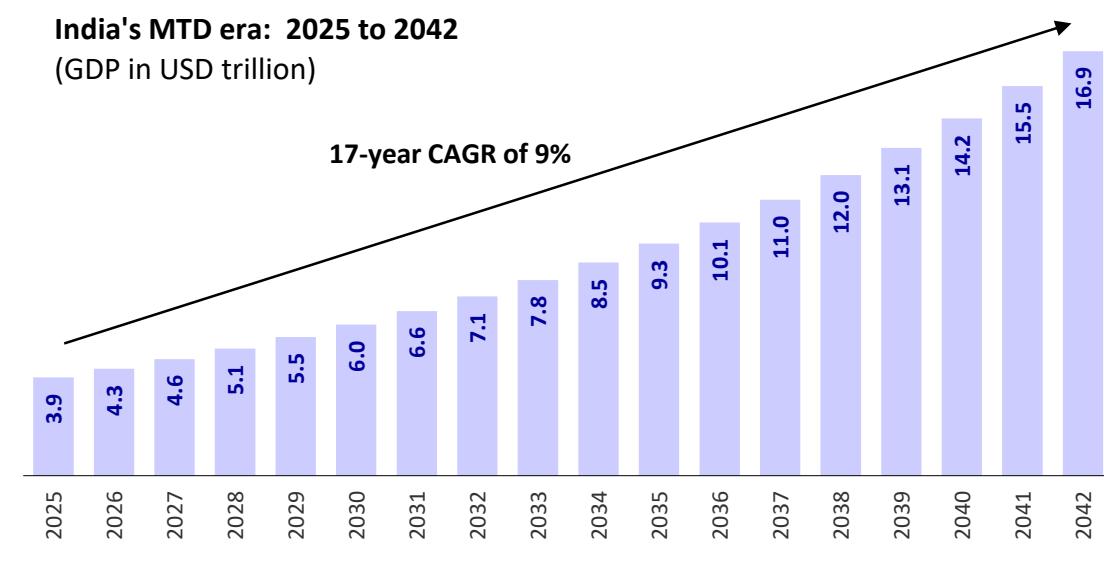


3.2 From NTD to MTD: Expect GDP to quadruple again to USD 16 trillion

MTD stands for **Multi Trillion Dollar opportunity**. India's past GDP growth track record coupled with the Wealth Effect discussed earlier makes us extremely confident about India's future economic growth over the very long term.

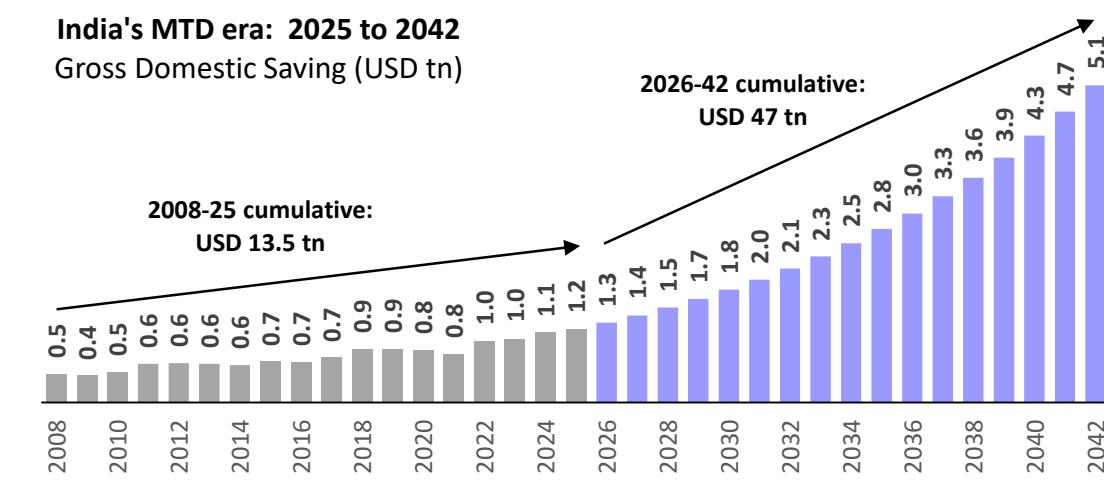
Over the last 20 years, India has clocked dollar GDP CAGR of 9% (rupee GDP CAGR of 12%, deflated by rupee depreciation CAGR of 3%). We believe there's a very high probability of this rate of growth sustaining over the next 17 years through to 2042. Thus, **in this MTD era, we see India's GDP quadrupling again** – from USD 4 trillion in 2025 to USD 16+ trillion in 2042.

Exhibit 11 **India: From NTD to MTD – Expect GDP to quadruple again to USD 16 trillion by 2042**



The 9% annual GDP growth rate appears modest. But the thing to note is the ever rising base. Thus, 17 years out, GDP will be USD 12 trillion higher than the current levels. Further, building in 1% annual population growth, **per capita GDP doubles every 9 years** – from USD 2,600 currently to USD 5,200 by 2034 and USD 10,400 by 2043. Finally, cumulative Gross Domestic Saving will climb from USD 13.5 trillion in NTD era to USD 47 trillion in the MTD era.

Exhibit 12 **India: From NTD to MTD – Expect savings tsunami of USD 47 trillion**



All of the above combined spell a massive opportunity for almost every single business. Hence, from the equity investing point of view, it becomes critical to profit from this opportunity by picking the right stocks for the MTD era.

For this, we proceed to gain insights into sectors and stocks from the 17-year NTD era, which can then be suitably applied for the MTD era.

4. From macro to micro – Defining & identifying compounders

Steady 15%+ return CAGR over the very long term

A true investor – as opposed to a speculator – aspires to create and own a portfolio of **long-term compounders** i.e. stocks offering consistent market-beating returns over a very long time period. Appendix 2 (Page 33) makes a case for investing in long-term compounders. For ease of use, in the rest of the report, we simply call such stocks compounders (long-term is implicit).

4.1 Compounders: Definition and characteristics

There is no standard definition of compounders. Generally speaking, they are **shares in high-quality companies that can be held for an extended period** (say, ten years or more), and allowing the capital gains to generate further returns, leading to exponential wealth accumulation. This "snowball effect" is driven by a "buy-and-hold" approach, without reacting to short-term market fluctuations.

Key characteristics of compounders

- **Compounding returns:** This is the very definition itself. The fundamental principle is earning "returns on returns". Compounders continue to deliver returns even on an ever-expanding base principal.
- **Extended time horizon:** Compounding requires time to be effective. A long-term perspective (typically 10+ years) is essential to ride out short-term market volatility and fully benefit from the exponential growth curve.
- **Quality companies:** Compounders have a long track record of business success, strong management teams, and sustainable growth potential.
- **Patience and discipline:** Reaping the full benefit of compounders entails patience and discipline on the part of investors, resisting the temptation to react emotionally to market dips or chase short-term gains.
- **Tax efficiency:** In many countries, gains on assets held for a longer period (e.g. over one year in India) are subject to lower capital gains tax rates compared to short-term gains. Such tax efficiency further enhances the compounding effect on net stock returns.

4.2 Identifying Compounders

We translated the definition and characteristics of compounders into a quantitative methodology to identify compounders in the NTD era. Though based on "perfect hindsight", a study of the final stocks identified hold insights for creating a portfolio of compounders for the MTD era.

The compounder-identifying methodology

- **Demarcating the NTD era:** As a recap, the NTD era is a 17-year period from 2008 to 2025 during which India's GDP quadrupled from USD 1 trillion to USD 4 trillion. To smoothen the impact of short-term shocks and disruptions such as global financial crisis and covid, we demarcated the NTD era into two distinct periods –
 1. **Period 1 (2008 to 2015)** – the 7-year period during which India's GDP doubled to USD 2 trillion
 2. **Period 2 (2015 to 2025)** – the 10-year period during which GDP doubled again to USD 4 trillion.
- **Top 500 stocks in 2008:** We started the compounding shortlisting process from within the top 500 market cap stocks in 2008. This ensured that only meaningful and practically investible stocks were identified, rather than mere academic ones.
- **Sales growth higher than nominal GDP growth over 2008 to 2025:** Our case for the MTD era is sustained growth in India's GDP. So compounders need to be a play on this phenomenon. Nominal GDP growth over 2008 to 2025 is about 12%. So, of the top 500, we shortlisted companies whose 2008-25 Sales CAGR is at least 12%. This dramatically reduced the 500 number to 137 companies.
- **15% Price CAGR over 2008-25:** Next, compounders should deliver market-beating returns over a very long term. During 2008 to 2025, benchmark Nifty 50 CAGR was a modest 10%. So, we shortlisted stocks which delivered a clear alpha of minimum 5 percentage points over Nifty 50 i.e. 2008 to 2025 price CAGR of 15%. There were 115 such stocks out of the top 500. The list of 137 companies more than halved to 61.
- **Outperformance in both the NTD periods:** A key characteristic of compounders is steady returns over time and not volatile point-to-point returns. To quantitatively ensure this, we incorporated an additional filter – besides delivering 15% Price CAGR over 17 years, the stocks should also outperform the benchmark in both the periods listed earlier.
- **35 compounders during the NTD era:** The above process left us with 35 high-quality compounders during the NTD era, presented in Exhibit 13, page 15.

4.3 Key takeaways from NTD era compounders

We found some very insightful takeaways from the list of NTD era compounders which will help us create the India MTD Portfolio.

4.3.1 Compounders are very few and they offer handsome returns

Of the starting list of top 500 companies in 2008, only 35 (7%) ended up as compounders. Their average Price CAGR over 2008-25 is a handsome 23%.

Thus, steady compounders are very few. Accurately identifying them and, equally important, holding on to them for the long term, creates enormous wealth with minimum incremental effort.

Implication for India MTD Portfolio:

Exercise due care in picking stocks based on macro and micro insights regarding the MTD era.

Exhibit 13 The NTD Era Compounders

Company	2008-25 CAGR			P/E (x)		RoE	
	Price	PAT	Sales	2008	2025	2008	2025
Bajaj Finance	39%	48%	34%	59	33	2%	17%
Eicher Motors	37%	30%	13%	13	31	13%	22%
SRF	34%	13%	14%	5	70	17%	10%
TVS Motor	34%	L to P	17%	N.A.	53	-8%	25%
Solar Industries	33%	23%	21%	21	81	19%	29%
Torrent Pharma	30%	17%	13%	9	57	26%	25%
Coforge	29%	11%	16%	5	68	29%	12%
Tata Elxsi	28%	17%	14%	9	41	44%	27%
Titan Company	27%	20%	19%	30	82	35%	29%
Abbott India	27%	20%	15%	12	46	29%	33%
Balkrishna Inds	25%	17%	14%	10	32	26%	15%
Chola. Investment	25%	30%	21%	18	30	9%	18%
Berger Paints	25%	16%	13%	12	50	26%	19%
Pidilite Inds	25%	16%	13%	20	69	28%	21%
J K Cements	22%	7%	13%	4	48	35%	13%
Godrej Consumer	22%	16%	17%	20	63	93%	16%
Apar Inds	21%	16%	15%	11	27	22%	18%
Apollo Hospitals	21%	19%	19%	42	68	6%	17%
HCL Technologies	21%	19%	17%	17	25	23%	25%
Schaeffler India	21%	16%	16%	15	57	25%	18%
Ipca Labs	21%	11%	13%	11	45	23%	12%
Asian Paints	19%	14%	12%	28	57	42%	20%
Timken India	19%	16%	14%	26	46	15%	16%
Divi's Labs	19%	11%	14%	24	70	40%	15%
Motilal Oswal	19%	18%	16%	12	15	22%	23%
CRISIL	19%	13%	13%	33	74	29%	26%
TCS	18%	14%	15%	16	27	41%	52%
Birlasoft	18%	14%	14%	12	21	20%	15%
Indraprastha Gas	17%	14%	20%	11	17	30%	16%
M & M	17%	13%	12%	10	26	27%	17%
UltraTech Cement	17%	11%	17%	10	56	37%	9%
Maruti Suzuki	17%	13%	13%	14	25	20%	15%
Kotak Mahindra	17%	20%	19%	22	20	17%	14%
HDFC Bank	17%	25%	23%	29	20	14%	14%
3M India	16%	12%	12%	38	68	23%	26%

4.3.2 Of the 35 compounders, 24 (69%) are from sectors with tailwind

The term "tailwind" – and its opposite "headwind" – is borrowed from aviation. Thus, tailwind – i.e. wind blowing in the direction of the aircraft – causes it to reach its destination ahead of schedule whereas headwind – i.e. wind blowing against the aircraft delays its arrival.

In business, "tailwind" refers to favorable conditions or factors that help a company grow and succeed, while "headwind" refers to unfavorable conditions that hinder progress. Tailwinds and headwinds typically first reflect at the sector level, and are best measured by non-financial metrics such as sales volume, customer additions, product price movements, etc

However, in India, such data is available for very few sectors like Autos and Financials. Hence, we are compelled to rely on financial aggregates of sectors to infer tailwind or headwind. For the

purpose of this study, we deemed a sector to enjoy a tailwind if its aggregate sales CAGR over 2008-25 was faster than nominal GDP CAGR (12%) over the same period. By this measure, the following 20 sectors enjoyed tailwind in the NTD era –

Agro Chemicals	Banks - Public Sector	Healthcare
Airlines	Cables	IT
Auto Ancillaries	Capital Market	Mining / Minerals
Automobiles - 2-3 Wheelers	Cement	Paints/Varnish
Automobiles - Cars/UVs	E-commerce	Pharmaceuticals
Automobiles - LCVs/HCVs	Finance	Retail
Banks - Private Sector	Gems & Jewelry	

Of the 35 NTD era compounders, as many as 24 (a high 69%) are from sectors with tailwind.

Implication for India MTD Portfolio:

Prefer stocks from sectors likely to enjoy tailwind from 2025 to 2042.

4.3.3 Of the 35 compounders, 21 (60%) are from consumer-facing businesses

Consumer-facing (B2C, Business-to-Consumer) businesses tend to be more stable, secular and predictable than B2B (Business-to-Business) and B2G (Business-to-Government) businesses.

This is because consumer behaviors tend to change very slowly. In contrast, B2B and B2G business are prone to business cycles, and are more vulnerable to changing technologies. B2C businesses also tend to have greater pricing power than B2B and B2G businesses. In the latter cases, the customers are typically large, and may look for alternative suppliers if a particular company chooses to exercise its pricing power. As a result, Return on Capital also tends to be low in B2B and B2G businesses over their B2C counterparts.

Of the 35 NTD era compounders, 21 (60%) are from B2C businesses.

Implication for India MTD Portfolio:

As the investment horizon is long, as far as possible, prefer B2C companies over B2B and B2G.

4.3.4 Of the 35 compounders, 27 (77%) were market leaders in the base year 2008

This is a highly significant finding. Market leaders (the top 3 in a given business) tend to enjoy a high share of the current and future profit pool of their respective sectors. They also have the scale and the financial power to withstand and recover from the occasional macroeconomic and sector-specific shocks which may adversely affect their smaller counterparts.

Of the 35 NTD era compounders, as many as 27 (77%) were market leaders in the base year 2008.

Implication for India MTD Portfolio:

As the popular saying goes, “To finish first, you have to first finish.” Given the long investment horizon, prefer market leaders as they are more likely to survive and thrive than their smaller rivals.

4.3.5 Of the 35 compounders, 28 (80%) enjoyed 15%+ RoE in the base year 2008

This is yet another highly significant finding. Economic theory holds that whenever a sector's or a company's RoE (Return on Equity) exceeds CoE (Cost of Equity), competition will enter and beat down RoEs. Hence, sustaining RoE above CoE is a reflection of both – high quality business run by a high quality management.

Of the 35 NTD era compounders, as many as 28 (80%) enjoyed 2008 RoE in excess of 15%, which may be deemed to be the then CoE.

Implication for India MTD Portfolio:

Current CoE is around 12% (the long-period return of benchmark equity indices). Hence, ensure that most companies in the India MTD Portfolio enjoy RoE meaningfully higher than 12%.

4.3.6 Of the 35 compounders, 19 (54%) had 2008 P/E lower than then Nifty P/E of 17x

To state the obvious, stock returns are typically propelled by two engines – earnings growth and valuation re-rating. As Exhibit 12 shows, every single compounding enjoyed both the engines. Thus, lower the P/E higher the chances of the second engine firing.

Of the 35 NTD era compounders, 19 (54%) had 2008 P/E lower than the then Nifty 50 P/E of 17x.

Implication for India MTD Portfolio:

A reasonable purchase price is non-negotiable in equity investing.

Having analyzed the NTD era compounders, we proceed to the next steps for the India MTD Portfolio –

1. Choosing sectors which are most likely to enjoy tailwind in the MTD era; and
2. Shortlisting potential stocks based on a robust investment framework.

5. The MTD era – Choosing tailwinded sectors

Mainly Financials (including Capital Market) and Consumer Discretionaries

Thus far in this Study, we have covered the following major points –

- The world and India are getting wealthier by the day
- This will strengthen Wealth Effect, which in turn, will propel India's economic growth
- During India's 17-year NTD era (2008 to 2025), its GDP quadrupled from USD 1 trillion to USD 4 trillion
- This NTD era saw 20 sectors with tailwind
- The era produced 35 compounders which delivered 17-year average return CAGR of 23%
- India is poised to enter the MTD era – a long period of sustained economic growth which will create trillions of dollars of opportunities for many businesses.

This brings us to a crucial task in building an India MTD Portfolio – identifying tailwinded sectors. To achieve this, we used a combination of both macro and micro approaches –

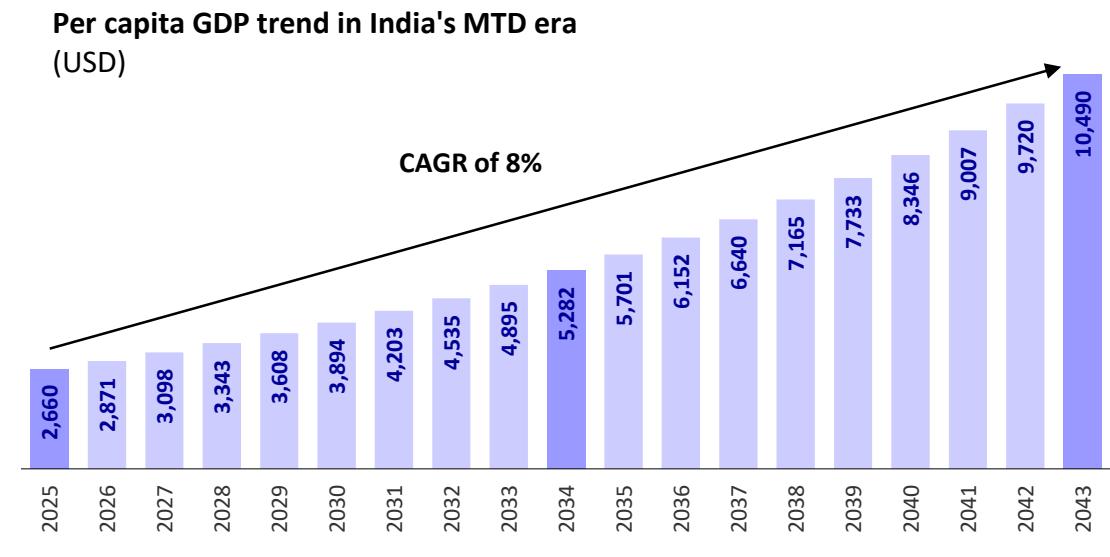
1. Trend in per capita GDP
2. Analysis of PFCE (Private Final Consumption Expenditure)

3. Sector grouping and
4. Specific sector insights.

5.1 Trend in per capita GDP

During India's MTD era, its per capita GDP will also quadruple – first doubling from USD 2,600 to USD 5,200 in 9 years, and the second doubling to USD 10,400 in the next 9 years.

Exhibit 14 India's per capita GDP will quadruple in the next 18 years



Such rise in per capita income will lead to a **tipping point of demand** in several sectors at different points in time. Consider Exhibit 14 for instance which presents output growth for select products when China's GDP doubled from USD 2,700 in 2007 (India's current level) to USD 5,600 by 2011.

Exhibit 15 China's output when per capita GDP doubled during 2007 to 2011

	2007	2011	CAGR
GDP (USD tn)	3,612	7,625	21%
Per capita GDP (USD)	2,734	5,652	20%
Discretionaries			
Cars (mn)	5	10	21%
Home Refrigerators (mn)	44	87	19%
Air Conditioners (mn)	80	139	15%
Home Washing Machines (mn)	40	67	14%
Motorcycles (mn)	25	27	2%
Necessities			
Salt (mn tons)	62	67	2%
Refined Sugar (mn tons)	13	12	-2%

Clearly, output of most discretionary products was robust, whereas necessities languished. Expect this phenomenon to play out in India too.

5.2 Analysis of PFCE (Private Final Consumption Expenditure)

Exhibit 16 presents a basic analysis of India's PFCE. The key takeaways spell potential –

- **Durables** – Cars, 2-wheeler, White goods, Home appliances – will be the clear winners of India's MTD era, with sales growth rates sustaining around 20% at least.
- **Services** will continue their uptrend even on an ever-rising base.

Exhibit 16 India's PFCE analysis spells huge potential for Autos, Consumer Durables, Financials, Healthcare

INR tn	2008	2025	2042E	2025-42		Remarks
				Multiple	CAGR	
GDP	49	331	2,270	7	12%	
PFCE	27	203	1,476	7	12%	
% of GDP	56%	61%	65%			% will rise led by Wealth Effect
Goods	15	102	664	7	9%	
% of PFCE	55%	50%	45%			
Non- & Semi-durables	14	95	517	5	8%	Food, Clothing, FMCG
% of PFCE	52%	47%	35%			
Durables	0.8	6.6	148	22	20%	Cars, 2-wheelers, White goods
% of PFCE	3%	3%	10%			% could rise to current US levels
Services	12	101	812	8	13%	Financials, Healthcare, Hospitality
% of PFCE	45%	50%	55%			

5.3 Sector grouping

Based on insights from all of the above, we classified about 63 sectors into 8 major groups. This helped us narrow down our consideration set of sectors, as tabled in Exhibit 17.

Exhibit 17 Sector grouping helped us narrow down our consideration set

Group	Major sectors covered	Remark
Consideration set		
Autos	Cars/UVs, 2-wheelers, CVs	A strong discretionary play
Capex	Capital Goods, Engineering, Realty	Must for India's growing economy
Consumer-facing	FMCG, Durables, Healthcare, Telecom	Quite a few discretionary segments
Financials	Banks, NBFCs, Capital Market, Insurance	Non-negotiable for any economy
Non-consideration set		
Agri-based	Fertilizers, Agro chemicals, Sugar	No exponential play
Commodity	Oil & Gas, Metals, Cement, Chemicals	Unpredictable & volatile
External	IT, Pharma to some extent	Not plays on India's MTD era
Utilities	Power generation & supply	Exponential growth unlikely

5.4 Specific sector insights

We provide key investment points and exhibits for major sectors in the consideration set.

5.4.1 Financials (Banks & NBFCs) – Prime movers of the economy

- Despite steady growth, India's retail credit penetration remains far below global standards.
- Banking sector credit growth is consistently higher than GDP growth (Exhibit 18).
- Asset quality of the banking sector has dramatically improved in the recent past leading to a sharp drop in credit cost (Exhibit 19).

- NBFCs are asserting themselves in India's credit market (Exhibit 20).
- As prime movers of the economy, expect banks and NBFCs to thrive in India's MTD era.

Exhibit 18 **Expect credit growth to be consistently higher than GDP growth**

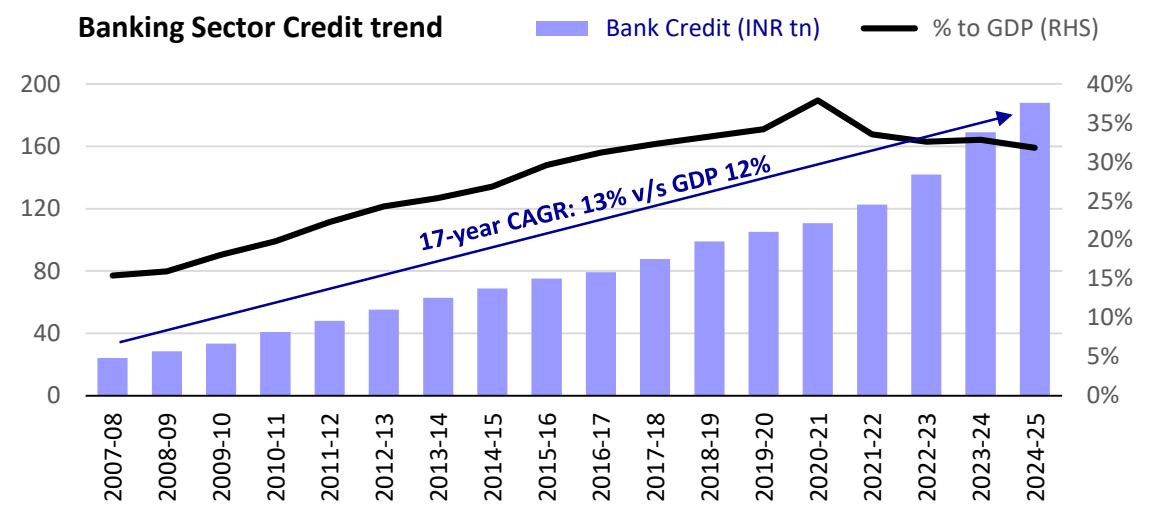


Exhibit 19 **Banking sector asset quality has dramatically improved in the recent past**

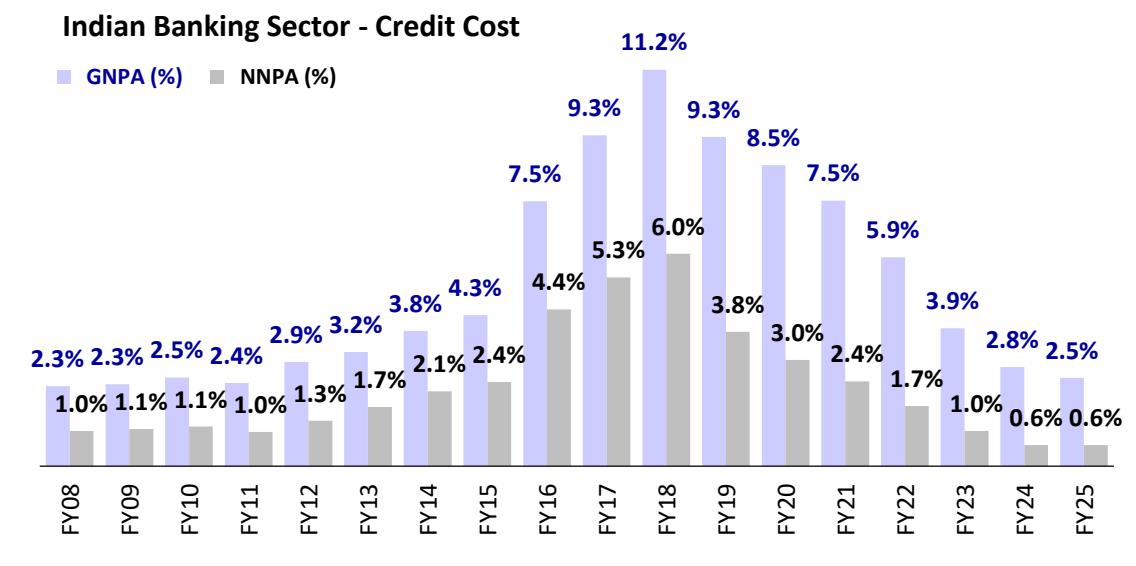
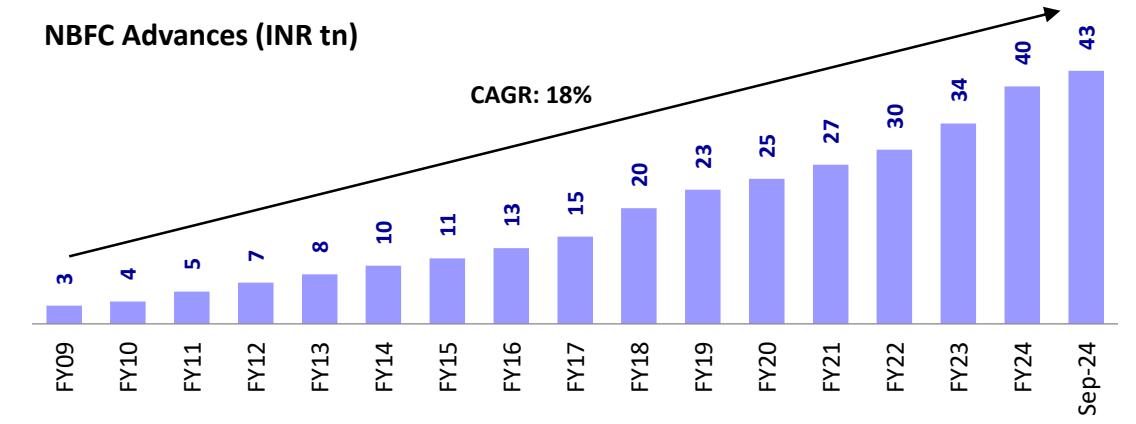


Exhibit 20 **NBFCs are asserting themselves in India's credit market**



5.4.2 Capital Market – the ultimate beneficiary of India's MTD era

- Enabling of digital onboarding of customers is leading to massive retail participation in the capital market, as indicated by J-curve in demat accounts (Exhibit 21).
- Fund-raising is on a rampage post-covid (Exhibit 22).
- Rising awareness of equities, especially among the youth, is driving investments into mutual funds (Exhibit 23).
- The sector is extremely asset light. Even very high growth requires very little incremental capital. Both, RoE and Dividend payout are high.
- Expect India's MTD era to be hugely profitable for players across Capital Market segments – stock exchanges, broking, investment banking, mutual funds, wealth management, etc.

Exhibit 21 **J-curve in India's demat accounts spells retail-led boom in India's Capital Market**

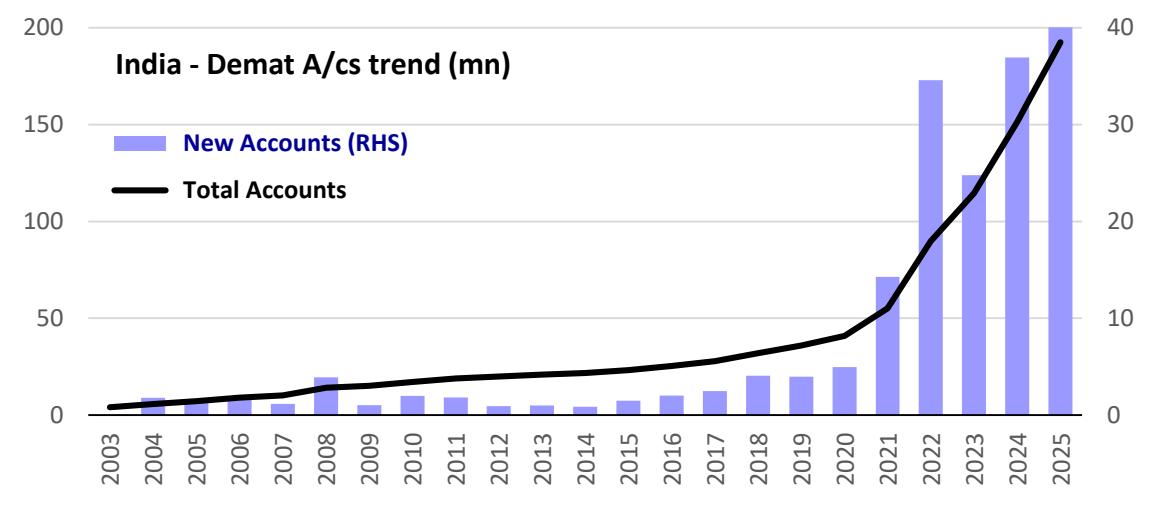


Exhibit 22 **Fund-raising on a rampage post-covid**

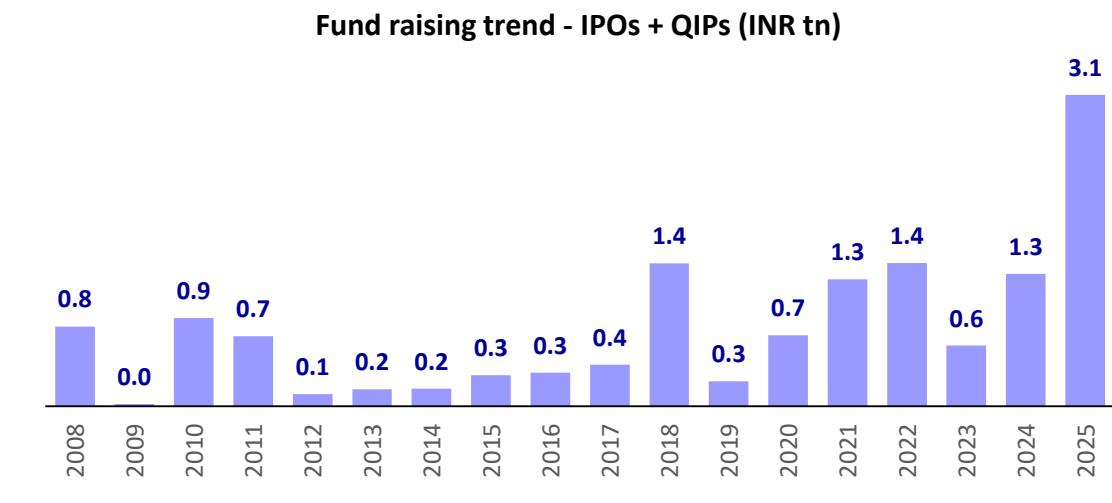
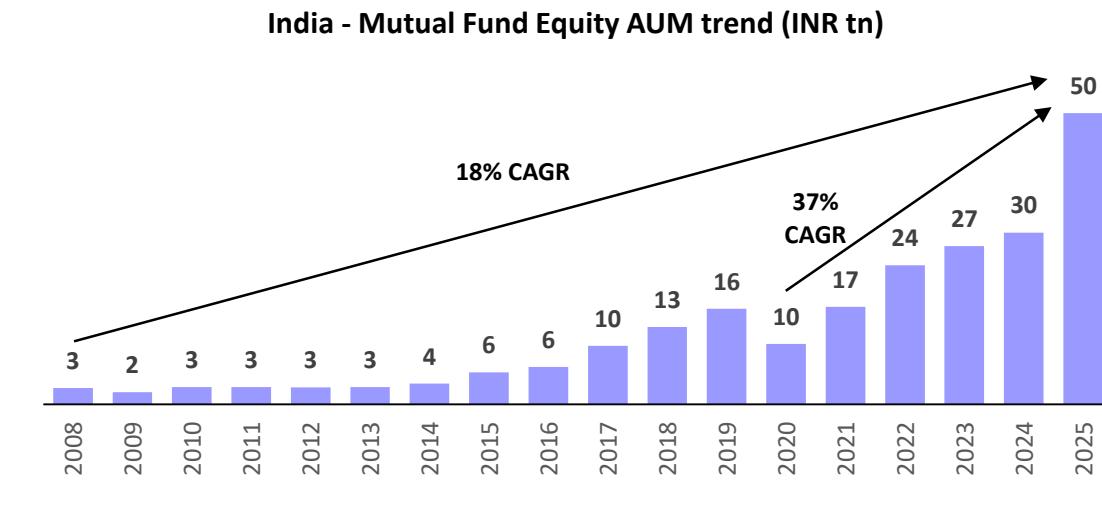


Exhibit 23 **Mutual Fund equity AUM is clocking robust growth, especially post-covid**



5.4.3 Insurance – Beneficiary of rising awareness and affordability

- General insurance growth is consistently faster than nominal GDP growth (Exhibit 24).
- Private players have firmly asserted themselves in the life insurance market (Exhibit 25).
- The insurance industry – especially life – has initiated a major mass awareness campaign.
- The recent GST exemption on life and health insurance premium is a huge boost for market growth.
- Expect insurance players and innovative insurance distributors to thrive in India's MTD era.

Exhibit 24 **General insurance premium growth is higher than nominal GDP growth**

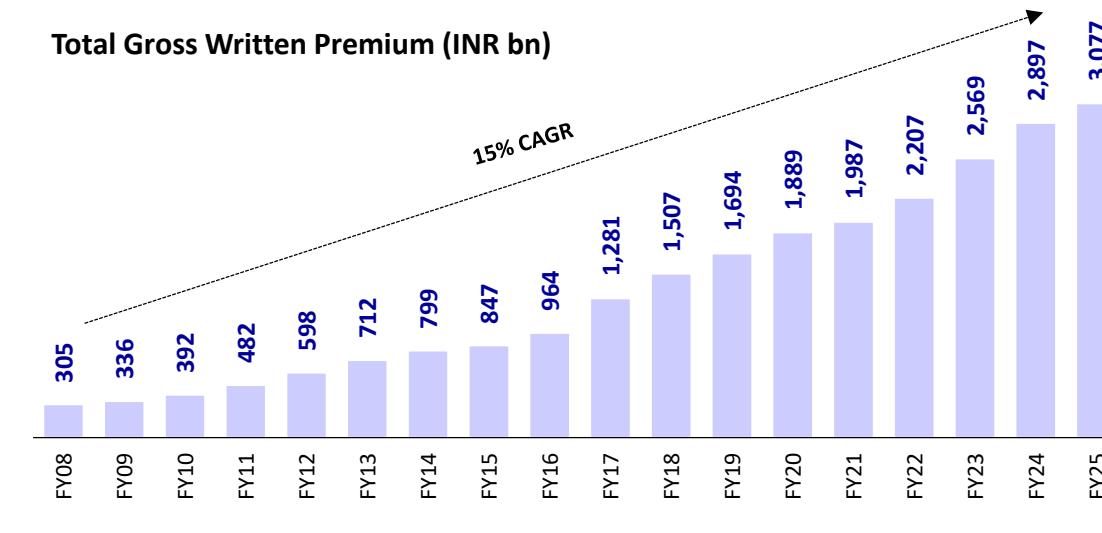
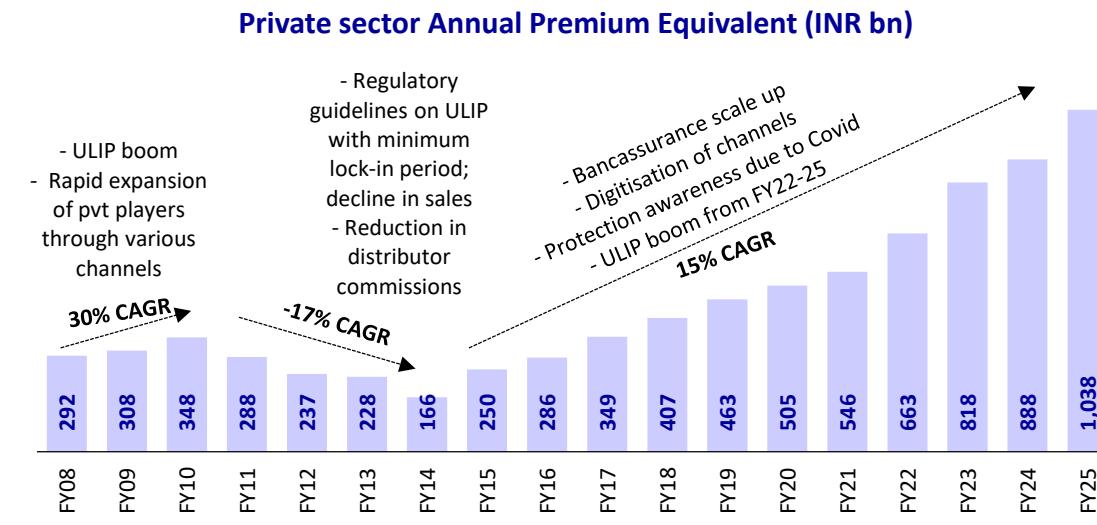


Exhibit 25 **Private players have firmly asserted themselves in the life insurance market**



5.4.4 2-wheelers: Expect both entry-level and premium motorcycles to do well

- Personal mobility is the most basic need after food, clothing and shelter.
- Penetration of 2-wheelers in India still remains low compared to select developing countries (Exhibit 26).
- Rising nuclearization of families continues to expand the 2-wheeler market.
- The recent 10 percentage point cut in GST is a major boon for the fence-sitting customers.
- Premiumization in the 2-wheeler sector is relentlessly on (Exhibit 27).
- In India's MTD era, we expect both entry-level and premium motorcycles to do well.

Exhibit 26 **Still room for 2-wheeler penetration to increase**

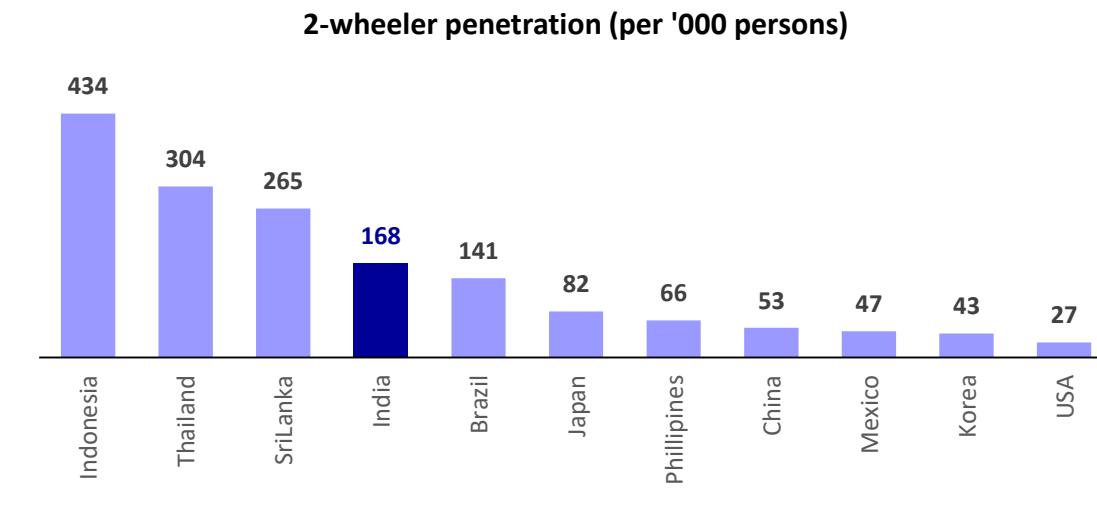
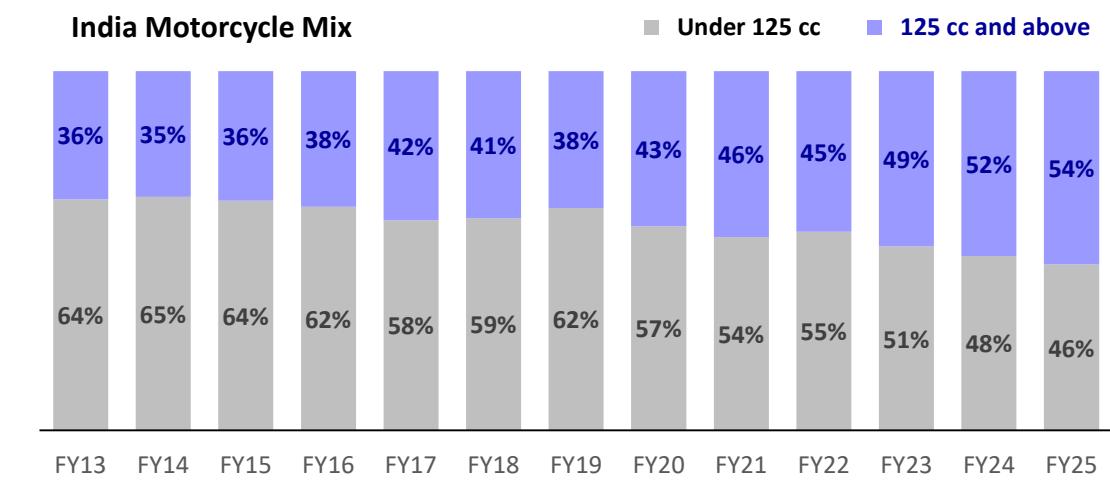


Exhibit 27 Premiumization in the 2-wheeler sector is relentlessly on



5.4.5 Passenger vehicles: Expect both entry-level cars and SUVs to do well

- Penetration of passenger vehicles in India remains very low (Exhibit 28).
- India's journey of per capita GDP rising from USD 2,500 to eventually USD 10,000 provides a tipping point for cars, as in China, tabled earlier (Exhibit 15).
- The recent 10 percentage point GST cut increases affordability, especially of entry-level cars.
- Rising affluence is driving premiumization, as reflected in the cars-UV mix (Exhibit 29).
- In India's MTD era, we expect both entry-level cars and SUVs to do well.

Exhibit 28 Significant headroom for passenger vehicle penetration in India

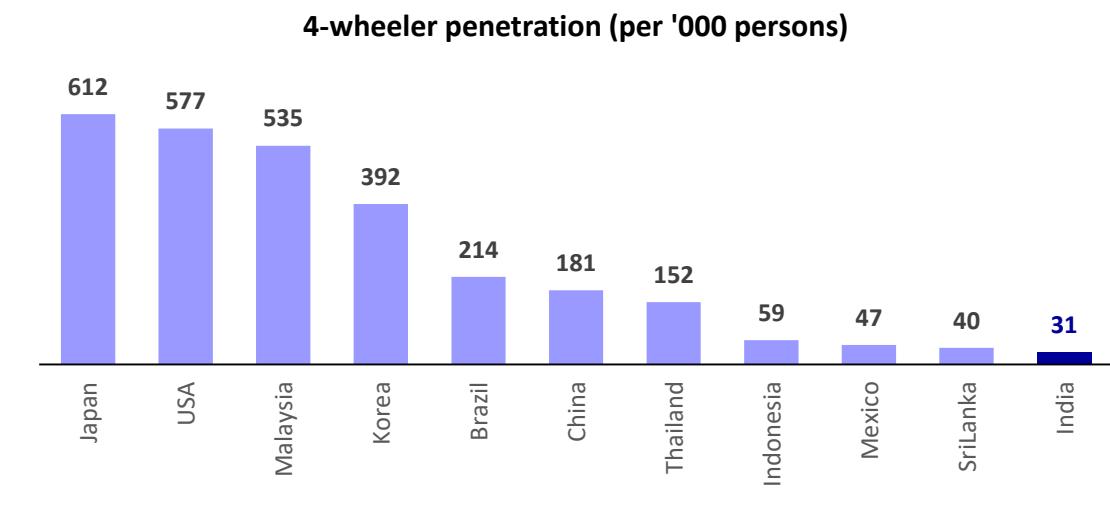
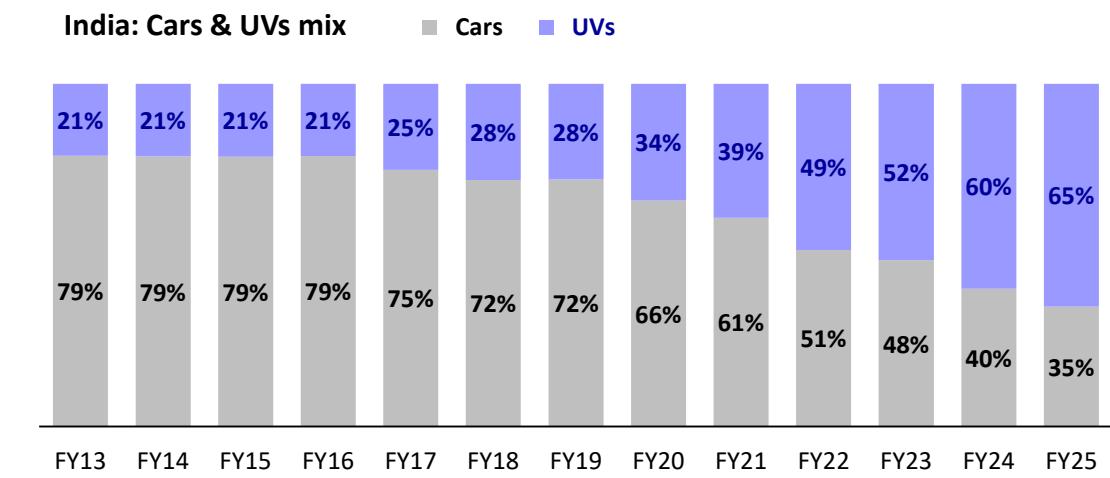


Exhibit 29 Premiumization in the passenger vehicle sector is relentlessly on



5.4.6 Realty – the direct beneficiary of Wealth Effect

- Realty sector is the direct beneficiary of Wealth Effect in India – its recovery in the last 5 years post-covid has coincided with that of the stock market, led by significant boom in luxury housing (Exhibit 30).
- Post RERA [Real Estate (Regulation & Development) Act], the sector is seeing significant consolidation, with the larger players gaining market share due to their higher credibility.
- **Housing prices are steadily rising (Exhibit 31). This will boost sector profitability given high operating leverage.**
- Sustained Wealth Effect in the MTD era will enhance the Realty sector's ongoing resurgence.

Exhibit 30 Realty sector's post-covid recovery is coinciding with that of the stock market

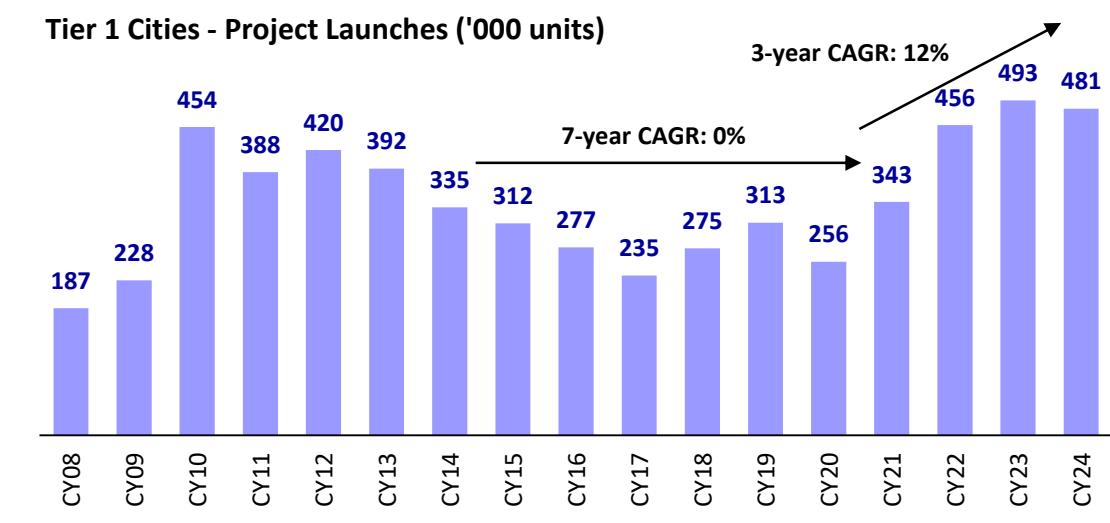
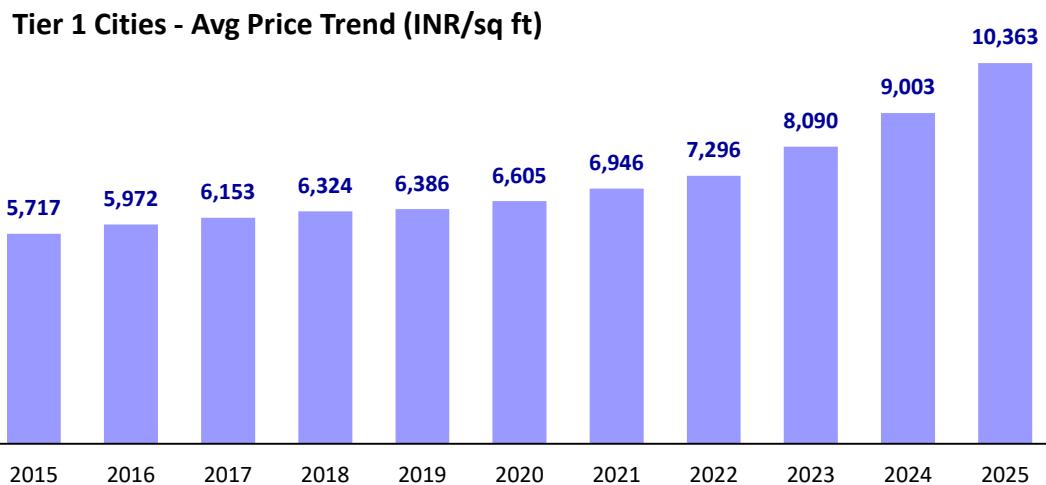


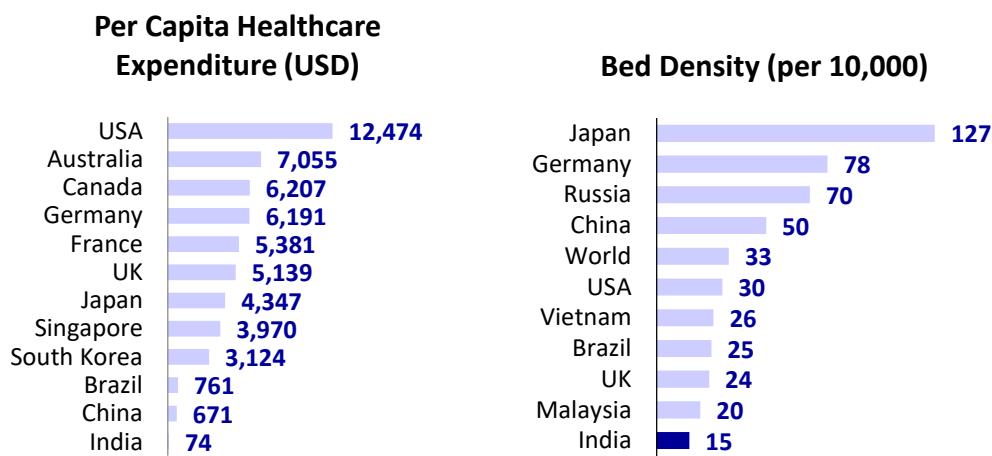
Exhibit 31 **Housing prices are steadily rising**



5.4.7 Healthcare – value will migrate from smaller hospitals to the large ones

- Healthcare (hospitals, not pharmaceuticals) is a not-so-obvious discretionary category. With rising income levels, people would prefer to get treated in larger and branded hospitals.
- India's per capita healthcare expenditure is one of the lowest in the world.
- India's bed density per 10,000 people is well below global averages, suggesting enough headroom for sustained growth.
- The recent GST exemption on health insurance premium will widen health insurance coverage, and hasten the value migration from smaller hospitals to the large ones.
- Expect large hospital chains to become even larger in India's MTD era.

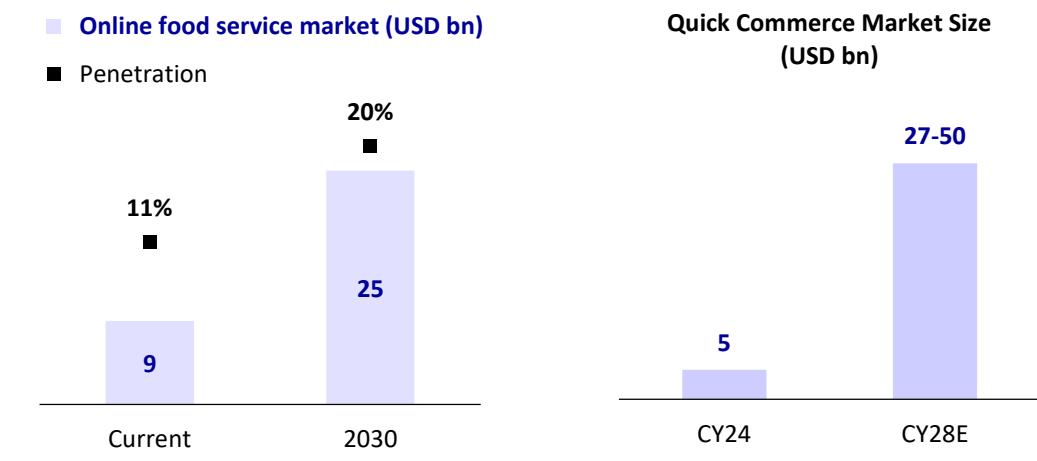
Exhibit 32 **India's low per capita healthcare spend and low bed density suggest huge headroom for growth**



5.4.8 Foodtech and Quick Commerce – a leap of faith

- Both Foodtech and Quick Commerce deliver immense "convenience value" to customers. However, the "value-recapture model" or path-to-profit is still not very clear.
- Thus, it's a leap of faith that the sector will turn hugely profitable in the MTD era, and sustain its current wealth creation trend in the stock market.

Exhibit 33 Both Foodtech and Quick Commerce sectors have unlimited headroom for hyper growth



Having shortlisted sectors, we proceed to suggest a robust stock-picking framework called QGLP.

6. Suggested stock-picking framework – QGLP

Quality, Growth, Longevity, reasonable Price

Over the last several years, we have evolved our own formula for compounders. We call it “**QGLP**”

– **Quality, Growth, Longevity, reasonable Price**. Here –

- **Q** stands for (1) Quality of Business and (2) Quality of Management
- **G** stands for Growth in earnings
- **L** stands for Longevity of both Quality and Growth
- **P** stands for reasonable Price.

QGL is the Value component which is then juxtaposed with P to assess whether there is adequate Value-Price gap.

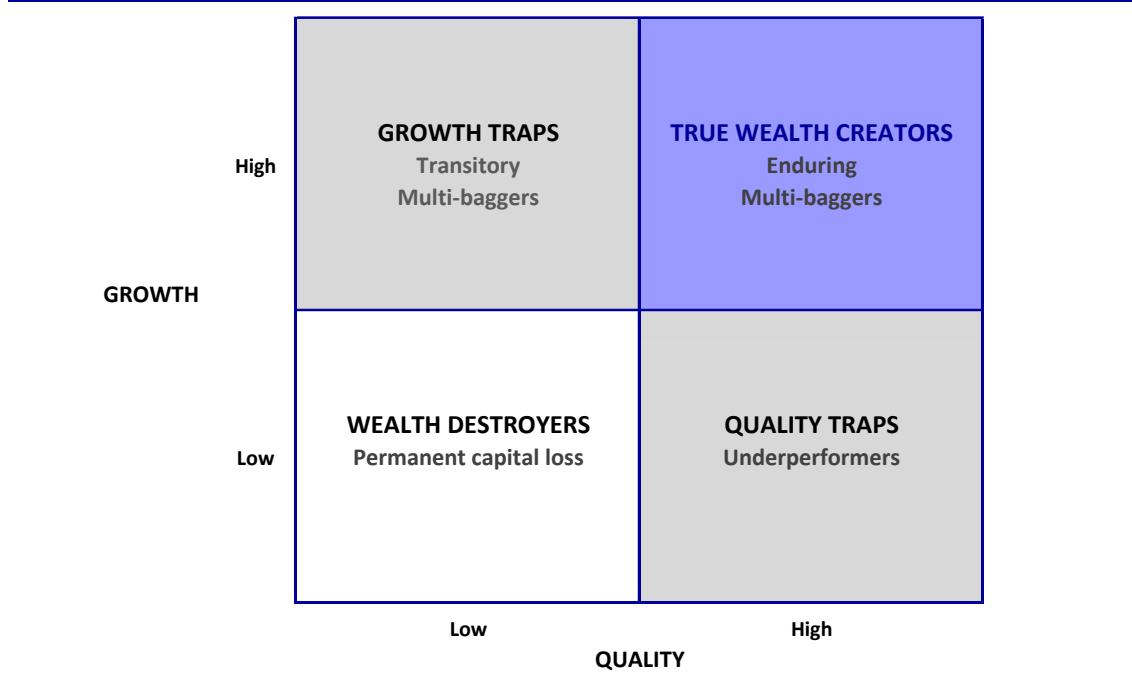


QGLP is inspired by Warren Buffett's investment process which he outlined in his 2007 annual letter to Berkshire Hathaway shareholders –

- A business we understand
- Favorable long-term economics
- Able and trustworthy management
- Sensible price tag.

The only missing element here is explicit reference to earnings growth. We integrated this into QGLP following our insight from the Quality-Growth Matrix.

Exhibit 34 **The Quality-Growth Matrix**



Key takeaway from the Quality-Growth Matrix:

- Avoid the not-so-obvious Quality Traps and Growth Traps, and invest only in True Wealth Creators.

In our 25th Wealth Creation Study titled *The QGLP Checklist*, we put out a comprehensive checklist to assess whether a stock passes the QGLP test or not. We reproduce the checklist here as Appendix 1 (page 32). Please do read the Study for a detailed explanation with suitable examples.



7. The India MTD Portfolio – For steady long-term compounding

Market leaders at defendable valuations

Armed with the consideration set of sectors and the QGLP stock-picking framework, we set about constructing the India MTD Portfolio using steps listed below.

The India MTD Portfolio Steps

- We started with the top 500 market cap stocks in 2025.

Remark: Start with meaningful, investible companies, rather than illiquid micro caps.

- We filtered out companies in sectors outside our consideration set.
Remark: Top-down approach; this reduced the list of companies from 500 to 337.
- We applied the QGLP framework on these 337 companies.
Remark: A step-by-step further shortlisting of potential compounders.
- **Quality of Business (Q-1):** This is a detailed qualitative-cum-quantitative exercise. However, having shortlisted businesses based on a solid top-down approach, we used the simple metric of RoE as a numerical indicator of the company's Quality of Business.

We deem Cost of Equity to be 12%, the long-period return on benchmark equity indices. So we selected only those companies whose 2025 RoE was higher than 12%. (We made a few exceptions to this filter e.g. e-commerce companies who are in the hyper growth phase but are not yet profitable.)

Remark: This reduced the list of companies from 337 to 228.

- **Growth in earnings (G):** To identify compounders in India's NTD era, we had set a return threshold of 15%, a clear 5 percentage points over the benchmark return of 10%. However, in the MTD era, it is possible that benchmark returns may inch up to 10-15%. So we raised the return threshold to 20%.

Next, over the very long term, $R = G$ i.e. Return on a stock (R) tends to converge to its earnings growth (G), as the impact of valuation re-rating or de-rating dwindles over time. So, we chose to shortlist stocks whose potential earnings growth is at least 20%.

Finally, it is impossible to estimate earnings growth from 2025 to 2042. So, we banked on the recent past earnings growth from 2002 to 2025, during which India's GDP went from USD 3 trillion to USD 4 trillion. The call is that given the huge business opportunity ahead, future earnings growth may hover around the recent past growth.

Thus, we selected companies whose 2022-25 PAT CAGR was 20% or higher.

Remark: This reduced the list of companies from 228 to 132.

- **Longevity (L):** Given the positive macro call from 2025 through to 2042, we did not apply any additional specific filter for Longevity.
Remark: The list of companies stayed at 132.
- **Price (P):** One of our pet valuation metrics is PEG, short for TTM (trailing 12-month) P/E divided by future earnings CAGR. However, as stated earlier, we relied on past earnings growth as a proxy for future earnings growth. So, we tweaked PEG to Trailing PEG i.e. 2025 P/E divided by 2022-25 earnings CAGR.

Lower the PEG, higher the likely return. We selected companies whose TTM PEG was less than 2x. (The exceptions stated earlier continued here too.)

Remark: The list of companies dropped from 132 to 105.

- **Quality of Management (Q-2):** We now applied this filter on a case by case basis. Besides qualitative criteria (integrity, competence and growth mindset), we also used financial metrics like 2008-25 Average RoE and 2008-25 PAT CAGR as potential indicators of Quality of Management.

Remark: The list of companies dropped from 105 to 63.

- **Market leadership:** As stated earlier, of the 35 compounders in the NTD era, as many as 27 (77%) were market leaders in the base year 2008. So we chose to go with an India MTD Portfolio of only market leaders (i.e. among top 3 players in their respective sectors).

Remark: The list of companies fell from 63 to 41.

- **Final tweak:** We tweaked the 41-stock portfolio, mainly to balance sector weightage. For instance, instead of 3 Cars/UVs companies, we settled for 2, instead of 3 private sector banks, we settled for 2, etc.

Remark: This gave us the final list of 30 stocks.

Exhibit 35 lists the 30 stocks and offers the key metrics for an equal-weighted portfolio.

Exhibit 35 **India MTD Portfolio – Key metrics for equal-weighted portfolio**

Company	Sector	FY22-25 EPS CAGR	TTM PAT YoY	TTM P/E	Trailing PEG	FY25 RoE	FY25 Payout	1HFY26 PAT YoY
Interglobe Aviation	Airlines	L to P	-23%	45	-	77%	5%	-
Eicher Motors	Autos - 2-3 Wheelers	41%	20%	38	0.9	22%	41%	17%
Hero Motocorp	Autos - 2-3 Wheelers	24%	28%	23	1.0	23%	75%	43%
M & M	Autos - Cars/UVs	25%	20%	33	1.3	17%	22%	20%
Maruti Suzuki	Autos - Cars/UVs	53%	5%	34	0.6	15%	29%	4%
AU Small Finance	Banks - Private Sector	16%	15%	33	2.0	12%	4%	6%
HDFC Bank	Banks - Private Sector	10%	5%	21	2.0	14%	24%	4%
ICICI Bank	Banks - Private Sector	26%	13%	19	0.7	16%	15%	8%
SBI	Banks - Public Sector	30%	2%	12	0.4	17%	18%	7%
Polycab India	Cables	30%	37%	46	1.5	21%	26%	53%
Cummins India	Capital Goods / Engg	29%	18%	54	1.9	26%	71%	34%
Larsen & Toubro	Capital Goods / Engg	21%	19%	35	1.7	15%	31%	22%
Waaree Energies	Capital Goods / Engg	157%	141%	34	0.2	20%	0%	92%
BSE	Capital Market	73%	118%	66	0.9	30%	23%	79%
HDFC AMC	Capital Market	21%	24%	42	2.0	30%	78%	24%
Motilal Oswal	Capital Market	24%	-40%	28	1.2	23%	12%	-24%
Multi Comm. Exchange	Capital Market	57%	101%	74	1.3	30%	27%	51%
Nuvama Wealth	Capital Market	61%	23%	26	0.4	28%	53%	7%
Prudent Corp.	Capital Market	35%	17%	50	1.4	29%	5%	10%
Blue Star	Consumer - Durables	49%	2%	68	1.4	19%	31%	-17%
Eternal	E-commerce	L to P	-75%	-	-	2%	0%	-80%
Bajaj Finance	Finance	32%	19%	35	1.1	17%	21%	20%
Cholamandalam Invt	Finance	25%	21%	32	1.3	18%	4%	20%
Global Health	Healthcare	32%	22%	56	1.7	14%	0%	34%
Narayana Hrudayalaya	Healthcare	32%	10%	47	1.5	22%	12%	14%
ICICI Lombard	Insurance	25%	26%	35	1.4	17%	25%	22%
PB Fintech	Insurance	L to P	164%	182	-	5%	0%	96%
Godrej Properties	Realty	54%	12%	41	0.8	8%	0%	8%
Lodha Developers	Realty	30%	55%	34	1.1	14%	15%	62%
Bharti Airtel	Telecom	97%	123%	40	0.4	30%	28%	64%
PORTFOLIO		39%	16%	36	0.9	18%	24%	13%

Important notes on the India MTD Portfolio

- The stocks are purely based on the quantitative methodology explained herein, and should not be construed as investment advice.
- Further, Motilal Oswal, which appears in the list, is the company which has published this Study.

The sector allocation of the equal-weighted India MTD Portfolio is as tabled below.

Exhibit 36 India MTD Portfolio – Sector allocation

Financials	20.0%
<i>Banks - Private Sector</i>	10.0%
<i>Banks - Public Sector</i>	3.3%
<i>Finance</i>	6.7%
Capital Market	20.0%
Autos	13.3%
<i>Autos - 2-3 Wheelers</i>	6.7%
<i>Autos - Cars/UVs</i>	6.7%
Capital Goods / Engg	10.0%
Healthcare	6.7%
Insurance	6.7%
Realty	6.7%
Airlines	3.3%
Cables	3.3%
Consumer - Durables	3.3%
E-commerce	3.3%
Telecom	3.3%
TOTAL	100.0%

The portfolio metrics are quite robust e.g. –

- RoE of 18%
- Last 3-year earnings CAGR of 39%
- TTM PAT growth of 16%
- FY25 Payout ratio of 25% and
- Trailing PEG of 0.9x.

8. In closing – Compounding economy, compounding stocks

Fasten your seat belt for the exciting times ahead

- The world is getting wealthier, and so is India.
- There is no absolute upper limit to financial wealth, albeit with potholes on the way.
- India's GDP quadrupled to USD 4 trillion in the last 17 years; in the next 17, it can quadruple again to USD 16 trillion.
- In this Multi-Trillion Dollar opportunity, Financials (including Capital Market) and Consumer discretionaries will see explosive expansion as they hit the tipping point.
- The MTD era will see many compounding stocks.
- So, fasten your seat belt for the exciting times ahead!

Appendix 1: The QGLP Checklist

QGLP is our proprietary investment framework and stands for **Quality, Growth, Longevity, reasonable Price**. First presented in our 2020 Wealth Creation Study, the following is a comprehensive checklist to assess whether a stock passes the QGLP test.

BUSINESS CHECKLIST

- Q#1 What is the history of the company and management?
- Q#2 Is the company's business model understandable? How does it make money?
- Q#3 Is the company profitable? If not, is it expected to emerge?
- Q#4 Are the company's terms of trade favorable? Is Cash flow healthy?
- Q#5 What is the company's cost and margin structure? How has it changed in the past?
- Q#6 How's the Du Pont Analysis for the company?
- Q#7 What is the competitive landscape? What is the role of regulation in the business?
- Q#8 Does the company enjoy an Economic Moat? What are its sources?

GROWTH CHECKLIST

- Q#9 What is the addressable market opportunity and its key drivers?
- Q#10 What is the company's growth plan? How sustainable is the growth?

MANAGEMENT CHECKLIST

- Q#11 Is the management high on Integrity & transparency?
- Q#12 Is the management competent?
- Q#13 Does the management have passion / growth mindset?
- Q#14 Does the company have a rational capital allocation policy?
- Q#15 Does the company have a suitable organization structure and depth of management?
- Q#16 What is the organization culture?
- Q#17 Does the company have a sound succession plan?
- Q#18 Do the owners have enough skin in the game?
- Q#19 Have the promoters pledged a large portion of their holding?

PRICE CHECKLIST

- Q#20 Has the financial modeling been done with earnings estimates for at least 3 years?
- Q#21 Is it a QGL stock?
- Q#22 Is valuation reasonable?
- Q#23 Is there enough Margin of Safety?
- Q#24 Is the stock reasonably liquid?

RISK CHECKLIST

- Q#25 What can go wrong with the company narrative & numbers?

Appendix 2: The power of thinking long-term

The MTD era discussed here spans a period of 17 years from 2025 to 2042.

The very thought of investing for 17 years may come across as a silly and mere academic exercise for most equity “investors”, who would rather live by the quarter, claiming it to be very tough – even risky – to claim significant visibility beyond that. It is this very mindset that we hope to alter.

Thus, the key question: **Why even consider investing for the next 17 years, likely tantamount to a blind bet?** We offer at least 3 reasons, each of which merits a separate discussion –

1. The power of compounding works best over the long term
2. It is very difficult to find quality long-term compounding stocks in the market, and
3. All else equal, higher the longevity of a stock’s earnings growth, significantly higher its value.

Power of compounding works best over the long term

The following table suggests the power of time in compounding. For instance, if you invest 1 rupee at the rate of 25% for 10 years, it multiples 9.3 times. However, at the same rate, if you invest it for 30 years, it multiplies a whopping 808 times! Thus, the number of years is only 3 times higher, but the value is higher by 87 times!

Exhibit 37 **What happens to rupee 1 invested at various rates for various years**

Years \ Rate	10%	15%	20%	25%	30%	40%
3	1.3	1.5	1.7	2.0	2.2	2.7
5	1.6	2.0	2.5	3.1	3.7	5.4
10	2.6	4.0	6.2	9.3	14	29
15	4.2	8.1	15	28	51	156
20	6.7	16	38	87	190	837
25	11	33	95	265	706	4,500
30	17	66	237	808	2,620	24,201

3 times higher number of years raises value 87 times!

As the rest of the report will establish, the India MTD era will offer high growth opportunity for quite a few sectors. Combining this with the above, it makes immense sense for investors to hold on to quality long-term compounders.

Difficult to find quality long-term compounding stocks

Charlie Munger has said, "Understanding both the power of compound interest and the difficulty of getting it is the heart and soul of understanding a lot of things."

Truer words have not been uttered for equity investing. Consider the case of Indian equities. Over the 17-year period from 2008 to 2025 – when India’s GDP quadrupled from USD 1 trillion to USD 4 trillion – of the top 500 market cap stocks in 2008, only 115 delivered a Price CAGR of 15% or higher.

Next, if we improve the quality of compounders by stating that the Price CAGR should ideally be accompanied by at least 15% Profit CAGR, the number of stocks collapses from 115 to 43. If we further raise the quality bar stating that the RoE in 2008 should be at least 15% (the then cost of equity), the number halves further to 21.

Exhibit 38 Finding quality long-term compounders is extremely difficult

	Over 2008 to 2025, number of stocks with		
	15% Price CAGR	15% Price CAGR stocks + 15% profit CAGR	15% Price CAGR stocks + 15% profit CAGR + Base RoE > 15%
Of the top 500 stocks in 2008	115	43	21

In other words, of the top 500 market cap stocks in any given year, barely 4% are likely to end up as quality long-term compounders. Hence, if we do come across such a few rare stocks, it is best to hold them for the long term, rather than keep searching for newer ones.

Higher the longevity of a stock's earnings growth, significantly higher its value

This can be established using the Discounted Cash Flow model base case and two subsequent cases as presented in exhibits 39, 40 and 41. The key takeaways of the exercise are as follows –

- **Base case:** RoE of 25%, Earnings CAGR of 20% in the first 5 years, before it tapers off to 7% over the next 10 years. In this case, if the return ask is 15%, the maximum P/E that an investor can pay for such a stock is 18x.
- **Case 1:** All else equal, if just the 20% Earnings CAGR period is extended from 5 years to 10, the value of the stock increases by a significant 31% i.e. the investor can now pay a P/E of 23x to earn the same 15% return.
- **Case 2:** Finally, if the 20% Earnings CAGR period is extended from 5 years to 15, the value of the stock increases by a massive 67%, and now, even a P/E of 30x will earn the 15% return.

Implications for investing in India's MTD era:

- Over the next 17 years through to 2042, India's GDP will quadruple from USD 4 trillion today to USD 16 trillion.
- This implies a very long growth runway for companies in many sectors.
- Thus, the **explicit growth forecast period gets significantly higher**.
- As a result, the intrinsic value of stocks balloons i.e. investors can afford to pay higher valuation multiples and yet end up with healthy returns.

Exhibit 39: Base Case of Discounted Free Cash Flow to Equity model

Key elements explained:

- **Earnings growth rate:** This is the growth in PAT assumed to sustain in the first five years. Post that the growth is tapered over the next 10 years to the continuing growth rate of 7%.
- **Continuing growth rate:** This is the rate at which PAT and cash flow are expected to grow beyond the explicit forecast period of 15 years. Theory suggests this should be expected nominal GDP growth rate to perpetuity.
- **Cost of Equity:** This is the market's return expectation on a particular stock. In the above model, we have considered Cost of Equity at 15%.
- **Delta PAT:** This is the incremental PAT over previous year.
- **Investment:** This is the investment required each year to generate the Delta PAT next year. This is dependent on RoE, and is determined by $\text{Delta PAT} \div \text{RoE}$. Thus, to generate Delta PAT of 20 in Year 2, the firm here must invest 80 ($20 \div 25\%$) in Year 1.
- **FCFE:** Free Cash Flow to Equity is PAT less Investment needed.
- **Continuing Value:** This is the value of the firm beyond the explicit forecast period. It is calculated using the present value formula of a growing annuity i.e. $\text{Year 15 FCFE} \times (1 + \text{Continuing growth rate}) \div (\text{Cost of equity} - \text{Continuing growth rate})$.
- **Discount Factor:** This is $(1 + \text{Cost of Equity})^n$, where n is the number of years.
- **DFCFE:** Discounted Free Cash Flow to Equity; this is arrived at as $\text{Total Cash Flow} \div \text{Discount Factor}$.
- **Intrinsic Value:** This is the sum total of all 15-years' DFCFE.
- **Intrinsic P/E:** This is calculated as $\text{Intrinsic Value} \div \text{PAT (of respective year)}$.

Model limitation:

This is a simplified version with a few assumptions –

- Annual depreciation takes care of investments required to main current profits.
- The company is currently operating at full capacity i.e. further growth is possible only through further investment.
- There is no major change in the company's debt position.

Inference from the base case:

- Given the assumed values, for a 15% return, the investor can pay a P/E of 18x

Exhibit 40: Case 1 – In this case, we simply extend the 20% Earnings CAGR period from 5 years to 10
KEY VARIABLES - Assumed values

Earnings growth rate	20%
RoE	25%
Continuing growth rate	7%
Cost of Equity	15%

Year	0	1	2	3	4	5	18	19	20	21
PAT	83	100	120	144	173	207		1,507	1,643	1,774	1,899
YoY		20%	20%	20%	20%	20%		10%	9%	8%	7%
Delta PAT			20	24	29	35		137	136	131	124
Investment	80	96	115	138	166			543	526	497	
FCFE	20	24	29	35	41			965	1,117	1,278	
Continuing Value											17,087
Total Cash Flow	20	24	29	35	41			965	1,117	18,365	
Discount Factor	1.15	1.32	1.52	1.75	2.01			12.38	14.23	16.37	
DCF	17	18	19	20	21			78	78	1,122	
Intrinsic Value (IV)	1,920										
Intrinsic P/E	23	19									
Delta IV over base case	31%										

Inference from Case 1:

- Just by extending longevity of explicit growth forecast from 15 years to 20, the value of the stock increased 31%.
- In other words, for the same 15% return, the investor can pay a P/E of 23x v/s 18x in the base case.

Exhibit 41: Case 2 – In this case, we extend the 20% Earnings CAGR period from 5 years to 15
KEY VARIABLES - Assumed values

Earnings growth rate	20%
RoE	25%
Continuing growth rate	7%
Cost of Equity	15%

Year	0	1	2	3	4	5	23	24	25	26
PAT	83	100	120	144	173	207		3,751	4,088	4,415	4,724
YoY		20%	20%	20%	20%	20%		10%	9%	8%	7%
Delta PAT			20	24	29	35		341	338	327	309
Investment	80	96	115	138	166			1,350	1,308	1,236	
FCFE	20	24	29	35	41			2,400	2,780	3,179	
Continuing Value											42,518
Total Cash Flow	20	24	29	35	41			2,400	2,780	45,697	
Discount Factor	1.15	1.32	1.52	1.75	2.01			24.89	28.63	32.92	
DCF	17	18	19	20	21			96	97	1,388	
Intrinsic Value	2,460										
Intrinsic P/E	30	25									
Delta IV over base case	67%										

Inference from Case 2:

- By extending longevity of explicit growth forecast from 15 years to 25, the value of the stock increased 67%.
- In other words, for the same 15% return, the investor can pay a P/E of 30x v/s 18x in the base case.

Sensitivity Analysis

Below are the RoE-Earnings growth Sensitivity Analysis tables showing P/E payable for 15% return for the 3 cases.

Exhibit 42: Base Case

		RoE							
		15%	18%	20%	25%	30%	40%	50%	100%
PAT	10%	7	9	10	11	12	14	14	16
	15%	8	10	12	14	16	18	19	21
	20%	8	12	14	18	20	23	25	29
	25%	8	14	17	22	26	30	33	38
	30%	9	17	21	29	34	40	44	51
	40%	9	25	33	48	58	70	77	91

Exhibit 43: Case 1

		RoE							
		15%	18%	20%	25%	30%	40%	50%	100%
PAT	10%	7	9	10	12	13	14	15	17
	15%	8	11	13	16	18	21	22	26
	20%	8	14	17	23	27	31	34	40
	25%	8	19	24	34	41	49	53	63
	30%	9	27	35	52	62	76	84	100
	40%	9	56	80	122	151	186	207	249

Exhibit 44: Case 2

		RoE							
		15%	18%	20%	25%	30%	40%	50%	100%
PAT	10%	7	9	10	12	13	15	16	17
	15%	8	12	14	18	21	24	26	30
	20%	8	17	21	30	35	42	46	54
	25%	8	26	35	52	63	76	84	100
	30%	9	44	62	94	115	142	158	189
	40%	9	139	205	322	400	497	556	673

2020-25 Wealth Creation Study: Detailed findings

#1 Trend in Wealth Creation

2020-25 Wealth Created at all-time high of INR 148 trillion

- During 2020-25, the top 100 Wealth Creators of India Inc created all-time high wealth of INR 148 trillion.
- Pace of Wealth Creation at 38% CAGR is the highest in the last 17 study periods, also significantly higher than the BSE Sensex return CAGR of 21%.
- The main reason for both of the above is that March 2020 was a sharp low for the markets due to covid lockdown.

Exhibit 1 2020-25 Wealth Created at an all-time high of INR 148 trillion

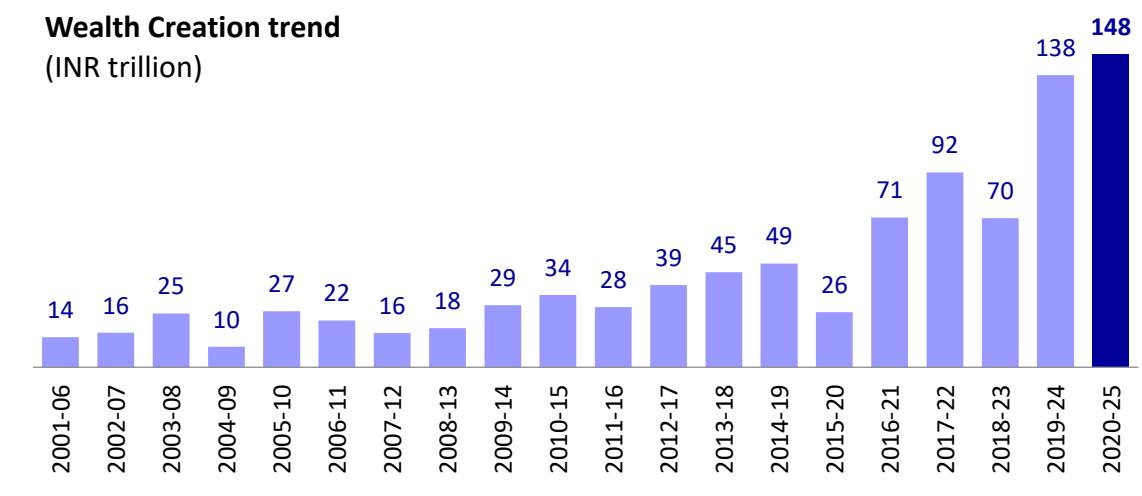
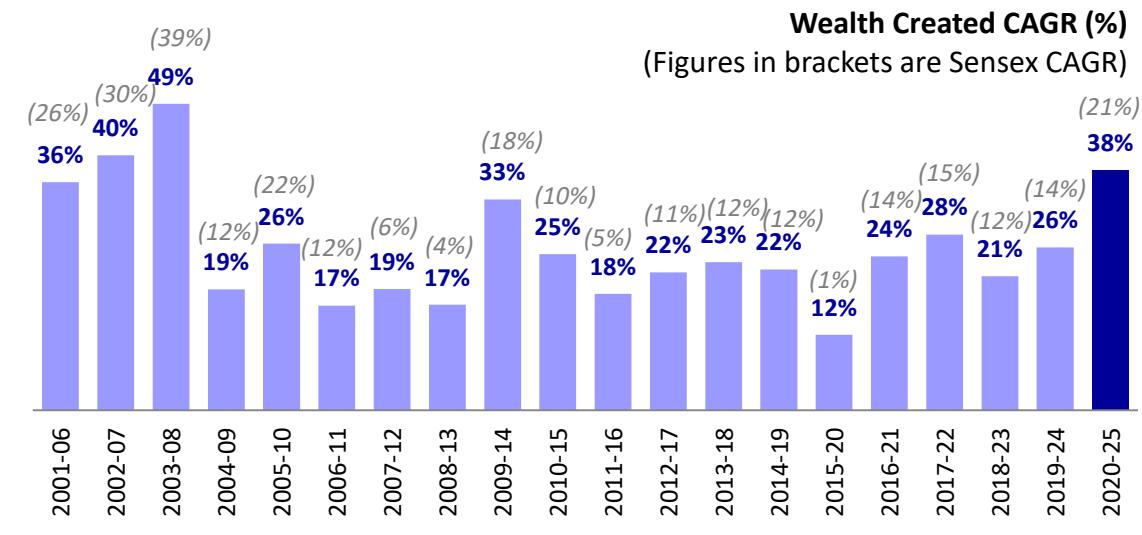


Exhibit 2 2020-25 pace of Wealth Creation is 38% CAGR vis-à-vis Sensex's 21% CAGR



Key Takeaway

Forget markets, think stocks

For the past 10 successive study periods excluding this one, market benchmark indices have delivered muted returns ranging from 5% to 15%. Still, the top Wealth Creators have maintained their track record of 10-15% outperformance over the benchmark. This reinforces our pet take on market strategy, "Forget markets, think stocks."

#2 The Biggest Wealth Creators

Bharti Airtel is the Biggest Wealth Creator

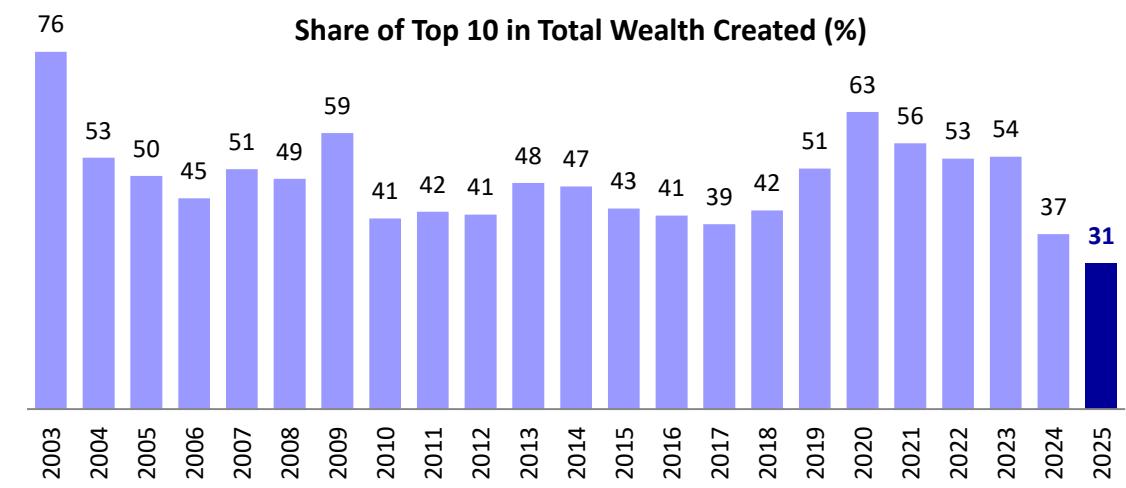
- At INR 7.9 trillion, **Bharti Airtel** is the biggest Wealth Creator over 2000 to 2025, followed closely by **ICICI Bank** at INR 7.4 trillion.
- The share of top 10 Wealth Creators is just 31% of the total, the lowest ever. This suggests that from the covid low of March 2020, Wealth Creation is the most widespread ever.
- 8 of the top 10 Wealth Creators have seen significant P/E re-rating mainly justified by robust improvement in RoE from March 2020 lows.

Exhibit 3 Top 10 Biggest Wealth Creators (2020-25)

Rank	Company	Wealth Created		CAGR (%)		P/E (x)		RoE (%)	
		INR bn	% share	Price	PAT	2025	2020	2025	2020
1	Bharti Airtel	7,944	5.4	32	30	48	42	19	7
2	ICICI Bank	7,417	5.0	34	40	19	22	16	8
3	SBI	5,593	3.8	33	37	9	11	17	7
4	Bajaj Finance	4,206	2.8	33	26	33	25	17	16
5	Larsen & Toubro	3,974	2.7	35	10	31	12	16	14
6	ITC	3,765	2.5	24	5	26	14	28	24
7	HCL Technologies	3,708	2.5	33	9	25	11	25	21
8	Sun Pharma	3,459	2.3	38	24	36	21	16	9
9	M & M	3,055	2.1	57	L to P	26	N.A.	17	-1
10	NTPC	2,997	2.0	36	16	17	8	11	9
Total of Top 10		46,117	31	34	25	23	16	17	10
Total of Top 100		147,988	100	38	30	21	16	15	8

L to P – Loss to Profit

Exhibit 4 2020-25 Wealth Creation is the most widespread – Share of top 10 is the lowest ever



Key Takeaway

Expect to bounce back in large caps' share of Wealth Created

2020 to 2025 has seen a widespread rally in mid- and small caps, which explains why the top 10 Wealth Creators accounted for only 31% of the Wealth Created against the long-period average of 50%. Most mid- and small caps are currently richly valued vis-à-vis large caps. With earnings growth likely to revive, expect a bounce back in large caps' share of Wealth Creation.

#3 The Fastest Wealth Creators

BSE has emerged the Fastest Wealth Creator

- BSE has emerged the Fastest Wealth Creator with 2020-25 Total Return CAGR of 124%.
- **Adani Enterprises** is among the top 10 Fastest Wealth Creators for a record 5 times in a row.
- INR 10 million invested equally in 2020 in these top 10 companies would be worth INR 240 million in 2025, a return CAGR of 88% v/s 24% for Nifty Total Return Index.

Exhibit 5 Top 10 Fastest Wealth Creators (2020-25)

Rank	Company	Total Return		PAT CAGR %	Mkt Cap (INR bn)		P/E (x)	
		(x)	CAGR %		2025	2020	2025	2020
1	BSE	56	124	65	742	13	53	12
2	Rail Vikas Nigam	28	95	11	733	27	57	4
3	Jindal Stainless	25	90	105	479	12	19	17
4	GE Vernova T&D	21	85	L to P	398	19	65	N.A.
5	Persistent Systems	20	83	33	858	42	63	13
6	FACT	20	82	45	414	21	1,880	599
7	Dixon Tech.	18	79	43	792	41	108	34
8	Adani Power	18	79	L to P	1,964	107	15	N.A.
9	Adani Enterprises	17	76	33	2,680	151	66	16
10	Hitachi Energy	17	76	15	564	32	147	16

Exhibit 6 History of Fastest Wealth Creators

Year	Company	5-yr Price Multiple (x)	5-yr Price CAGR %	Year	Company	5-yr Price Multiple (x)	5-yr Price CAGR %
1996	Dr Reddy's Labs	30	97	2011	Sanwaria Agro	50	119
1997	Cipla	7	48	2012	TTK Prestige	24	89
1998	Satyam Computers	23	87	2013	TTK Prestige	28	95
1999	Satyam Computers	75	137	2014	Eicher Motors	27	94
2000	SSI	223	195	2015	Ajanta Pharma	50	119
2001	Infosys	66	131	2016	Ajanta Pharma	53	121
2002	Wipro	69	133	2017	Ajanta Pharma	29	96
2003	e-Serve	50	119	2018	Indiabulls Ventures	30	97
2004	Matrix Labs	75	137	2019	Indiabulls Ventures	18	78
2005	Matrix Labs	136	167	2020	Tasty Bite Eatables	15	72
2006	Matrix Labs	182	183	2021	Adani Transmission	26	93
2007	B F Utilities	665	267	2022	Adani Transmission	37	106
2008	Unitech	837	284	2023	Lloyds Metals	19	79
2009	Unitech	54	122	2024	Adani Green	49	118
2010	Unitech	28	95	2025	BSE	56	124

Key Takeaway

Frothy P/Es – Unmissable selling opportunities

In most fast Wealth Creator cases, returns are a function of both – rapid earnings growth, coupled with expansion in valuations (most popular, P/E). However, occasionally, stock returns are led only by P/E expansion without commensurate earnings growth. Just like low P/Es are buying opportunities, frothy P/Es are highly profitable and unmissable selling opportunities.

#4 The Most Consistent Wealth Creators

Hindustan Aeronautics is the Most Consistent Wealth Creator

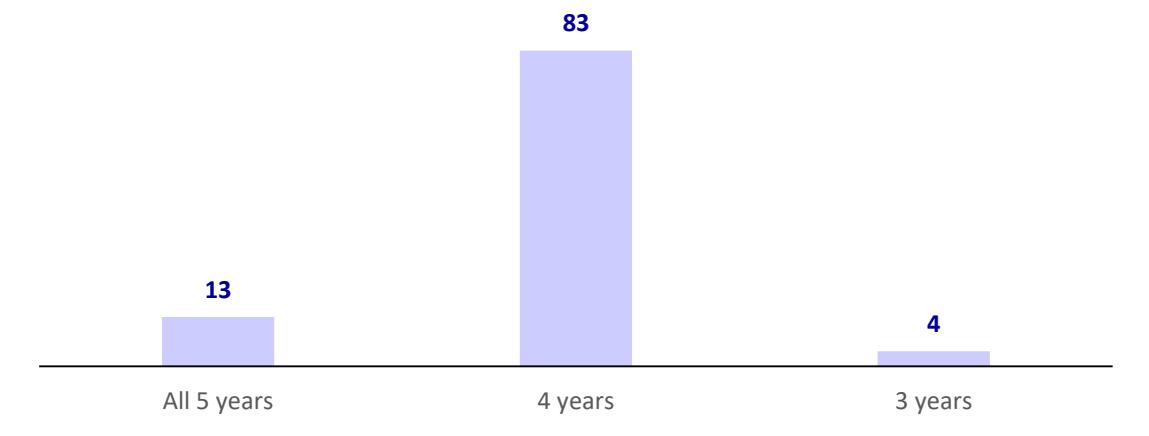
- We define Consistent Wealth Creators based on the number of years the stock has outperformed in each of the last 5 years. Where the number of years is the same, the Total Return CAGR decides the rank.
- Based on this, over 2020-25, **Hindustan Aeronautics** has emerged as the Most Consistent Wealth Creator. It has outperformed the Nifty Total Return Index in all the last 5 years, and has the highest Total Return CAGR of 75%.
- Consistent Wealth Creation is a challenge: Only 13 out of 100 have outperformed in each of the last 5 years.

Exhibit 7 Top 10 Most Consistent Wealth Creators (2020-25)

Rank	Company	No. of years of outperformance	2020-25 Total	2020-25	P/E (x)		RoE (%)	
			Ret. CAGR (%)	PAT CAGR (%)	2025	2020	2025	2020
1	Hind. Aeronautics	5	75	24	33	6	24	21
2	Welspun Corp	5	70	13	19	2	16	20
3	Bharat Dynamics	5	70	1	85	6	14	21
4	Indian Bank	5	69	67	6	3	18	4
5	Bharat Electronics	5	66	24	42	10	27	18
6	Jindal Steel	5	62	210	26	677	7	0
7	Patanjali Foods	5	61	42	50	22	11	7
8	Chola, Investment	5	58	32	30	12	18	13
9	Minda Corp	5	57	L to P	51	N.A.	12	0
10	Radico Khaitan	5	56	7	94	14	13	16

Exhibit 8 Consistent Wealth Creation is a challenge: Only 13 out of 100 have outperformed in each of the last 5 years

No. of years of consistent outperformance (2001-2025)



Key Takeaway

Investors' nirvana – Speed with Consistency

Seven of the top 10 Consistent Wealth Creators were trading at single-digit P/Es in March 2020, following the covid lockdown. Of these seven, five had RoE of over 15% in FY20. This clearly suggests that sharp market corrections offer even healthy companies at attractive valuations. Buying into them leads to Consistent Wealth Creation for a long period.

#5 All-round Wealth Creators

Hindustan Aeronautics is the Best All-round Wealth Creator

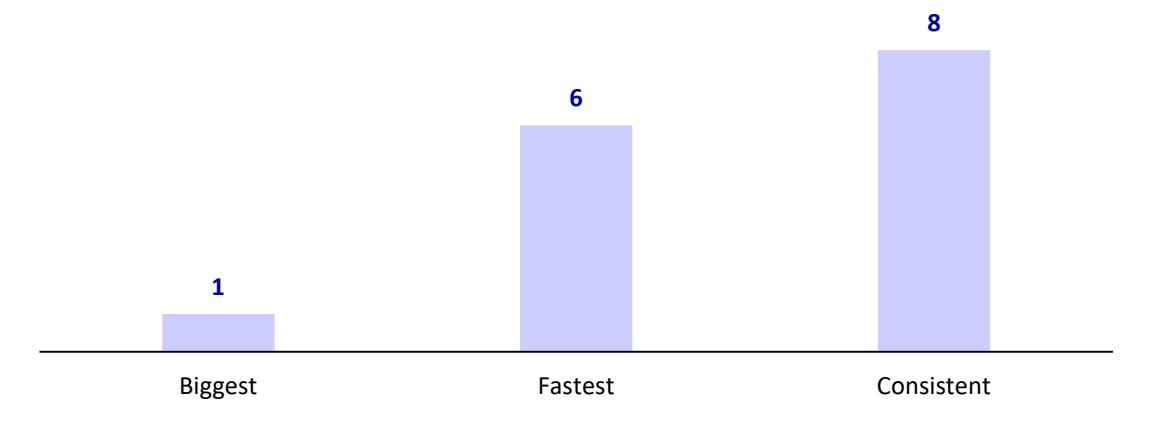
- We define All-round Wealth Creators based on the summation of ranks, under each of the 3 categories – Biggest, Fastest and Consistent. Where the scores are tied, the Total Return CAGR decides the All-round rank.
- Based on the above criteria, **Hindustan Aeronautics** has emerged as the Best All-round Wealth Creator.
- In a significant departure from the past, 4 of top 10 All-round Wealth Creators are PSUs.

Exhibit 9 **Top 10 All-round Wealth Creators (2020-25)**

All-round Rank	Company	Rank			Total of Ranks	2020-25 Total Return CAGR (%)
		Biggest	Fastest	Consistent		
1	Hind. Aeronautics	12	11	1	24	75
2	Bharat Electronics	22	23	5	50	66
3	Adani Power	27	8	18	53	79
4	BSE	66	1	14	81	124
5	Persistent Systems	60	5	17	82	83
6	Rail Vikas	68	2	15	85	95
7	Indian Bank	67	17	4	88	69
8	Varun Beverages	30	30	29	89	63
9	Trent	29	33	31	93	62
10	Jindal Steel	57	32	6	95	62

Exhibit 10 **Speed and Consistency decide All-round Wealth Creation**

No. of Top 10 All-round Wealth Creators within Top 20 of various categories



Key Takeaway

Speed and Consistency decide All-round Wealth Creation

Six out of top 10 All-round Wealth Creators are also among the top 20 Fastest Wealth Creators. Eight out of top 10 All-round Wealth Creators are also among the top 20 Consistent Wealth Creators. Thus, Speed and Consistency are the key determinants of All-round Wealth Creation rather than Size. The size of Wealth Created is not that important.

#6 Wealth Creators Index (Wealthex) v/s BSE Sensex

Wealthex outperformance led by superior earnings growth

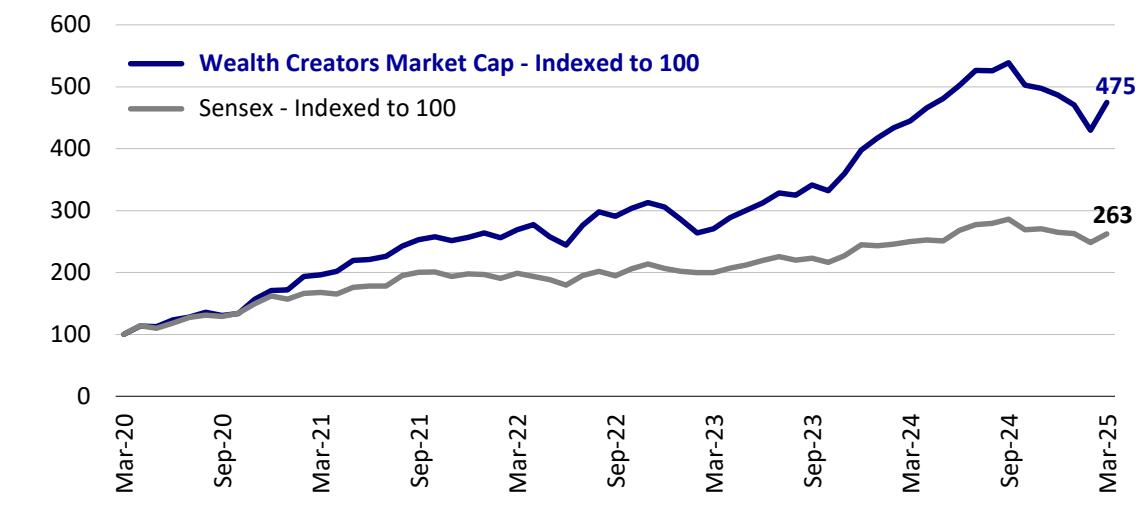
We compare Wealthex (top 100 Biggest Wealth Creators Market Cap index) with the BSE Sensex on 3 parameters - (1) market performance, (2) earnings growth and (3) valuation.

- **Market performance:** Over 2020-25, Wealthex has delivered return CAGR of 37% v/s 17% for the BSE Sensex. March 2025 over March 2020, Wealthex is up 475% whereas the Sensex is up 263% i.e. 212% outperformance over 5 years.
- **Earnings growth:** Wealthex clocked 2000-25 earnings CAGR of 30% v/s 17% for BSE Sensex.
- **Valuation:** For both Sensex and Wealthex, there was a 4-5% rerating over the last 5 years. Thus, Wealthex's outperformance over Sensex is fully explained by the earnings growth differential.

Exhibit 11 Wealthex v/s Sensex: Outperformance led by superior earnings growth

	Mar-20	Mar-21	Mar-22	Mar 23	Mar-24	Mar-25	5 Year CAGR (%)
BSE Sensex	29,468	49,509	58,569	58,992	73,651	77,415	21
YoY (%)		68	18	1	25	5	
Wealthex - based to Sensex	29,468	57,810	79,399	79,845	131,137	139,882	37
YoY (%)	96	38	1	65	7		
Sensex EPS (INR)	1,506	1,704	2,311	2,631	3,146	3,305	17
YoY (%)		13	36	14	20	5	
Wealthex EPS (INR)	1,831	2,924	4,365	4,601	6,461	6,712	30
YoY (%)	60	49	5	40	4		
Sensex PE (x)	20	29	25	22	23	23	4
Wealthex PE (x)	16	20	18	17	20	21	5

Exhibit 12 Wealthex invariably outperforms benchmark indices handsomely



Key Takeaway

Sensex a weak earnings machine

For the past several years, Sensex earnings growth has been muted. In the markets, especially over the long term, $G = R$ i.e. Growth in earnings = Return on the stock. Given this, a portfolio of stocks with even a slightly superior earnings profile vis-à-vis the Sensex should consistently outperform it.

#7 Wealth Creation: Sector analysis

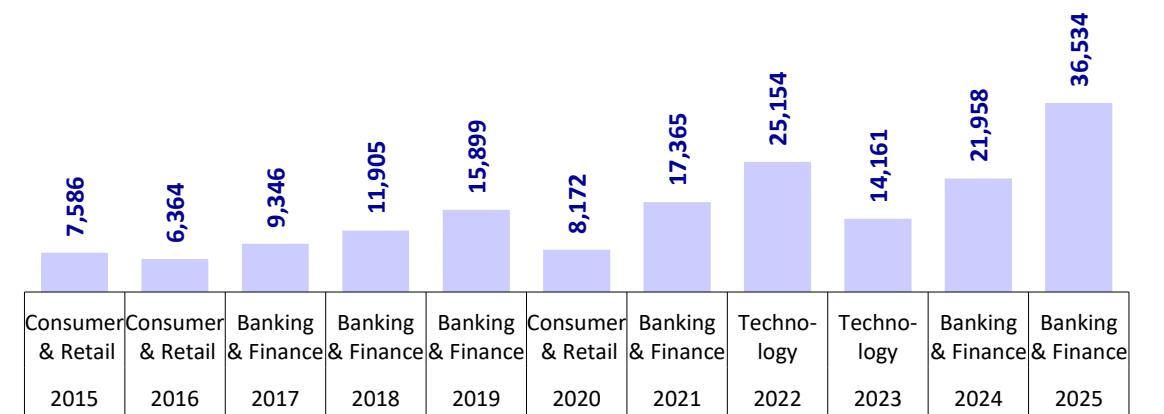
Banking & Finance is the top Wealth Creator for the second successive time

- **Banking & Finance** has emerged as the top Wealth Creating sector for the second successive time, and for the sixth time in the last 10 studies.
- Cyclical sectors like **Capital Goods/Engg, Metals/Mining** and **Autos** are significant gainers in Wealth Creation vis-à-vis 5 years ago.
- The biggest losers are **Consumer & Retail, Oil & Gas** and **Technology**.

Exhibit 13 Banking & Finance is the top Wealth Creating sector (2020-25)

Sector (No of companies)	WC	Share of WC %	CAGR 20-25 (%)		P/E (x)		RoE (%)		
	(INR bn)	2025	2020	Price	PAT	2025	2020	2025	2020
Banking & Finance (21)	36,534	24.7	22.3	36	64	12	31	16	3
Capital Goods / Engg (9)	13,974	9.4	1.7	47	19	42	15	17	11
Metals / Mining (9)	13,874	9.4	0.5	37	14	15	6	18	13
Utilities (9)	12,448	8.4	0.5	40	20	22	10	13	9
Auto (8)	11,079	7.5	-	42	242	20	1659	20	0
Consumer & Retail (7)	10,969	7.4	31.9	29	10	46	21	22	19
Pharma / Healthcare (7)	8,275	5.6	4.9	31	27	36	30	17	9
Telecom (1)	7,944	5.4	1.8	34	30	48	42	19	7
Oil & Gas (6)	7,141	4.8	19.6	27	11	11	6	10	11
Technology (6)	6,865	4.6	10.7	34	13	33	14	18	21
Cement (3)	4,799	3.2	1.3	33	1	47	12	6	11
Realty (3)	2,359	1.6	-	39	45	37	46	11	3
Chemicals & Fertilizers (3)	2,151	1.5	-	54	16	82	20	14	16
Others (8)	9,576	6.5	4.9	47	45	46	43	17	7
Total	147,988	100	100	37	30	21	16	15	8

Exhibit 14 Expect Banking & Finance to remain the largest Wealth Creating sector in the years to come



Key Takeaway

Expect Banking & Finance to sustain its top spot for much of the foreseeable future

Over the next 8 years, expect India's GDP to double from about USD 4 trillion currently to USD 8 billion. The Banking & Finance sector is the lubricant of economic growth. Further, the Capital Market segment is emerging as a major force led by widespread participation of retail investors. Both combined, expect Banking & Finance to sustain its top spot in Wealth Creation for much of the foreseeable future.

#8 Wealth Creation: Ownership – Private v/s PSU

PSUs remain on the comeback trail

- PSUs' (public sector undertakings) Wealth Creation performance during 2020-25 is a significant improvement over the last 3 studies: 26 PSUs account for a handsome 25% of Wealth Created.
- The key factors driving PSU Wealth Creation are:
 - 7 of the 26 PSUs clocked profit turnaround over 2020-25. Of these, 6 were in the Banking & Finance sector, causing aggregate sector PAT to rise a whopping 274x.
- Valuations in 2020 were extremely attractive e.g. 6 PSUs traded at trailing P/E of less than 5x.

Exhibit 15 PSUs sustain their recovery trend

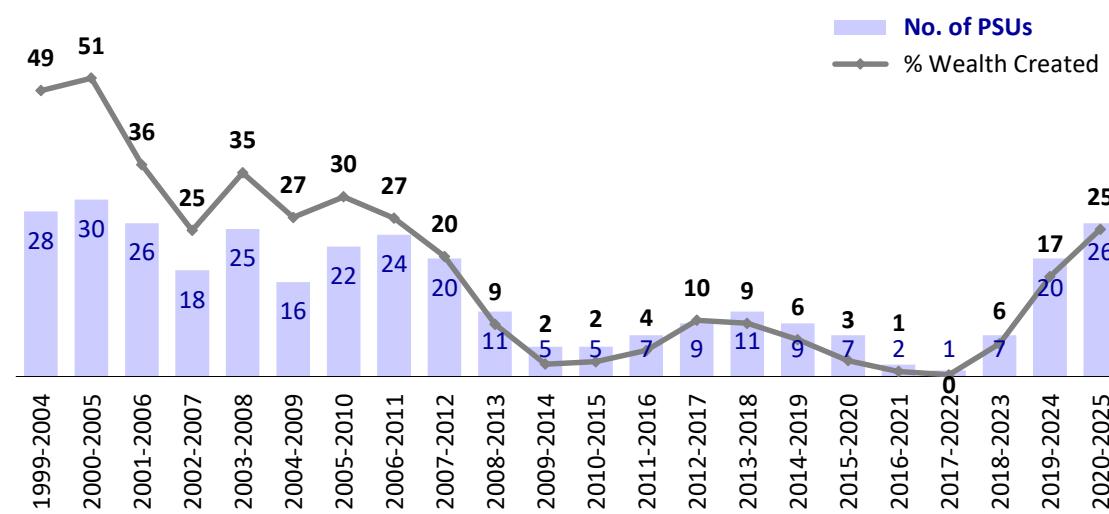
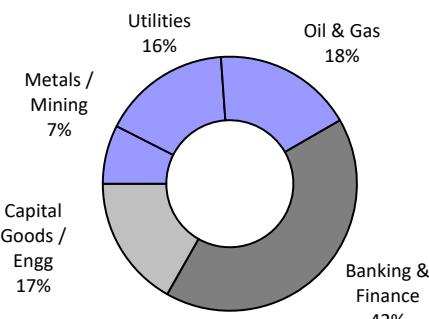


Exhibit 16
Key figures

	2020-2025	
	PSU	Private
No. of Wealth Creators in Top 100	26	74
Share of Wealth Created (%)	25	75
5-year Sales CAGR (%)	11	14
5-year PAT CAGR (%)	34	26
5-year Price CAGR (%)	35	37
P/E - 2020 (x)	10	20
P/E - 2025 (x)	10	30
RoE - 2020 (%)	7	9
RoE - 2025 (%)	15	16

Exhibit 17
PSUs across sectors have created Wealth



Key Takeaway

Low valuations may help PSUs sustain their share of Wealth Created

Despite clocking PAT CAGR of 35% over 2020-25, PSU stocks' aggregate P/E as of March 2025 stood at an attractive 10x. In contrast, for a comparable PAT CAGR of 37%, Private sector P/E has leapfrogged from 20x as of March 2020 to 30x as of March 2025. Sectors like Defence and Utilities should also sustain their earnings trend. All this should help PSUs at least sustain their current 25% share of Wealth Created.

#9 Wealth Creation: Market Cap Rank Analysis

We call large, mid and small cap stocks as **Mega**, **Mid** and **Mini**, respectively, defined as under:

- **Mega** – Top 100 stocks by market cap rank for any given year
- **Mid** – Next 150 stocks by market cap rank
- **Mini** – All stocks below the top 250 up to 1000th rank.

Market cap ranks of companies change constantly. Over time, companies also cross over from one category to another. For the period 2020-25, the market cap ranks crossover matrix stands as under –

Exhibit 18 2020-25: Market cap rank crossovers: Number of companies and average returns

Nifty 50 Total Return Index CAGR: 24%

		Mega	163% (1)	56% (21)	29% (68)
TO	Mid	Mid	68% (29)	34% (72)	14% (28)
	Mini	Mini	34% (720)	13% (57)	-4% (4)
		Mini		Mid	Mega
			FROM		
	Total stocks	750		150	100

How to read the table

- In 2020, of the 750 Mini companies (i.e. ranked between 251 and 1,000), only 1 moved to the Mega category by 2025, clocking 5-year return CAGR of 163%. 29 Minis moved to Mid category by 2025, delivering a return CAGR of 68% in the process. Next, 720 Mini companies stayed as Mini and delivered return CAGR of 34%.
- Of the 150 Mid companies in 2020, 22 moved to Mega by 2025, delivering an average 56% return CAGR in the process. 72 Mid companies stayed as Mid (34% return CAGR) and 57 slipped to the Mini category (13% return CAGR).
- Finally, of the 100 Mega companies in 2020, 68 stayed as Mega (29% return CAGR), 28 slipped to Mid (14% return CAGR), and 4 slipped to the Mini category (-4% return CAGR).
- Note: During the 2020-25 period, benchmark Nifty 50 Total Return Index CAGR is 24%.

We specifically analyze the 3 positive crossovers – Mini-to-Mega, Mini-to-Mid and Mid-to-Mega.

8.1 Mini-to-Mega: 1 company, 163% Total Return CAGR

- Over 2020-25, only 1 company – CG Power – moved from Mini category to Mega
- In the process, it delivered a handsome Total Return CAGR of 163%
- However, it didn't make it to this year's Wealth Creation Study as its 2020 market cap rank was beyond 500.

Exhibit 19 **Mini-to-Mega (2020-25): 1 company, 163% Total Return CAGR**

Company	Market Cap Rank		WC Rank *		Tot. Ret. CAGR %	PAT CAGR %	P/E (x)	
	Mar-25	Mar-20	Biggest	Fastest			2025	2020
CG Power & Ind	89	818	-	-	163	L to P	103	N.A.

* 2020-25 Wealth Creation Rank; blank indicates that the company was not among the top 500 companies in 2020

8.2 Mini-to-Mid: 29 companies, 68% average Total Return CAGR

- During 2020-25, 29 companies crossed over from Mini to Mid category, generating an average Total Return CAGR of 68%.
- Of these, 26 feature in our Wealth Creation Study.

Exhibit 20 **Mini-to-Mid (2020-25): 29 companies, 68% average Total Return CAGR**

Company	Market Cap Rank		WC Rank *		Tot. Ret. CAGR %	PAT CAGR %	P/E (x)	
	2025	2020	Biggest	Fastest			2025	2020
KPIT Technologi.	220	534	-	-	107	40	44	265
Suzlon Energy	120	512	-	-	98	L to P	37	N.A.
Rail Vikas	127	348	68	2	95	11	57	4
Jindal Stainless	176	490	134	3	90	105	19	17
GE Vernova T&D	206	417	120	4	85	L to P	65	N.A.
Persistent Systems	106	278	60	5	82	33	63	13
F A C T	200	395	116	6	82	45	1,880	599
Dixon Tech.	117	284	65	7	79	43	108	34
Hitachi Energy	150	325	92	10	76	15	147	16
Bharat Dynamics	183	311	103	15	70	1	85	6
Gujarat Fluoroch	186	323	111	16	69	21	81	15
Indian Bank	128	351	67	17	69	67	6	3
K P R Mill	242	380	145	18	68	17	39	6
Linde India	154	283	94	20	67	30	118	34
APL Apollo Tubes	197	328	123	25	65	26	57	13
Tata Inv.Corpn.	238	313	144	50	65	28	102	37
Cohance Life	248	360	149	29	63	-5	124	8
Cochin Shipyard	214	306	129	34	61	6	45	6
H U D C O	204	288	114	36	61	10	15	2
Patanjali Foods	137	261	88	39	61	42	50	22
Tube Investments	153	257	95	47	59	16	79	16
Laurus Labs	230	307	140	53	57	5	104	13
Blue Star	189	275	118	57	57	32	75	31
Radico Khaitan	235	304	146	58	56	7	94	14
Tata Elxsi	234	291	139	63	54	25	41	15
Godfrey Phillips	222	264	135	78	49	24	37	15
Narayana Hrudaya.	226	260	142	91	47	43	44	39
Bank of Maha.	221	255	127	123	42	70	6	13
Pun. & Sind Bank	249	575	-	-	32	L to P	30	N.A.

* 2020-25 Wealth Creation Rank; blank indicates that the company was not among the top 500 companies in 2020

8.3 Mid-to-Mega: 21 companies, 56% average Total Return CAGR

- During 2020-25, 21 companies crossed over from Mid to Mega, delivering an average Total Return CAGR of 56%
- All of them feature in this Wealth Creation Study.

Exhibit 21 **Mid-to-Mega (2020-25): 21 companies, 56% average Total Return CAGR**

Company	Market Cap Rank		WC Rank *		Tot. Ret. CAGR %	PAT CAGR %	P/E (x)	
	2025	2020	Biggest	Fastest			2025	2020
Adani Power	38	167	27	8	79	L to P	15	N.A.
Adani Enterprises	27	136	15	9	76	33	66	16
Hind. Aeronautics	23	116	12	11	75	24	33	6
JSW Energy	95	220	59	21	67	12	53	7
Bharat Electronics	34	114	22	23	66	24	42	10
Solar Industries	86	204	52	24	65	36	81	31
Tata Power	68	197	40	28	64	53	32	20
Varun Beverages	44	132	30	30	63	41	69	33
Jindal Steel	96	202	57	32	62	210	26	677
Trent	42	120	29	33	62	67	130	153
Indian Hotels	77	196	49	35	61	43	68	32
Chola. Investment	64	148	42	48	58	32	30	12
TVS Motor Co.	75	140	48	68	53	27	53	22
REC	76	118	43	76	49	26	7	4
Bajaj Holdings	59	105	38	83	48	17	22	7
A B B	73	106	50	110	43	40	63	57
Apollo Hospitals	94	127	63	117	42	34	68	49
Shriram Finance	65	137	51	139	40	27	15	6
Union Bank (I)	90	176	55	156	37	L to P	5	N.A.
Adani Energy	83	101	69	173	36	26	44	28
Samvardh.								
Motherson	99	108	100	225	32	26	25	17

* 2020-25 Wealth Creation Rank; blank indicates that the company was not among the top 500 companies in 2020

Key Takeaway

Mid-to-Mega is a potent investment strategy

Every year, our analysis of market cap crossovers lead to the same findings –

- Companies leap-frogging from Mini to Mega is very rare.
- A fair number of companies move from Mini to Mid and deliver supernormal returns. However, they need to be identified from a large base of 750 companies.
- The most potent and focused hunting ground for high-performing stocks is the Mid category i.e. 150 stocks with market cap rank 101 to 250.
- Over the next five years, 12-25 of these stocks (healthy 8-16% strike rate) will cross over to the Mega category and deliver handsome returns in the process.

#10 Wealth Creation: Valuation parameters analysis

High returns across the board

- Valuations did not matter significantly during 2020-25 given widespread robust returns.

Exhibit 22 The lowest ratios across most valuation metrics delivered the highest returns

Range in 2020	No. of Cos.	WC (INR b)	% Share of WC	CAGR (%)		RoE (%)	
				WC	PAT	2025	2020
P/E							
<10	26	37,987	26	40	14	14	13
10-15	13	26,586	18	34	20	18	13
15-20	11	10,404	7	38	17	12	14
20-25	8	17,539	12	38	33	15	8
25-30	5	7,142	5	34	39	15	6
>30	22	30,654	21	36	43	16	5
Loss-making	15	17,676	12	48	L to P	15	-12
Total	100	147,988	100	38	30	15	8
Price / Book							
<1	35	48,143	33	43	41	14	5
1-2	20	37,725	25	39	27	16	10
2-3	20	24,262	16	34	16	19	19
3-4	5	14,093	10	30	14	21	15
4-5	6	9,720	7	38	26	18	16
>5	13	13,567	9	35	35	18	12
Negative NW	1	478	0	43	L to L	40	73
Total	100	147,988	100	38	30	15	8
Price / Sales							
<1	40	60,244	41	43	34	14	7
1-2	21	24,510	17	39	53	17	4
2-3	18	34,176	23	35	21	16	11
3-4	8	9,451	6	32	14	30	17
4-5	5	8,773	6	30	11	22	20
>5	8	10,833	7	35	26	12	9
Total	100	147,988	100	38	30	15	8
Payback ratio							
< 1	35	52,552	36	43	37	15	6
1-2	26	40,828	28	36	23	16	11
2-3	18	27,856	19	34	17	15	13
> 3	18	24,022	16	34	28	16	9
Others	3	2,730	2	42	L to P	17	-13
Total	100	147,988	100	38	30	15	8

(Payback is a proprietary ratio of Motilal Oswal, defined as current market cap divided by estimated profits over the next five years. For 2020, we calculate this ratio based on market cap as on 31-Mar-2020 divided by the actual profits reported over the next five years, 2021 to 2025. "Others" are cases where Payback ratio cannot be calculated due to cumulative loss, 2021 to 2025.)

PEG < 1x remains a solid formula for superior returns

- For the purposes of this section, PEG (P/E to Growth ratio) is obtained by dividing trailing 12-month P/E by future 5-year earnings CAGR.
- We have used perfect foresight of 5 years' earnings to calculate PEG. Thus, if a stock's P/E in 2020 is 20x, and its 2020-25 PAT CAGR is 25%, its 2020 PEG works out to 0.8x ($20 \div 25$).
- Clearly, lower the PEG, higher the likely return.
- Stocks with PEG less than 1x tend to significantly outperform the market.
- As tabled below, the story was no different for the 2020-25 Wealth Creators. Excluding turnarounds, PEG < 1x has delivered the highest return.

Exhibit 23 PEG less than 1x is a solid formula for high returns

PEG Range in 2020 (x)	No. of Cos.	WC (INR b)	% Share of WC	CAGR (%)		RoE (%)	
				WC	PAT	2025	2020s
<1	46	67,703	46	40	28	16	10
1-2	22	39,453	27	36	13	18	15
2-3	9	11,638	8	29	7	13	15
> 3	5	7,008	5	30	11	10	11
Others	18	22,186	15	47	L to P	13	-6
Total	100	147,988	100	38	30	15	8

Note: PEG here is calculated as P/E of March 2020 divided by 2020-25 PAT CAGR

"Others" are cases where PAT CAGR cannot be calculated e.g. turnarounds

#11 Wealth Destruction: Companies & Sectors

Wealth Destroyed is the lowest in the last 17 study periods

- The total Wealth Destroyed during 2020-25 is just INR 666 billion, a mere 0.4 % of the total Wealth Created by top 100 companies.
- Only 24 of the top 500 companies destroyed wealth. This reflects the full impact of the covid-hit low base of March 2020.
- The top 10 Wealth Destroying companies accounted for as high as 82% of the total Wealth Destroyed.
- Interestingly, all the top 10 Wealth Destroyers are from consumer-facing businesses.

Exhibit 24 Wealth Destroyed is a mere 0.4% of Wealth Created

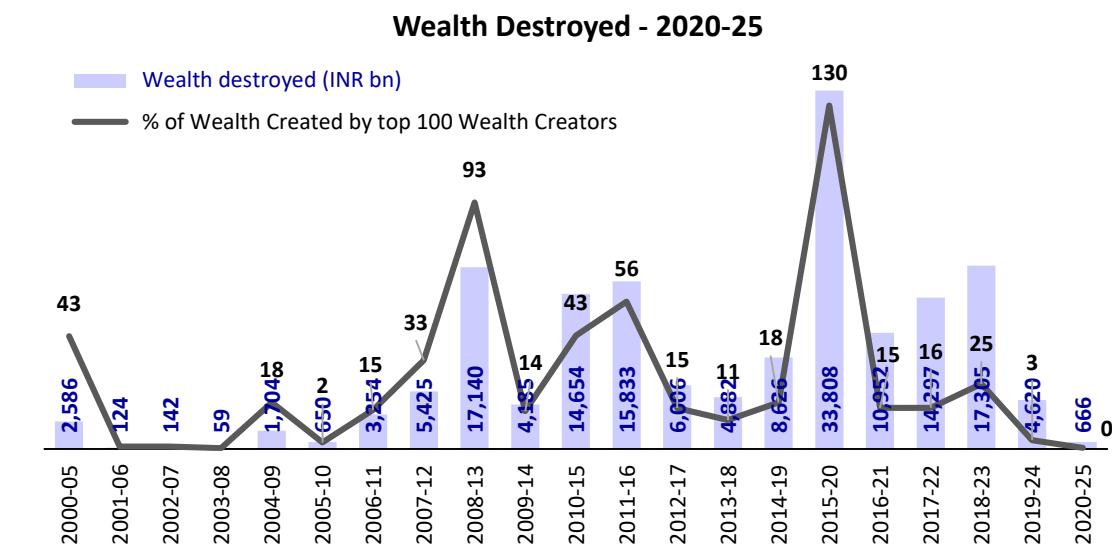


Exhibit 25

All the top 10 Wealth Destroying companies are from consumer-facing businesses

Company	Wealth Destroyed		Tot. Ret. CAGR (%)
	INR bn	% Share	
Rajesh Exports	105	16	-19
Whirlpool India	100	15	-11
Bandhan Bank	84	13	-6
Vodafone Idea	71	11	17
Dhani Services	44	7	-12
Relaxo Footwear	44	7	-7
PVR Inox	42	6	-5
Spandana Sphoorty	24	4	-17
Zee Entertainment	16	2	-3
Future Consumer	15	2	-41
Total of Above	545	82	
Total Wealth Destroyed	666	100	

Exhibit 26

Consumer & Retail unexpectedly leads the list of Wealth Destroying sectors

Sector	Wealth Destroyed (INR bn)	% Share
Consumer & Retail	296	44
Financials	158	24
Telecom	71	11
Media/Entertainment	59	9
Capital Goods/Engg	15	2
Realty	12	2
IT	11	2
Others	43	7
TOTAL	666	100

Appendices

Appendix 1: The 100 Biggest Wealth Creators (2020-2025)

Rank	Company	Wealth Created		CAGR (2020-25, %)		Mkt Cap (INR bn)		ROE (%)		P/E (x)	
		INR b	Share (%)	Total Ret.	PAT	2025	2020	2025	2020	2025	2020
1	Bharti Airtel	7,944	5.4	32	30	10,378	2,404	19	7	48	42
2	ICICI Bank	7,417	5.0	34	40	9,528	2,100	16	8	19	22
3	SBI	5,593	3.8	33	37	6,886	1,758	17	7	9	11
4	Bajaj Finance	4,206	2.8	33	26	5,561	1,333	17	16	33	25
5	Larsen & Toubro	3,974	2.7	35	10	4,801	1,133	16	14	31	12
6	ITC	3,765	2.5	24	5	5,128	2,114	28	24	26	14
7	HCL Technologies	3,708	2.5	33	9	4,317	1,185	25	21	25	11
8	Sun Pharma	3,459	2.3	38	24	4,164	845	16	9	36	21
9	M & M	3,055	2.1	57	L to P	3,316	354	17	-1	26	N.A.
10	NTPC	2,997	2.0	36	16	3,468	833	11	9	17	8
11	O N G C	2,807	1.9	34	19	3,100	859	11	7	9	6
12	Hind. Aeronautics	2,707	1.8	75	24	2,793	178	24	21	33	6
13	Bajaj Finserv	2,473	1.7	34	21	3,203	730	12	11	36	22
14	UltraTech Cement	2,463	1.7	29	1	3,390	939	9	15	56	17
15	Adani Enterprises	2,416	1.6	76	33	2,680	151	8	6	66	16
16	Tata Motors	2,374	1.6	57	L to P	2,481	235	24	-16	9	N.A.
17	Vedanta	2,350	1.6	61	1	1,815	241	33	23	14	2
18	Power Grid Corpn	2,344	1.6	31	9	2,701	832	16	15	18	9
19	JSW Steel	2,335	1.6	50	-3	2,599	354	5	13	67	8
20	Coal India	2,266	1.5	29	16	2,456	863	36	52	7	5
21	Axis Bank	2,232	1.5	24	72	3,413	1,070	15	2	12	58
22	Bharat Electronics	2,083	1.4	66	24	2,202	181	27	18	42	10
23	Adani Ports	2,008	1.4	37	23	2,553	511	17	15	24	13
24	Hindustan Zinc	1,959	1.3	32	9	1,952	656	78	17	19	10
25	Titan Company	1,930	1.3	27	17	2,720	829	29	23	82	55
26	Bajaj Auto	1,879	1.3	33	7	2,199	586	21	24	30	11
27	Adani Power	1,824	1.2	79	L to P	1,964	107	23	-19	15	N.A.
28	Tata Steel	1,763	1.2	45	L to P	1,926	306	4	0	54	N.A.
29	Trent	1,722	1.2	62	67	1,888	170	27	5	130	153
30	Varun Beverages	1,608	1.1	63	41	1,825	153	16	14	69	33
31	Interglobe Aviation	1,566	1.1	37	L to P	1,976	411	62	-15	34	N.A.
32	I O C L	1,510	1.0	24	3	1,804	769	6	11	15	8
33	Siemens	1,500	1.0	37	19	1,879	396	16	12	75	37
34	Grasim Inds	1,458	1.0	41	-7	1,778	313	4	10	49	6
35	DLF	1,394	0.9	38	89	1,684	340	11	1	36	177
36	Hindalco Inds.	1,359	0.9	49	33	1,533	215	13	7	10	6
37	Power Fin.Corpn.	1,314	0.9	45	26	1,367	243	20	14	6	3
38	Bajaj Holdings	1,243	0.8	48	17	1,388	200	10	11	22	7
39	Adani Green	1,225	0.8	44	70	1,503	240	14	5	86	193
40	Tata Power	1,166	0.8	64	53	1,200	89	10	2	32	20
41	Eicher Motors	1,160	0.8	33	21	1,466	357	22	18	31	20
42	Chola. Investment	1,140	0.8	58	32	1,278	125	18	13	30	12
43	REC	1,133	0.8	49	26	1,131	175	20	14	7	4
44	IDBI Bank	1,127	0.8	34	L to P	835	200	15	-45	11	N.A.
45	Bank of Baroda	1,125	0.8	36	86	1,181	247	14	1	6	27
46	Divi's Lab.	1,042	0.7	24	10	1,533	528	15	18	70	40
47	GAIL (India)	1,041	0.7	33	2	1,202	345	12	19	11	4
48	TVS Motor Co.	1,023	0.7	53	27	1,150	141	25	20	53	22
49	Indian Hotels	998	0.7	61	43	1,120	89	15	6	68	32
50	A B B	996	0.7	43	40	1,175	198	27	10	63	57
Rank	Company	Wealth Created		CAGR (2020-25, %)		Mkt Cap (INR bn)		ROE (%)		P/E (x)	
		INR b	Share (%)	Total Ret.	PAT	2025	2020	2025	2020	2025	2020

Appendix 1: The 100 Biggest Wealth Creators (2020-2025) ... continued

Rank	Company	Wealth Created		CAGR (2020-25, %)		Mkt Cap (INR bn)		ROE (%)		P/E (x)	
		INR b	Share (%)	Total Ret.	PAT	2025	2020	2025	2020	2025	2020
51	Shriram Finance	974	0.7	40	27	1,233	150	15	14	15	6
52	Solar Industries	939	0.6	65	36	1,017	82	29	19	81	31
53	Ambuja Cements	878	0.6	30	15	1,325	309	8	9	32	15
54	Punjab Natl.Bank	868	0.6	26	111	1,105	218	15	1	6	50
55	Union Bank (I)	861	0.6	37	L to P	963	98	17	-10	5	N.A.
56	Cipla	861	0.6	29	29	1,164	341	16	9	23	23
57	Jindal Steel	856	0.6	62	210	930	84	7	0	26	677
58	Canara Bank	849	0.6	41	L to P	807	93	18	-6	5	N.A.
59	JSW Energy	837	0.6	67	12	940	70	7	9	53	7
60	Persistent Systems	829	0.6	83	33	858	42	21	14	63	13
61	Cummins India	796	0.5	58	22	845	90	26	16	42	12
62	Torrent Pharma.	794	0.5	28	14	1,095	334	25	21	57	33
63	Apollo Hospitals	791	0.5	42	34	952	158	17	10	68	49
64	Muthoot Finance	756	0.5	32	11	956	245	18	27	18	8
65	Dixon Tech.	748	0.5	79	43	792	41	24	22	108	34
66	BSE	738	0.5	124	65	742	13	31	5	53	12
67	Indian Bank	733	0.5	69	67	730	26	18	4	6	3
68	Rail Vikas	726	0.5	95	11	733	27	13	15	57	4
69	Adani Energy	719	0.5	36	26	1,047	208	11	9	44	28
70	NHPC	717	0.5	36	-2	826	200	7	11	28	6
71	SRF	717	0.5	40	4	871	160	10	20	70	16
72	Tata Consumer	690	0.5	29	15	991	272	6	5	78	43
73	B H E L	685	0.5	60	L to P	752	72	2	-5	145	N.A.
74	Havells India	682	0.5	27	15	958	300	18	17	65	41
75	United Spirits	682	0.5	24	20	1,020	352	19	17	68	57
76	Polycab India	679	0.5	48	21	774	110	20	19	40	15
77	Info Edge	673	0.5	29	L to P	929	249	0	-14	554	N.A.
78	Lupin	670	0.5	28	L to P	925	267	19	-4	28	N.A.
79	Zydus Lifesciences	658	0.4	28	26	891	273	19	14	19	19
80	Torrent Power	620	0.4	41	13	749	134	16	17	27	9
81	Oil India	610	0.4	51	6	628	90	13	21	10	2
82	Bosch	608	0.4	26	13	836	278	15	12	42	25
83	H P C L	604	0.4	27	15	766	290	13	11	11	8
84	General Insurance	604	0.4	34	L to P	737	184	13	-1	11	N.A.
85	Oracle Financial	600	0.4	35	10	681	175	28	22	29	12
86	LТИ Mindtree	592	0.4	27	25	1,331	249	20	28	29	16
87	I O B	579	0.4	41	L to P	750	117	12	-62	22	N.A.
88	Patanjali Foods	571	0.4	61	42	655	51	11	7	50	22
89	Adani Total Gas	568	0.4	47	9	662	95	16	29	101	22
90	Bank of India	567	0.4	30	L to P	488	106	13	-8	5	N.A.
91	Ashok Leyland	518	0.4	39	54	600	126	25	5	20	35
92	Hitachi Energy	508	0.3	76	15	564	32	9	23	147	16
93	NMDC	502	0.3	34	13	606	245	22	13	9	7
94	Linde India	496	0.3	67	30	533	42	12	6	118	34
95	Tube Investments	484	0.3	59	16	536	52	12	18	79	16
96	Phoenix Mills	483	0.3	42	23	586	88	9	9	64	27
97	Oberoi Realty	482	0.3	38	26	595	122	14	8	27	18
98	GMR Airports	478	0.3	36	L to L	799	98	40	73	N.A.	N.A.
99	Coforge	463	0.3	49	13	542	72	12	18	68	16
100	Samvardh. Motherson	462	0.3	32	26	922	193	11	10	25	17

Rank	Company	Wealth Created		CAGR (2020-25, %)		Mkt Cap (INR bn)		ROE (%)		P/E (x)	
		INR b	Share (%)	Total Ret.	PAT	2025	2020	2025	2020	2025	2020

Note: Total Return CAGR considers price of March 2025 + Cumulative Dividends over 5 years (2021 to 2025)

L to P stands for Loss to Profit; N.A. stands for Not Applicable

Appendix 2: The 100 Fastest Wealth Creators (2020-2025)

Rank	Company	2020-25 Total Ret.		CAGR 20-25 (%)		Wealth Created		RoE (%)		P/E (x)	
		CAGR (%)	Times (x)	PAT	Sales	INR b	Share (%)	2025	2020	2025	2020
1	BSE	124	56.1	65	39	738	0.5	31	5	53	12
2	Rail Vikas	95	28.0	11	7	726	0.5	13	15	57	4
3	Jindal Stainless	90	24.6	105	25	324	0.2	15	3	19	17
4	GE Vernova T&D	85	21.5	L to P	6	381	0.3	34	-24	65	N.A.
5	Persistent Systems	83	20.3	33	27	829	0.6	21	14	63	13
6	F A C T	82	19.9	45	8	394	0.3	2	-1	1,880	599
7	Dixon Tech.	79	18.5	43	55	748	0.5	24	22	108	34
8	Adani Power	79	18.3	L to P	16	1,824	1.2	23	-19	15	N.A.
9	Adani Enterprises	76	16.9	33	18	2,416	1.6	8	6	66	16
10	Hitachi Energy	76	16.9	15	15	508	0.3	9	23	147	16
11	Hind. Aeronautics	75	16.2	24	8	2,707	1.8	24	21	33	6
12	JSW Holdings	74	15.9	13	15	237	0.2	1	1	129	15
13	Himadri Special	70	14.4	22	21	192	0.1	15	12	38	6
14	Welspun Corp	70	14.3	13	7	218	0.1	16	20	19	2
15	Bharat Dynamics	70	14.1	1	2	444	0.3	14	21	85	6
16	Gujarat Fluoroch	69	13.9	21	13	411	0.3	8	6	81	15
17	Indian Bank	69	13.6	67	24	733	0.5	18	4	6	3
18	K P R Mill	68	13.6	17	14	293	0.2	16	20	39	6
19	Firstsource Sol.	67	13.0	12	14	234	0.2	14	12	41	6
20	Linde India	67	12.9	30	7	496	0.3	12	6	118	34
21	JSW Energy	67	12.9	12	7	837	0.6	7	9	53	7
22	Garden Reach	66	12.6	25	29	182	0.1	25	16	37	9
23	Bharat Electronics	66	12.5	24	13	2,083	1.4	27	18	42	10
24	Solar Industries	65	12.4	36	28	939	0.6	29	19	81	31
25	APL Apollo Tubes	65	12.4	26	23	369	0.2	18	17	57	13
26	Jindal Saw	65	12.1	24	12	163	0.1	15	9	10	2
27	C D S L	64	11.8	38	37	241	0.2	30	15	48	21
28	Tata Power	64	11.7	53	18	1,166	0.8	10	2	32	20
29	Cohance Life	63	11.6	-5	8	273	0.2	14	37	124	8
30	Varun Beverages	63	11.5	41	19	1,608	1.1	16	14	69	33
31	eClerx Services	63	11.4	20	19	130	0.1	23	16	26	6
32	Jindal Steel	62	11.2	210	2	856	0.6	7	0	26	677
33	Trent	62	11.1	67	38	1,722	1.2	27	5	130	153
34	Cochin Shipyard	61	11.0	6	7	347	0.2	15	17	45	6
35	Indian Hotels	61	10.9	43	13	998	0.7	15	6	68	32
36	H U D C O	61	10.9	10	6	395	0.3	15	14	15	2
37	KEI Industries	61	10.9	22	15	233	0.2	12	17	40	9
38	Karur Vysya Bank	61	10.8	51	10	159	0.1	16	4	9	7
39	Patanjali Foods	61	10.8	42	21	571	0.4	11	7	50	22
40	Vedanta	61	10.7	1	13	2,350	1.6	33	23	14	2
41	Hindustan Copper	60	10.6	L to P	20	193	0.1	17	-59	46	N.A.
42	Raymond	60	10.5	-34	-21	80	0.1	1	7	464	9
43	B H E L	60	10.5	L to P	6	685	0.5	2	-5	145	N.A.
44	Supreme Petro	60	10.4	29	17	115	0.1	17	15	32	12
45	Schneider Electric	59	10.2	L to P	14	144	0.1	53	38	63	N.A.
46	Triveni Turbine	59	10.2	23	20	166	0.1	27	22	54	16
47	Tube Investments	59	10.2	16	33	484	0.3	12	18	79	16
48	Chola. Investment	58	10.0	32	24	1,140	0.8	18	13	30	12
49	Cummins India	58	9.8	22	15	796	0.5	26	16	42	12
50	Tata Inv.Corpn.	58	9.8	28	16	295	0.2	1	1	102	37

Appendix 2: The 100 Fastest Wealth Creators (2020-2025) ... continued

Rank	Company	2020-25 Total Ret.		CAGR (20-25, %)		Wealth Created		RoE (%)		P/E (x)	
		CAGR (%)	Times (x)	PAT	Sales	INR bn	Share (%)	2025	2020	2025	2020
51	Tata Motors	57	9.7	L to P	11	2,374	1.6	24	-16	9	N.A.
52	M & M	57	9.6	L to P	16	3,055	2.1	17	-1	26	N.A.
53	Laurus Labs	57	9.6	5	14	300	0.2	7	14	104	13
54	Poly Medicure	57	9.6	28	19	194	0.1	12	22	68	22
55	Minda Corp	57	9.5	L to P	13	116	0.1	12	0	51	N.A.
56	Sobha	57	9.4	-20	1	99	0.1	2	12	138	5
57	Blue Star	57	9.4	32	17	391	0.3	19	19	75	31
58	Radico Khaitan	56	9.1	7	15	291	0.2	13	16	94	14
59	BEML	56	9.1	36	6	118	0.1	10	3	46	30
60	Wockhardt	55	8.9	L to L	1	190	0.1	-1	-6	N.A.	N.A.
61	HFCL	55	8.9	-5	1	93	0.1	4	14	64	5
62	Elgi Equipments	54	8.8	52	14	138	0.1	19	6	44	42
63	Tata Elxsi	54	8.8	25	18	304	0.2	27	24	41	15
64	IRB Infra	54	8.6	8	2	206	0.1	5	10	27	3
65	KSB	54	8.6	22	14	112	0.1	17	11	50	16
66	Kirloskar Oil	54	8.6	23	13	95	0.1	14	9	24	8
67	Zensar Tech.	53	8.5	20	5	147	0.1	15	12	25	8
68	TVS Motor Co.	53	8.3	27	19	1,023	0.7	25	20	53	22
69	Redington	52	8.1	17	14	190	0.1	13	12	17	5
70	Affle 3i	51	7.9	42	47	186	0.1	13	29	59	39
71	Oil India	51	7.9	6	12	610	0.4	13	21	10	2
72	NBCC	50	7.7	51	8	197	0.1	24	5	37	39
73	Glenmark Pharma.	50	7.5	12	5	380	0.3	15	12	33	8
74	JSW Steel	50	7.5	-3	18	2,335	1.6	5	13	67	8
75	Brigade Enterprises	50	7.5	37	14	193	0.1	12	6	35	19
76	REC	49	7.5	26	13	1,133	0.8	20	14	7	4
77	Uno Minda	49	7.4	40	22	434	0.3	16	9	54	36
78	Godfrey Phillips	49	7.4	24	14	315	0.2	18	15	37	15
79	Mah. Seamless	49	7.4	32	15	80	0.1	12	6	12	7
80	Hindalco Inds.	49	7.3	33	15	1,359	0.9	13	7	10	6
81	TVS Holdings	49	7.3	24	18	150	0.1	24	15	16	8
82	Coforge	49	7.2	13	24	463	0.3	12	18	68	16
83	Bajaj Holdings	48	7.2	17	11	1,243	0.8	10	11	22	7
84	Tata Comm	48	7.2	L to P	6	411	0.3	44	48	34	N.A.
85	Caplin Point Lab	48	7.2	20	18	132	0.1	20	24	28	10
86	Prestige Estates	48	7.1	5	-2	395	0.3	3	7	110	18
87	Polycab India	48	7.1	21	20	679	0.5	20	19	40	15
88	LMW	48	7.1	27	14	149	0.1	3	2	205	97
89	Natl. Aluminium	48	7.1	108	15	325	0.2	30	1	6	40
90	Adani Total Gas	47	7.0	9	22	568	0.4	16	29	101	22
91	Narayana Hrudaya.	47	6.9	43	12	297	0.2	22	11	44	39
92	NIIT	46	6.7	-17	-17	8	0.0	4	8	36	10
93	A B Real Estate	46	6.7	P to L	-19	189	0.1	-2	11	N.A.	9
94	Birlasoft	46	6.7	18	10	100	0.1	15	12	21	8
95	J B Chemicals	46	6.6	20	17	220	0.1	19	18	39	15
96	PNB Housing	46	6.6	25	-2	178	0.1	11	8	12	4
97	Century Plyboard	45	6.4	6	14	134	0.1	8	13	81	17
98	Power Fin.Corp.	45	6.4	26	11	1,314	0.9	20	14	6	3
99	Tata Steel	45	6.4	L to P	9	1,763	1.2	4	0	54	N.A.
100	Aster DM Health.	45	6.4	-10	-14	257	0.2	10	14	90	10

Note: Total Return considers price of March 2025 + Cumulative Dividends over 5 years (2021 to 2025)

L to P stands for Loss to Profit; N.A. stands for Not Applicable

Appendix 3: The top 100 Consistent Wealth Creators (2020-2025)

Rank	Company	No. of years of outperformance	2020-25 TR CAGR (%)	2020-25 PAT CAGR (%)	Market Cap (INR bn)		RoE (%)		P/E (x)	
					2025	2020	2025	2020	2025	2020
1	Hind. Aeronautics	5	75	24	2,793	178	24	21	33	6
2	Welspun Corp	5	70	13	228	16	16	20	19	2
3	Bharat Dynamics	5	70	1	469	34	14	21	85	6
4	Indian Bank	5	69	67	730	26	18	4	6	3
5	Bharat Electronics	5	66	24	2,202	181	27	18	42	10
6	Jindal Steel	5	62	210	930	84	7	0	26	677
7	Patanjali Foods	5	61	42	655	51	11	7	50	22
8	Chola. Investment	5	58	32	1,278	125	18	13	30	12
9	Minda Corp	5	57	L to P	129	13	12	0	51	N.A.
10	Radico Khaitan	5	56	7	325	36	13	16	94	14
11	Uno Minda	5	49	40	504	63	16	9	54	36
12	Bajaj Holdings	5	48	17	1,388	200	10	11	22	7
13	NMDC	5	34	13	606	245	22	13	9	7
14	BSE	4	124	65	742	13	31	5	53	12
15	Rail Vikas	4	95	11	733	27	13	15	57	4
16	Jindal Stainless	4	90	105	479	12	15	3	19	17
17	Persistent Systems	4	83	33	858	42	21	14	63	13
18	Adani Power	4	79	L to P	1,964	107	23	-19	15	N.A.
19	Hitachi Energy	4	76	15	564	32	9	23	147	16
20	Himadri Special	4	70	22	209	12	15	12	38	6
21	Gujarat Fluoroch	4	69	21	442	32	8	6	81	15
22	K P R Mill	4	68	17	310	23	16	20	39	6
23	Linde India	4	67	30	533	42	12	6	118	34
24	Garden Reach	4	66	25	193	16	25	16	37	9
25	Solar Industries	4	65	36	1,017	82	29	19	81	31
26	Jindal Saw	4	65	24	173	15	15	9	10	2
27	C D S L	4	64	38	255	22	30	15	48	21
28	Cohance Life	4	63	-5	295	26	14	37	124	8
29	Varun Beverages	4	63	41	1,825	153	16	14	69	33
30	eClerx Services	4	63	20	136	14	23	16	26	6
31	Trent	4	62	67	1,888	170	27	5	130	153
32	Indian Hotels	4	61	43	1,120	89	15	6	68	32
33	H U D C O	4	61	10	399	40	15	14	15	2
34	KEI Industries	4	61	22	276	24	12	17	40	9
35	Karur Vysya Bank	4	61	51	168	16	16	4	9	7
36	Raymond	4	60	-34	93	14	1	7	464	9
37	Triveni Turbine	4	59	23	179	18	27	22	54	16
38	Tube Investments	4	59	16	536	52	12	18	79	16
39	Cummins India	4	58	22	845	90	26	16	42	12
40	Tata Inv.Corpn.	4	58	28	320	34	1	1	102	37
41	Tata Motors	4	57	L to P	2,481	235	24	-16	9	N.A.
42	M & M	4	57	L to P	3,316	354	17	-1	26	N.A.
43	Laurus Labs	4	57	5	331	34	7	14	104	13
44	Poly Medicure	4	57	28	227	21	12	22	68	22
45	Blue Star	4	57	32	439	44	19	19	75	31
46	Elgi Equipments	4	54	52	153	18	19	6	44	42
47	IRB Infra	4	54	8	273	19	5	10	27	3
48	KSB	4	54	22	124	15	17	11	50	16
49	Zensar Tech.	4	53	20	159	19	15	12	25	8
50	TVS Motor Co.	4	53	27	1,150	141	25	20	53	22
Rank	Company Name	No. of years of outperformance	2020-25 TR CAGR (%)	2020-25 PAT CAGR (%)	Market Cap (INR bn)		RoE (%)		P/E (x)	
					2025	2020	2025	2020	2025	2020

Appendix 3: The top 100 Consistent Wealth Creators (2020-2025) ... continued

Rank	Company Name	No. of years of outperformance	2020-25 TR CAGR (%)	2020-25 PAT CAGR (%)	Market Cap (INR bn)		RoE (%)		P/E (x)	
					2025	2020	2025	2020	2025	2020
51	Redington	4	52	17	190	26	13	12	17	5
52	Glenmark Pharma.	4	50	12	435	58	15	12	33	8
53	Hindalco Inds.	4	49	33	1,533	215	13	7	10	6
54	Coforge	4	49	13	542	72	12	18	68	16
55	Polycab India	4	48	21	774	110	20	19	40	15
56	LMW	4	48	27	171	25	3	2	205	97
57	Natl. Aluminium	4	48	108	322	54	30	1	6	40
58	Narayana Hrudaya.	4	47	43	346	51	22	11	44	39
59	J B Chemicals	4	46	20	253	39	19	18	39	15
60	PNB Housing	4	46	25	229	27	11	8	12	4
61	Century Plyboard	4	45	6	158	25	8	13	81	17
62	Aster DM Health.	4	45	-10	242	48	10	14	90	10
63	Sonata Software	4	44	9	97	17	25	41	23	6
64	Chambal Fert.	4	44	7	251	45	18	32	16	4
65	Cyient	4	43	12	140	25	12	13	23	7
66	Transport Corp.	4	43	22	85	14	19	15	21	10
67	NLC India	4	42	12	339	61	14	11	13	4
68	EID Parry	4	42	3	140	25	7	13	25	5
69	Phoenix Mills	4	42	23	586	88	9	9	64	27
70	Mah. Scooters	4	42	-1	128	23	1	2	73	13
71	J K Cements	4	40	9	381	73	13	17	48	14
72	Shriram Finance	4	40	27	1,233	150	15	14	15	6
73	Sun Pharma	4	38	24	4,164	845	16	9	36	21
74	Thermax	4	38	25	435	88	13	7	68	42
75	R C F	4	37	-3	69	16	5	9	29	6
76	Federal Bank	4	37	21	473	82	12	11	11	5
77	NTPC	4	36	16	3,468	833	11	9	17	8
78	Larsen & Toubro	4	35	10	4,801	1,133	16	14	31	12
79	Ratnamani Metals	4	34	12	181	42	15	18	33	14
80	K E C Intl.	4	34	0	208	48	11	20	37	8
81	360 ONE	4	34	40	371	86	15	7	34	43
82	General Insurance	4	34	L to P	737	184	13	-1	11	N.A.
83	ICICI Bank	4	34	40	9,528	2,100	16	8	19	22
84	Eicher Motors	4	33	21	1,466	357	22	18	31	20
85	SBI	4	33	37	6,886	1,758	17	7	9	11
86	Mphasis	4	33	7	475	124	17	20	28	10
87	GAIL (India)	4	33	2	1,202	345	12	19	11	4
88	HCL Technologies	4	33	9	4,317	1,185	25	21	25	11
89	BASF India	4	32	57	192	49	13	4	42	101
90	Asahi India Glas	4	31	18	146	38	13	12	43	25
91	Sundaram Finance	4	31	19	509	133	14	12	27	17
92	Power Grid Corpn	4	31	9	2,701	832	16	15	18	9
93	CEAT	4	30	15	117	32	11	9	24	13
94	Navin Fluo.Intl.	4	28	-7	209	61	11	29	72	15
95	Endurance Tech.	4	27	7	277	84	14	18	35	15
96	Voltas	4	25	9	483	158	13	13	58	29
97	GE Vernova T&D	3	85	L to P	398	19	34	-24	65	N.A.
98	F A C T	3	82	45	414	21	2	-1	1,880	599
99	Dixon Tech.	3	79	43	792	41	24	22	108	34
100	Adani Enterprises	3	76	33	2,680	151	8	6	66	16

Rank	Company Name	No. of years of outperformance	2020-25 TR CAGR (%)	2020-25 PAT CAGR (%)	Market Cap (INR bn)		RoE (%)		P/E (x)	
					2025	2020	2025	2020	2025	2020

Note: Total Return CAGR considers price of March 2025 + Cumulative Dividends over 5 years (2021 to 2025)

L to P stands for Loss to Profit

Appendix 4: The top 100 All-round Wealth Creators (2020-2025)

All-round		Rank			Total of Ranks	2020-25 Total Ret. CAGR (%)
Rank	Company	Biggest	Fastest	Consistent		
1	Hind. Aeronautics	12	11	1	24	75
2	Bharat Electronics	22	23	5	50	66
3	Adani Power	27	8	18	53	79
4	BSE	66	1	14	81	124
5	Persistent Systems	60	5	17	82	83
6	Rail Vikas	68	2	15	85	95
7	Indian Bank	67	17	4	88	69
8	Varun Beverages	30	30	29	89	63
9	Trent	29	33	31	93	62
10	Jindal Steel	57	32	6	95	62
11	Chola. Investment	42	48	8	98	58
12	Solar Industries	52	24	25	101	65
13	M & M	9	52	42	103	57
14	Tata Motors	16	51	41	108	57
15	Indian Hotels	49	35	32	116	61
16	Bharat Dynamics	103	15	3	121	70
17	Hitachi Energy	92	10	19	121	76
18	Adani Enterprises	15	9	100	124	76
19	Bajaj Holdings	38	83	12	133	48
20	Patanjali Foods	88	39	7	134	61
21	Linde India	94	20	23	137	67
22	Gujarat Fluoroch	111	16	21	148	69
23	Cummins India	61	49	39	149	58
24	Jindal Stainless	134	3	16	153	90
25	Vedanta	17	40	107	164	61
26	TVS Motor Co.	48	68	50	166	53
27	Hindalco Inds.	36	80	53	169	49
28	Dixon Tech.	65	7	99	171	79
29	Tata Power	40	28	105	173	64
30	Tube Investments	95	47	38	180	59
31	Welspun Corp	167	14	2	183	70
32	H U D C O	114	36	33	183	61
33	JSW Energy	59	21	103	183	67
34	K P R Mill	145	18	22	185	68
35	Uno Mindia	107	77	11	195	49
36	Cohance Life	149	29	28	206	63
37	C D S L	155	27	27	209	64
38	Himadri Special	178	13	20	211	70
39	JSW Steel	19	74	118	211	50
40	Radico Khaitan	146	58	10	214	56
41	Polycab India	76	87	55	218	48
42	Blue Star	118	57	45	220	57
43	F A C T	116	6	98	220	82
44	GE Vernova T&D	120	4	97	221	85
45	B H E L	73	43	108	224	60
46	Sun Pharma	8	146	73	227	38
47	KEI Industries	158	37	34	229	61
48	Garden Reach	185	22	24	231	66
49	Tata Inv.Corpn.	144	50	40	234	58
50	Coforge	99	82	54	235	49

All-round		Rank			Total of Ranks	2020-25
Rank	Company	Biggest	Fastest	Consistent		
					Total Ranks	Total Ret. CAGR (%)

Appendix 4: The top 100 All-round Wealth Creators (2020-2025) ... continued

All-round		Rank			Total of Ranks	2020-25 Total Ret. CAGR (%)
Rank	Company	Biggest	Fastest	Consistent		
51	Laurus Labs	140	53	43	236	57
52	Jindal Saw	191	26	26	243	65
53	Glenmark Pharma.	121	73	52	246	50
54	APL Apollo Tubes	123	25	104	252	65
55	NTPC	10	167	77	254	36
56	Tata Steel	28	99	130	257	45
57	Shriram Finance	51	139	72	262	40
58	Larsen & Toubro	5	179	78	262	35
59	Power Fin.Corpn.	37	98	129	264	45
60	Karur Vysya Bank	192	38	35	265	61
61	JSW Holdings	156	12	101	269	74
62	Cochin Shipyard	129	34	106	269	61
63	Oil India	81	71	117	269	51
64	Poly Medicure	174	54	44	272	57
65	eClerx Services	212	31	30	273	63
66	Triveni Turbine	190	46	37	273	59
67	Adani Green	39	103	131	273	44
68	Firstsource Sol.	157	19	102	278	67
69	IRB Infra	168	64	47	279	54
70	Natl. Aluminium	133	89	57	279	48
71	ICICI Bank	2	196	83	281	34
72	Minda Corp	221	55	9	285	57
73	Phoenix Mills	96	121	69	286	42
74	Narayana Hrudaya.	142	91	58	291	47
75	SBI	3	203	85	291	33
76	NMDC	93	188	13	294	34
77	A B B	50	110	136	296	43
78	Redington	181	69	51	301	52
79	HCL Technologies	7	208	88	303	33
80	Grasim Inds	34	127	147	308	41
81	Aster DM Health.	151	100	62	313	45
82	Elgi Equipments	208	62	46	316	54
83	Zensar Tech.	200	67	49	316	53
84	Tata Elxsi	139	63	115	317	54
85	J B Chemicals	164	95	59	318	46
86	Tata Comm	112	84	123	319	48
87	Apollo Hospitals	63	117	141	321	42
88	Eicher Motors	41	200	84	325	33
89	Prestige Estates	115	86	125	326	48
90	Raymond	249	42	36	327	60
91	NLC India	143	118	67	328	42
92	Chambal Fert.	161	104	64	329	44
93	Godfrey Phillips	135	78	120	333	49
94	KSBI	227	65	48	340	54
95	GAIL (India)	47	207	87	341	33
96	Canara Bank	58	132	152	342	41
97	DLF	35	145	162	342	38
98	LMW	199	88	56	343	48
99	Power Grid Corpn	18	233	92	343	31
100	PNB Housing	188	96	60	344	46
All-round		Rank			Total of Ranks	2020-25 Total Ret. CAGR (%)
Rank	Company	Biggest	Fastest	Consistent		

Note: Total Return considers price of March 2025 + Cumulative Dividends over 5 years (2021 to 2025)

Appendix 5: The 100 Biggest Wealth Creators (2020-25) – Alphabetical order

Company	Wealth Creation Rank				Wealth Created INR bn	Total Return CAGR (%)	Total Return Times (x)
	Biggest	Fastest	Consistent	All-round			
A B B	50	110	136	77	996	43	6.0
Adani Energy	69	173	252	171	719	36	4.6
Adani Enterprises	15	9	100	18	2,416	76	16.9
Adani Green	39	103	131	65	1,225	44	6.2
Adani Ports	23	158	247	145	2,008	37	4.8
Adani Power	27	8	18	3	1,824	79	18.3
Adani Total Gas	89	90	239	139	568	47	7.0
Ambuja Cements	53	241	209	176	878	30	3.7
Apollo Hospitals	63	117	141	87	791	42	5.9
Ashok Leyland	91	144	161	124	518	39	5.1
Axis Bank	21	296	294	222	2,232	24	2.9
B H E L	73	43	108	45	685	60	10.5
Bajaj Auto	26	199	189	135	1,879	33	4.2
Bajaj Finance	4	210	193	131	4,206	33	4.1
Bajaj Finserv	13	187	183	117	2,473	34	4.4
Bajaj Holdings	38	83	12	19	1,243	48	7.2
Bank of Baroda	45	166	172	117	1,125	36	4.7
Bank of India	90	239	208	192	567	30	3.7
Bharat Electronics	22	23	5	2	2,083	66	12.5
Bharti Airtel	1	215	197	134	7,944	32	4.1
Bosch	82	279	287	249	608	26	3.2
BSE	66	1	14	4	738	124	56.1
Canara Bank	58	132	152	96	849	41	5.5
Chola. Investment	42	48	8	11	1,140	58	10.0
Cipla	56	250	216	182	861	29	3.5
Coal India	20	243	211	166	2,266	29	3.6
Coforge	99	82	54	50	463	49	7.2
Cummins India	61	49	39	23	796	58	9.8
Divi's Lab.	46	292	232	208	1,042	24	3.0
Dixon Tech.	65	7	99	28	748	79	18.5
DLF	35	145	162	96	1,394	38	5.1
Eicher Motors	41	200	84	88	1,160	33	4.2
GAIL (India)	47	207	87	95	1,041	33	4.1
General Insurance	84	195	82	109	604	34	4.3
GMR Airports	98	172	175	150	478	36	4.7
Grasim Inds	34	127	147	80	1,458	41	5.6
H P C L	83	271	224	213	604	27	3.3
Havells India	74	273	283	233	682	27	3.3
HCL Technologies	7	208	88	79	3,708	33	4.1
Hind. Aeronautics	12	11	1	1	2,707	75	16.2
Hindalco Inds.	36	80	53	27	1,359	49	7.3
Hindustan Zinc	24	224	204	154	1,959	32	4.0
Hitachi Energy	92	10	19	16	508	76	16.9
I O B	87	133	153	115	579	41	5.5
I O C L	32	290	230	203	1,510	24	3.0
ICICI Bank	2	196	83	71	7,417	34	4.3
IDBI Bank	44	197	187	145	1,127	34	4.3
Indian Bank	67	17	4	7	733	69	13.6
Indian Hotels	49	35	32	15	998	61	10.9
Info Edge	77	246	213	190	673	29	3.6

Appendix 5: The 100 Biggest Wealth Creators (2020-25) – Alphabetical order ... continued

Company	Wealth Creation Rank				Wealth Created INR bn	Total Return CAGR (%)	Total Return Times (x)
	Biggest	Fastest	Consistent	All-round			
Interglobe Aviation	31	159	167	105	1,566	37	4.8
ITC	6	298	299	219	3,765	24	2.9
Jindal Steel	57	32	6	10	856	62	11.2
JSW Energy	59	21	103	31	837	67	12.9
JSW Steel	19	74	118	38	2,335	50	7.5
Larsen & Toubro	5	179	78	57	3,974	35	4.5
Linde India	94	20	23	21	496	67	12.9
LTI Mindtree	86	267	278	235	592	27	3.3
Lupin	78	254	217	200	670	28	3.5
M & M	9	52	42	13	3,055	57	9.6
Muthoot Finance	64	214	196	166	756	32	4.1
NHPC	70	175	177	143	717	36	4.6
NMDC	93	188	13	76	502	34	4.4
NTPC	10	167	77	55	2,997	36	4.7
O N G C	11	190	256	157	2,807	34	4.3
Oberoi Realty	97	153	166	138	482	38	5.0
Oil India	81	71	117	61	610	51	7.9
Oracle Financial	85	183	296	204	600	35	4.4
Patanjali Foods	88	39	7	20	571	61	10.8
Persistent Systems	60	5	17	5	829	83	20.3
Phoenix Mills	96	121	69	73	483	42	5.8
Polycab India	76	87	55	41	679	48	7.1
Power Fin.Corp.	37	98	129	59	1,314	45	6.4
Power Grid Corpn	18	233	92	98	2,344	31	3.8
Punjab Natl.Bank	54	282	289	229	868	26	3.1
Rail Vikas	68	2	15	6	726	95	28.0
REC	43	76	238	105	1,133	49	7.5
Samvardh. Motherson	100	225	205	186	462	32	4.0
SBI	3	203	85	74	5,593	33	4.2
Shriram Finance	51	139	72	57	974	40	5.3
Siemens	33	160	168	109	1,500	37	4.8
Solar Industries	52	24	25	12	939	65	12.4
SRF	71	136	156	111	717	40	5.4
Sun Pharma	8	146	73	46	3,459	38	5.1
Tata Consumer	72	247	214	189	690	29	3.6
Tata Motors	16	51	41	14	2,374	57	9.7
Tata Power	40	28	105	29	1,166	64	11.7
Tata Steel	28	99	130	56	1,763	45	6.4
Titan Company	25	269	280	212	1,930	27	3.3
Torrent Pharma.	62	263	221	196	794	28	3.4
Torrent Power	80	128	148	104	620	41	5.6
Trent	29	33	31	9	1,722	62	11.1
Tube Investments	95	47	38	30	484	59	10.2
TVS Motor Co.	48	68	50	26	1,023	53	8.3
UltraTech Cement	14	244	212	164	2,463	29	3.6
Union Bank (I)	55	156	246	157	861	37	4.9
United Spirits	75	294	234	219	682	24	2.9
Varun Beverages	30	30	29	8	1,608	63	11.5
Vedanta	17	40	107	25	2,350	61	10.7
Zydus Lifesciences	79	260	275	226	658	28	3.4
Company	Wealth Creation Rank				Wealth Created INR bn	Total Ret. CAGR (%)	Total Ret. Times (x)
Biggest	Fastest	Consistent	All-round				

Note: Total Return considers price of March 2025 + Cumulative Dividends over 5 years (2021 to 2025)

Appendix 6: The 100 Fastest Wealth Creators (2020-25) – Alphabetical order

Company	Wealth Creation Rank				Wealth Created INR bn	Total Return CAGR (%)	Total Return Times (x)
	Biggest	Fastest	Consistent	All-round			
A B Real Estate	182	93	127	127	189	46	6.7
Adani Enterprises	15	9	100	18	2,416	76	16.9
Adani Power	27	8	18	3	1,824	79	18.3
Adani Total Gas	89	90	239	139	568	47	7.0
Affle 3i	183	70	236	169	186	51	7.9
APL Apollo Tubes	123	25	104	54	369	65	12.4
Aster DM Health.	151	100	62	81	257	45	6.4
B H E L	73	43	108	45	685	60	10.5
Bajaj Holdings	38	83	12	19	1,243	48	7.2
BEML	220	59	112	121	118	56	9.1
Bharat Dynamics	103	15	3	16	444	70	14.1
Bharat Electronics	22	23	5	2	2,083	66	12.5
Birlasoft	233	94	128	156	100	46	6.7
Blue Star	118	57	45	42	391	57	9.4
Brigade Enterprises	176	75	119	113	193	50	7.5
BSE	66	1	14	4	738	124	56.1
C D S L	155	27	27	37	241	64	11.8
Caplin Point Lab	210	85	124	141	132	48	7.2
Century Plyboard	209	97	61	112	134	45	6.4
Chola. Investment	42	48	8	11	1,140	58	10.0
Cochin Shipyard	129	34	106	61	347	61	11.0
Coforge	99	82	54	50	463	49	7.2
Cohance Life	149	29	28	36	273	63	11.6
Cummins India	61	49	39	23	796	58	9.8
Dixon Tech.	65	7	99	28	748	79	18.5
eClerx Services	212	31	30	65	130	63	11.4
Elgi Equipments	208	62	46	82	138	54	8.8
F A C T	116	6	98	42	394	82	19.9
Firstsource Sol.	157	19	102	68	234	67	13.0
Garden Reach	185	22	24	48	182	66	12.6
GE Vernova T&D	120	4	97	44	381	85	21.5
Glenmark Pharma.	121	73	52	53	380	50	7.5
Godfrey Phillips	135	78	120	93	315	49	7.4
Gujarat Fluoroch	111	16	21	22	411	69	13.9
H U D C O	114	36	33	31	395	61	10.9
HFCL	239	61	114	135	93	55	8.9
Himadri Special	178	13	20	38	192	70	14.4
Hind. Aeronautics	12	11	1	1	2,707	75	16.2
Hindalco Inds.	36	80	53	27	1,359	49	7.3
Hindustan Copper	175	41	235	153	193	60	10.6
Hitachi Energy	92	10	19	16	508	76	16.9
Indian Bank	67	17	4	7	733	69	13.6
Indian Hotels	49	35	32	15	998	61	10.9
IRB Infra	168	64	47	69	206	54	8.6
J B Chemicals	164	95	59	85	220	46	6.6
Jindal Saw	191	26	26	52	163	65	12.1
Jindal Stainless	134	3	16	24	324	90	24.6
Jindal Steel	57	32	6	10	856	62	11.2
JSW Energy	59	21	103	31	837	67	12.9
JSW Holdings	156	12	101	61	237	74	15.9

Company	Wealth Creation Rank				Wealth Created INR bn	Total Return CAGR (%)	Total Return Times (x)
	Biggest	Fastest	Consistent	All-round			
December 2025							64

Appendix 6: The 100 Fastest Wealth Creators (2020-25) – Alphabetical order ... continued

Company	Wealth Creation Rank				Wealth Created INR bn	Total Return CAGR (%)	Total Return Times (x)
	Biggest	Fastest	Consistent	All-round			
JSW Steel	19	74	118	38	2,335	50	7.5
K P R Mill	145	18	22	34	293	68	13.6
Karur Vysya Bank	192	38	35	60	159	61	10.8
KEI Industries	158	37	34	47	233	61	10.9
Kirloskar Oil	237	66	116	141	95	54	8.6
KSB	227	65	48	94	112	54	8.6
Laurus Labs	140	53	43	51	300	57	9.6
Linde India	94	20	23	21	496	67	12.9
LMW	199	88	56	98	149	48	7.1
M & M	9	52	42	13	3,055	57	9.6
Mah. Seamless	250	79	121	152	80	49	7.4
Minda Corp	221	55	9	72	116	57	9.5
Narayana Hrudayalaya	142	91	58	74	297	47	6.9
Natl. Aluminium	133	89	57	69	325	48	7.1
NBCC	173	72	237	168	197	50	7.7
NIIT	299	92	126	180	8	46	6.7
Oil India	81	71	117	61	610	51	7.9
Patanjali Foods	88	39	7	20	571	61	10.8
Persistent Systems	60	5	17	5	829	83	20.3
PNB Housing	188	96	60	100	178	46	6.6
Poly Medicure	174	54	44	64	194	57	9.6
Polycab India	76	87	55	41	679	48	7.1
Power Fin.Corp.	37	98	129	59	1,314	45	6.4
Prestige Estates	115	86	125	89	395	48	7.1
Radico Khaitan	146	58	10	40	291	56	9.1
Rail Vikas	68	2	15	6	726	95	28.0
Raymond	249	42	36	90	80	60	10.5
REC	43	76	238	105	1,133	49	7.5
Redington	181	69	51	78	190	52	8.1
Schneider Electric	203	45	110	107	144	59	10.2
Sobha	234	56	111	125	99	57	9.4
Solar Industries	52	24	25	12	939	65	12.4
Supreme Petro	222	44	109	116	115	60	10.4
Tata Comm	112	84	123	86	411	48	7.2
Tata Elxsi	139	63	115	84	304	54	8.8
Tata Inv.Corpn.	144	50	40	49	295	58	9.8
Tata Motors	16	51	41	14	2,374	57	9.7
Tata Power	40	28	105	29	1,166	64	11.7
Tata Steel	28	99	130	56	1,763	45	6.4
Trent	29	33	31	9	1,722	62	11.1
Triveni Turbine	190	46	37	65	166	59	10.2
Tube Investments	95	47	38	30	484	59	10.2
TVS Holdings	198	81	122	125	150	49	7.3
TVS Motor Co.	48	68	50	26	1,023	53	8.3
Uno Minda	107	77	11	35	434	49	7.4
Varun Beverages	30	30	29	8	1,608	63	11.5
Vedanta	17	40	107	25	2,350	61	10.7
Welspun Corp	167	14	2	31	218	70	14.3
Wockhardt	180	60	113	103	190	55	8.9
Zensar Tech.	200	67	49	82	147	53	8.5
Company	Wealth Creation Rank				Wealth Created INR bn	Total Ret. CAGR (%)	Total Ret. Times (x)
Biggest	Fastest	Consistent	All-round				

Note: Total Return considers price of March 2025 + Cumulative Dividends over 5 years (2021 to 2025)

Appendix 7: Top 20 Fastest Wealth Creators (2020-25) by Market Cap Category

Large Cap in 2020 (Mkt cap rank 1 to 100)

Company	2020-25 Total Return CAGR (%)
Tata Motors	42
Siemens	37
DLF	35
Power Finance Corp	35
REC	35
Bharti Airtel	33
Adani Ports	29
Sun Pharma	28
Titan Company	28
Bajaj Auto	27
Tata Steel	27
NMDC	26
HCL Technologies	26
Avenue Supermarts	25
LTIMindtree	25
JSW Steel	24
Zydus Lifesciences	24
M & M	24
Power Grid Corp	24
Oracle Financial	24

Mid Cap in 2020 (Mkt cap rank 101 to 250)

Company	2020-25 Total Return CAGR (%)
Adani Enterprises	85
Adani Power	62
Trent	62
Varun Beverages	61
Hind. Aeronautics	58
Solar Industries	52
JSW Energy	49
Adani Total Gas	48
Bharat Electronics	46
Torrent Power	41
Tata Consumer	41
Tata Power	40
A B B	40
SJVN	40
SRF	40
Apollo Hospitals	39
Jindal Steel	37
Adani Energy	36
Prestige Estates	36
TVS Motor	36

Small Cap in 2020 (Mkt cap rank 251 to 500)

Company	2020-25 Total Return CAGR (%)
Adani Green	118
F A C T	77
Dixon Technologies	74
Linde India	68
Persistent Systems	67
CG Power & Ind	66
BSE	66
Apar Inds	60
APL Apollo Tubes	60
Tube Investments	58
J B Chemicals	57
Tata Elxsi	53
Suven Life Sciences	52
KEI Industries	52
Deepak Nitrite	51
Birlasoft	51
Tata Inv. Corp	50
K P R Mill	49
C D S L	49
Suzlon Energy	48

Micro Cap in 2020 (Mkt cap rank 501 to 1000)

Company	2020-25 Total Return CAGR (%)
Bombay Super	94
Tata Tele. Maha.	89
Tanla Platforms	87
HBL Power System	78
Jindal Stainless	77
JBM Auto	76
Elecon Engg	72
Godawari Power	68
Titagarh Rail	67
Zen Technologies	67
ION Exchange	67
Action Construction	66
Gravita India	65
Sanghvi Movers	65
BLS International	62
AGI Greenpac	61
One Point One	61
3i Infotech	59
Valor Estate	59
Neuland Labs	56

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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**29th ANNUAL WEALTH CREATION STUDY
(2019-2024)**

Creating Wealth Through Bruised Blue Chips

HIGHLIGHTS

- Blue Chips are aspirational investments, but mostly richly valued
- Bruised Blue Chips bought at close to low offer handsome returns
- Probability of permanent loss of capital is low for Bruised Blue Chips
- The main elements of the process to invest in Bruised Blue Chips are:
 - 1) Create a watchlist
 - 2) Buy on buying triggers, mainly sector rebound and change of management
 - 3) Buy at attractive valuations, typically Price/Earnings less than 2x
- Wealth Creation in the last 5 years is the highest ever. Wealth Destruction is among the lowest
- PSUs are regaining prominence in Wealth Creation

TOP 10 WEALTH CREATORS (2019-2024)

BIGGEST	WEALTH CREATED (IN ₹ B)	FASTEST	SUPER PRICE CASH (%)	CONSISTENT	SUPER PRICE CASH (%)
1. Defence Industries	31,178	Aster Green	118	State India	56
2. TCS	8,532	Aster Green	85	State India	51
3. Bharat Arbol	5,949	Aster Green	77	State India	50
4. ICICI Bank	5,159	State Technologies	74	State India	48
5. ICICI Bank	4,746	State Technologies	73	State India	47
6. InfraCo	3,883	Pavilion Systems	67	State India	45
7. Larsen & Toubro	3,530	CS Power	66	Aster Green	44
8. Larsen & Toubro	3,316	CS Power	63	Aster Green	43
9. Tata Motors	3,116	Tata Steel	62	Aster Green	42
10. HCL Technologies	3,011	Vancor Beverage	61	Pavilion Systems	41

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**28th ANNUAL WEALTH CREATION STUDY
(2018-2023)**

Hockey-Stick Returns The power of Economic Profit

HIGHLIGHTS

- Economic Profit is a superior metric to Accounting Profit to understand true profitability of a company
- TEM (Trend, Environment and Moves) is a sound strategy for companies to move up the Economic Profit Power Curve
- Successful TEM companies bought at reasonable price implement the power of hockey-stick returns
- Old and new caps are favorably placed to deliver hockey-stick returns
- After two decades of sustained decline, PSU stocks are on a comeback

TOP 10 WEALTH CREATORS (2018-2023)

BIGGEST	WEALTH CREATED (IN ₹ B)	FASTEST	SUPER PRICE CASH (%)	CONSISTENT	SUPER PRICE CASH (%)
1. Defence Industries	8,626	Corporate Finance	5	50	50
2. TCS	6,025	Uppol Technologies	5	45	45
3. TCS	5,745	Uppol Technologies	5	45	45
4. ICICI Bank	4,155	Tata Investments	5	30	30
5. InfraCo	3,745	State India	5	30	30
6. Bharat Arbol	3,585	Aster Green	5	28	28
7. Larsen & Toubro	3,530	Pavilion Systems	67	50	50
8. Larsen & Toubro	3,316	CS Power	66	50	50
9. Tata Motors	3,116	Tata Steel	62	50	50
10. HCL Technologies	3,011	Vancor Beverage	61	45	45

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**27th ANNUAL WEALTH CREATION STUDY
(2017-2022)**

Consistents & Volatiles The two dimensions of Wealth Creation

HIGHLIGHTS

- Technology and Financial sectors will continue to dominate Wealth Creation in the foreseeable future
- There are only two types of companies – Consistents & Volatiles
- Volatility is the source of Outperformance. Volatility is the source of Underperformance
- Excellence in execution is non-negotiable for Consistency
- Buying below median valuations tilts the odds in your favour

TOP 10 WEALTH CREATORS (2017-2022)

BIGGEST	WEALTH CREATED (IN ₹ B)	FASTEST	SUPER PRICE CASH (%)	CONSISTENT	SUPER PRICE CASH (%)
1. Defence Industries	13,012	Corporate Finance	5	50	50
2. TCS	9,548	Tata Platforms	5	74	74
3. TCS	9,378	Tata Platforms	5	74	74
4. ICICI Bank	8,155	Tata Investments	5	30	30
5. InfraCo	7,575	State India	5	30	30
6. Bharat Arbol	3,885	Aster Green	52	50	50
7. Larsen & Toubro	3,530	Pavilion Systems	67	50	50
8. Larsen & Toubro	3,316	CS Power	66	50	50
9. Tata Motors	3,116	Tata Steel	62	50	50
10. HCL Technologies	3,011	Vancor Beverage	61	45	45

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**26th ANNUAL WEALTH CREATION STUDY
(2016-2021)**

Atoms to Bits Wealth Creation in the digital era

HIGHLIGHTS

- Expect Financials and Technology sectors to spearhead Wealth Creation for quite some time in the future.
- Value migration from Atoms to Bits is inevitable.
- Regulatory, Productivity delivery and near-term marginal cost make Bits companies highly scalable.
- Successful hyper growth is possible only if there is large opportunity, terrific product-market fit, and a strong revenue effects and favorable unit economics.
- Consistent accounting standards fail to fully communicate intrinsic profitability – and hence value – of Bits companies.
- India is at the cusp of harnessing digital potential.
- Buy into winners in digital, successful digital transformers, and classical Indian IT companies.

TOP 10 WEALTH CREATORS (2016-2021)

BIGGEST	WEALTH CREATED (IN ₹ B)	FASTEST	SUPER PRICE CASH (%)	CONSISTENT	SUPER PRICE CASH (%)
1. Defence Industries	9,661	Aster Green	55	50	50
2. TCS	8,532	Aster Green	85	50	50
3. ICICI Bank	5,159	State India	50	50	50
4. Hind. Univer.	5,137	Pavilion Systems	5	50	50
5. InfraCo	5,137	Pavilion Systems	5	48	48
6. InfraCo	5,137	Pavilion Systems	5	48	48
7. Larsen & Toubro	3,883	CS Power	67	50	50
8. Larsen & Toubro	3,530	CS Power	66	50	50
9. Tata Motors	3,116	Tata Steel	62	50	50
10. HCL Technologies	3,011	Vancor Beverage	61	45	45

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**25th ANNUAL WEALTH CREATION STUDY
(2014-2019)**

The QGLP Checklist 25 questions, 25 frameworks

HIGHLIGHTS

- Time is a friend of good companies and enemy of bad companies. In 25 years, successful companies grow to unimaginable levels in sales, profits and market cap.
- Of the top 500 companies listed in 1995, only 100 companies have outperformed the benchmark over the next 25 years.
- Successful companies are slaves of earnings power and growth. In the very long run, valuations matter less.
- The future always holds a lot more promise. Over 50% of current market cap is made up of listing post 1995.
- Buy & Investing is complex. A checklist is an excellent tool to bring discipline to the process.
- The 25 questions here and the 25 related frameworks are a good starting point for an investor to create their own checklist over time.

"In my nearly fifty years of experience in Wall Street, I've found that I know less and less about what the stock market is going to do but I know more and more about what investors ought to do, and that's a pretty vital change in attitude." – Benjamin Graham

TOP 10 WEALTH CREATORS (1995-2020)

BIGGEST	WEALTH CREATED (IN ₹ B)	FASTEST	SUPER PRICE CASH (%)	CONSISTENT	SUPER PRICE CASH (%)
1. InfraCo	6,307	Kotak Mahindra	22	50	50
2. Pidil Inds	25%	Hind. Univer.	4,855	24%	24%
3. TCS	5,159	Pavilion Systems	5	50	50
4. Hind. Univer.	5,137	Pavilion Systems	5	48	48
5. InfraCo	5,137	Pavilion Systems	5	48	48
6. InfraCo	5,137	Pavilion Systems	5	48	48
7. InfraCo	5,137	Pavilion Systems	5	48	48
8. InfraCo	5,137	Pavilion Systems	5	48	48
9. InfraCo	5,137	Pavilion Systems	5	48	48
10. InfraCo	5,137	Pavilion Systems	5	48	48

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Thematic Study | December 2019

**24th ANNUAL WEALTH CREATION STUDY
(2014-2019)**

Management Integrity Understanding Sharp Practices

HIGHLIGHTS

- In equity investing, management is 90%, industry 9% and 1% everything else. Hence, getting Management Integrity right is the critical first step.
- There's only one way of writing honest accounts, and infinite ways of manipulating them.
- Most Sharp Practices are to inflate profits and stuff the "financial trash" in the Balance Sheet (CFOs, PDI, Debt Balance Sheet).
- Profit is the easiest metric to manipulate; hence, managements must be statutorily obliged to present a simplified Free Cash Flow statement.
- Auditors must be made more accountable to minority shareholders to avoid Sharp Practices by the management.
- As an investor, it is your fundamental right to get management's explanation for all the perceived Sharp Practices.
- Finally, interact with various stakeholders – customers, employees, suppliers, competitors, etc – till you arrive at a moment of Management Integrity.

"The best defense against fraudsters is to run away from them as fast as possible at the first hint of sharp practice. With more than 500 different stocks available to investors in this country, it is not only unwise but also unwise to invest in a company run by men of doubtful integrity." Thomas Paine, in his book, *Common Sense*

TOP 10 WEALTH CREATORS (2014-2019)

BIGGEST	WEALTH CREATED (IN ₹ B)	FASTEST	SUPER PRICE CASH (%)	CONSISTENT	SUPER PRICE CASH (%)
1. Defence Industries	13,012	Corporate Finance	5	50	50
2. HDFC Bank	4,065	Bajaj Finance	50	50	50
3. TCS	3,745	Tata Platforms	5	74	74
4. Hindustan Univer.	3,395	Kotak Mahindra	20	50	50
5. ICICI Bank	1,900	Sundaram Farmers	50	50	50
6. Bajaj Finance	1,594	Astrel	52	50	50
7. Bajaj Finance	1,594	Astrel	52	50	50
8. Maruti Suzuki	1,588	Asian Paints	50	50	50
9. Maruti Suzuki	1,588	Asian Paints	50	50	50
10. Axis Bank	1,200	Sun Pharma	50	50	50

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Thematic Study | November 2018

**23RD ANNUAL WEALTH CREATION STUDY
(2013-2018)**

Valuation Insights What works, What doesn't

HIGHLIGHTS

- The two key drivers of Intrinsic Value are Return on Equity (ROE) and Earnings growth.
- Companies can create Intrinsic Value only when they earn ROE higher than Cost of Equity.
- Low ROE companies must focus on increasing ROE, high ROE companies on increasing growth.
- Both high ROE and high Earnings growth are difficult to sustain.
- PEG (P/E to Growth ratio) less than 1x is a near-infallible formula for healthy outperformance.
- Current market valuations imply robust earnings growth, which remains elusive. Hence, expect market to remain soft.

"In the Bible, it says that love covers a multitude of sins. Well, in the investing field, price covers a multitude of mistakes. For human beings, there is no substitute for love. For investing, there is no substitute for paying the right price – absolutely nothing." – David Foulkes, Co-Founder, Investor Digest, April 2004

TOP 10 WEALTH CREATORS (2013-2018)

BIGGEST	WEALTH CREATED (IN ₹ B)	FASTEST	THE MOST CONSISTENT
1. HDFC Bank	3,247	Indiabulls Ventures	97
2. TCS	2,932	Tata Steel	50
3. TCS	2,932	PVFs Motor	50
4. Maruti Suzuki	2,308	HDFC	50
5. Hindustan Univer.	1,840	State Technologies	75
6. HCL Technologies	1,481	Maruti Suzuki	75
7. Kotak Mahindra Bank	1,345	Maruti Suzuki	67
8. Larsen & Toubro	990	NEFCO	64
9. Larsen & Toubro	990	NEFCO	64
10. Bajaj Finance	902	Excher Motors	10

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Thematic Study | December 2017

**22ND ANNUAL WEALTH CREATION STUDY
(2012-2017)**

CAP & GAP Power of longevity in Wealth Creation

HIGHLIGHTS

- Long-term high profit growth companies are few. Understanding of Competitive Advantage Period (CAP) & Growth Advantage Period (GAP) improves the chances of finding them.
- Most without growth will underperform growth without wait will end soon.
- Longevity and speed of growth are inversely correlated.
- Three characteristics of CAP+GAP companies are –

"The strategy is to find a good business – and one that I understand why it's good – with a long history of growth. I look for a company that has a history of growth and a history of earnings that makes sense. Because we are not going to sell the business, we don't need to be worried with earnings that go up the next month or the next quarter; we need something that will earn more money 20 and 30 and 30 years from now." – Warren Buffett, in Forbes' Magazine's 2000th Anniversary Issue

TOP 10 WEALTH CREATORS (2012-2017)

BIGGEST	WEALTH CREATED (IN ₹ B)	FASTEST	THE MOST CONSISTENT
1. TCS	2,499	Ajanta Pharma	96
2. HDFC Bank	2,324	Asian Paints	50
3. Reliance Industries	1,938	Bajaj Finance	71
4. Hindustan Univer.	1,594	HDFC Bank	50
5. Maruti Suzuki	1,424	Dalmia Bharat	69
6. HCL Technologies	1,350	Alembic Pharma	87
7. IOC	1,219	Eicher Motors	67
8. Hindustan Univer.	1,042	Reliance Industries	64
9. Larsen & Toubro	990	Valeo	50
10. Bajaj Finance	902	Alrosa	50

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Thematic Study | December 2016

**21ST ANNUAL WEALTH CREATION STUDY
(2011-2016)**

FOCUSSED INVESTING Power of allocation in Wealth Creation

HIGHLIGHTS

- Stock allocation (how much to buy) is a powerful tool for portfolio performance.
- Kelly's formula is the 1 metric for equity investing: [1] Look for asymmetric payoff (2) Create edge (3) Bet big
- Opportunity for big bets come when focused Investing is a sound strategy to capitalize on them.
- Keys to successful focused investing are (1) Clear portfolio goal (2) Superior stock selection (3) Rational allocation (4) Active monitoring
- Discipline: portfolio should lead to exceptional returns rather than acceptable returns.

"Bet big, hold for the long term, and control your downside risk." – from the book *Concentrated Investing* by Alan S. Berkin, Michael Van Biema, Robert E. Cottle

TOP 10 WEALTH CREATORS (2011-2016)

BIGGEST	WEALTH CREATED (IN ₹ B)	FASTEST	THE MOST CONSISTENT
1. TCS	2,877	Asian Paints	123
2. HDFC Bank	1,475	Reliance India	50
3. Reliance Industries	1,200	Asian Paints	50
4. IOC	1,397	Rajya Ceramics	66
5. Sun Pharma	1,169	Valeo	10
6. HCL Technologies	919	Valence Software	65
7. IOC	919	Bajaj Auto	50
8. Hindustan Univer.	844	P&I Industries	58
9. Maruti Suzuki	760	Dalmia Bharat	50
10. HCL Technologies	682	Aurobindo Pharma	50

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