

## 27<sup>th</sup> ANNUAL WEALTH CREATION STUDY (2017-2022)

# Consistents & Volatiles

## The two dimensions of Wealth Creation

### HIGHLIGHTS

- The Financial sector, coming out of Covid despair, is likely to dominate Wealth Creation in the foreseeable future
- There are only two types of companies – Consistents and Volatiles
- Consistency 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 favour of investors

### TOP 10 WEALTH CREATORS (2017-2022)

BIGGEST			FASTEST		CONSISTENT		
Rank	Company	Wealth Created (INR bn)	Company	5-year Price CAGR (%)	Company	No. of years outperformed	5-year Price CAGR (%)
1	Reliance Industries	13,018	Adani Transmission	106	Adani Enterprises	5	97
2	TCS	9,548	Tanla Platforms	100	Alkyl Amines	5	74
3	Infosys	5,795	Adani Enterprises	97	Coforge	5	59
4	HDFC Bank	4,108	Brightcom Group	92	Mindtree	5	57
5	Bajaj Finance	3,614	Tata Tele. (Maharashtra)	87	L&T Infotech	5	54
6	ICICI Bank	3,286	Deepak Nitrite	76	SRF	5	52
7	Adani Transmission	2,538	Alkyl Amines	74	Divi's Labs	5	48
8	Hindustan Unilever	2,442	Tata Elxsi	65	Astral	5	44
9	Bharti Airtel	2,422	Coforge	59	Varun Beverages	5	39
10	Wipro	2,302	Mindtree	57	Aarti Industries	5	39

Raamdeo Agrawal (Raamdeo@MotilalOswal.com) / Shrinath Mithanthaya (ShrinathM@MotilalOswal.com)

We thank Mr Dhruv Mehta (Dhruv@SapientWealth.co.in) for his invaluable contribution to this report

Investors are advised to refer through important disclosures made at the last page of the Research Report  
Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital

## Motilal Oswal 27th Annual Wealth Creation Study

	Page
➤ <b>Wealth Creation Study: Objective, Concept &amp; Methodology</b> .....	1
➤ <b>Wealth Creation 2017-22: Highlights</b> .....	2-3
➤ <b>Theme 2023: Consistents &amp; Volatiles</b> .....	4-21
➤ <b>Wealth Creation 2017-22: Detailed Findings</b> .....	22-38
➤ <b>Appendix 1: The 100 Biggest Wealth Creators</b> .....	40-41
➤ <b>Appendix 2: The 100 Fastest Wealth Creators</b> .....	42-43
➤ <b>Appendix 3: The 100 Most Consistent Wealth Creators</b> .....	44-45
➤ <b>Appendix 4: The 100 All-round Wealth Creators</b> .....	46-47
➤ <b>Appendix 5: The 100 Wealth Creators (alphabetical)</b> .....	48-49

### Abbreviations and Terms used in this report

Abbreviation / Term	Description
2012, 2017, 2022, 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 27 years, we endeavour to cull out the characteristics of businesses that create value for their shareholders.

As investment guru 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 5 years, duly adjusted for corporate events such as fresh equity issuance, mergers, demergers, share buybacks, etc.

We rank the top 100 companies in descending order of absolute Wealth Created, **subject to the company’s stock price at least outperforming the benchmark index (BSE Sensex in our case)**. These top 100 Wealth Creators are also ranked according to speed (i.e. price CAGR during the period under study).

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 stock price 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 stock price CAGR decides the All-round rank.

#### Report structure

We present the 2017-2022 Wealth Creation Study highlights in pages 2-3. The detailed findings are presented in pages 22-38. Appendix 1 (pages 40-41) ranks the top 100 Wealth Creators by size, Appendix 2 (pages 42-43) ranks the same 100 Wealth Creators by speed, Appendix 3 (pages 44-45) lists the Consistent Wealth Creators, Appendix 4 (pages 46-47) presents the All-round Wealth Creators, and Appendix 5 (pages 48-49) provides an alphabetical listing of the Wealth Creators.

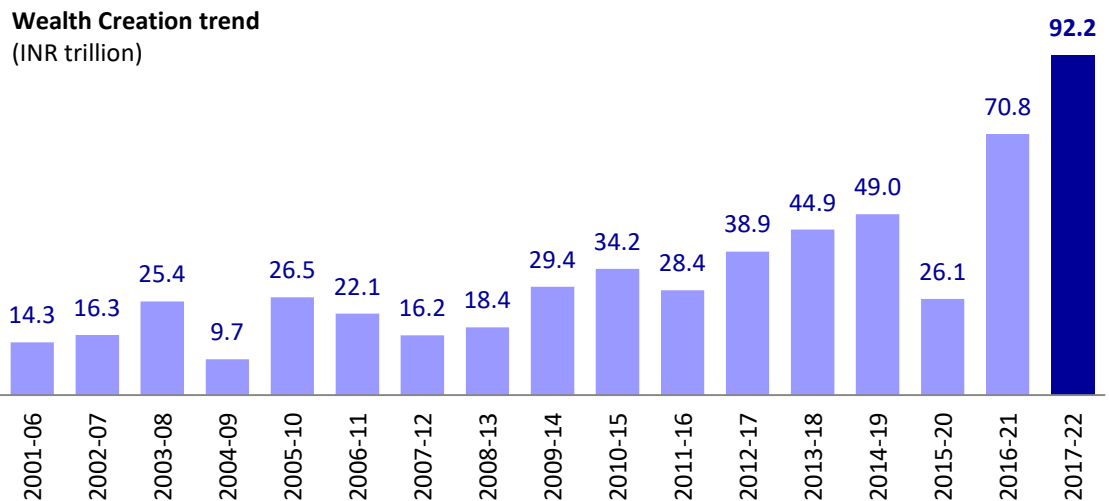
This year’s theme study titled **“Consistents & Volatiles: The two dimensions of Wealth Creation”** is featured in pages 4-21.

## Wealth Creation 2017-2022 Highlights

### 2017-22 Wealth Created at INR 92.2 trillion is the highest ever by far

- During 2017-22, the top 100 Wealth Creators of India Inc created wealth of INR 92.2 trillion, the highest ever by far.

Exhibit 1 **2017-22 Wealth Created at INR 92.2 trillion is the highest ever by far**



### Reliance smashes all records to emerge as the largest Wealth Creator

- For the fourth time in succession, **Reliance Industries** has emerged the largest Wealth Creator over 2017-22.
- This takes Reliance's overall No.1 tally to 9 in the last 16 five-year study periods.
- As in recent studies, **TCS**, **Infosys** and **HDFC Bank** remain among the top 5 Wealth Creators.

Exhibit 2 **Top 10 Biggest Wealth Creators (2017-22)**

Rank	Company	Wealth Created		CAGR (%)		P/E (x)		RoE (%)	
		INR bn	% share	Price	PAT	2022	2017	2022	2017
1	Reliance Inds	13,018	14.1	32	14	30	14	8	11
2	TCS	9,548	10.3	25	8	36	18	43	31
3	Infosys	5,795	6.3	30	9	37	17	33	21
4	HDFC Bank	4,108	4.4	15	20	21	24	15	17
5	Bajaj Finance	3,614	3.9	44	31	62	35	16	19
6	ICICI Bank	3,286	3.6	24	20	20	16	14	10
7	Adani Trans.	2,538	2.7	106	24	217	17	12	14
8	Hind. Unilever	2,442	2.6	18	16	54	46	18	64
9	Bharti Airtel	2,422	2.6	19	-7	137	32	5	7
10	Wipro	2,302	2.5	25	8	27	15	19	16
Total of Top 10		49,075	53	27	13	34	19	13	15
Total of Top 100		92,166	100	28	20	32	23	16	13

### Adani Transmission is the Fastest Wealth Creator for the second time in a row

- For the second successive time, **Adani Transmission** has emerged the Fastest Wealth Creator with 2017-22 Price CAGR of 106%.

Exhibit 3 **Top 10 Fastest Wealth Creators (2017-22)**

Rank	Company	Price Appreciation (x)	Price CAGR %	PAT CAGR %	Mkt Cap (INR bn)		P/E (x)	
					2022	2017	2022	2017
1	Adani Transmission	37	106	24	2,609	71	217	17
2	Tanla Platforms	32	100	67	207	5	38	13
3	Adani Enterprises	30	97	-4	2,217	119	286	12
4	Brightcom Group	26	92	16	197	4	22	1
5	Tata Tele. (Mah.)	23	87	L to L	326	14	N.M.	N.M.
6	Deepak Nitrite	17	76	87	306	17	29	37
7	Alkyl Amines	16	74	34	146	9	65	18
8	Tata Elxsi	12	65	26	551	46	100	26
9	Coforge	10	59	20	271	27	41	10
10	Mindtree	10	57	32	709	76	43	18

L to L – Loss to Loss; N.M. – Not Meaningful

**Adani Enterprises is the Most Consistent Wealth Creator for the second successive year**

- 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 stock price CAGR decides the rank.
- Over 2017-22, **Adani Enterprises** has emerged as the Most Consistent Wealth Creator. It has outperformed the BSE Sensex in all the last 5 years, and has the highest price CAGR of 97%.

Exhibit 4 **Top 10 Most Consistent Wealth Creators (2017-22)**

Rank	Company	No. of years of outperformance	2017-22 Price CAGR (%)	2017-22 PAT CAGR (%)	RoE (%)		P/E (x)	
					2022	2017	2022	2017
1	Adani Enterprises	5	97	-4	3	7	286	12
2	Alkyl Amines	5	74	34	23	20	65	18
3	Coforge	5	59	20	24	16	41	10
4	Mindtree	5	57	32	30	16	43	18
5	L&T Infotech	5	54	19	26	30	47	13
6	SRF	5	52	30	22	16	42	18
7	Divi's Labs	5	48	23	25	20	39	16
8	Astral	5	44	27	20	17	85	45
9	Varun Beverages	5	39	72	17	3	58	156
10	Aarti Industries	5	39	33	22	23	27	20

**Two Adani Group companies are the Best All-round Wealth Creators**

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

Exhibit 5 **Top 10 All-round Wealth Creators (2017-22)**

All-round		Rank			Total of Ranks	2017-22 Price CAGR (%)
Rank	Company	Biggest	Fastest	Consistent		
1	Adani Enterprises	12	3	1	16	97
2	Adani Transmission	7	1	14	22	106
3	L&T Infotech	23	12	5	40	54
4	Mindtree	28	10	4	42	57
5	Divi's Labs	21	16	7	44	48
6	SRF	27	13	6	46	52
7	Bajaj Finance	5	21	21	47	44
8	Reliance Industries	1	44	13	58	32
9	Titan Company	16	27	23	66	41
10	Coforge	63	9	3	75	59

Read detailed findings from page 22 onwards.



# Theme 2023

## Consistents & Volatiles

---

### The two dimensions of Wealth Creation

"I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way to judge the future but by the past."

– Patrick Henry, American politician

## 1. Backdrop

---

### Uncertain future, certain past

There are two aspects of the backdrop to this study –

1. First, it is said, "Prediction is dangerous, especially of the future." That said, equity investing is a lot about the future – expected trend of profits and cash flows, likely valuation multiples, possible corporate actions, etc. The only way to counter the uncertain future is by a deeper understanding of the certain past.
2. Next, we initiated this year's study with a reading of Howard Marks's book, *Mastering the Market Cycle*. Here, he suggests that economies, companies and markets operate according to recurring patterns, to which he prefers the term cycles. He also adds that while it is virtually impossible to know where we are headed into the future, it is easily possible to know where we stand today in the cycle.

We went about marrying the two points above. We dived deep into the past of sectors and companies. However, rather than cycles, we identified two broad patterns that comprehensively cover the entire corporate sector, **Consistency** and **Volatility**. For ease of use, we call the consistent companies as "**Consistents**" and the volatile companies as "**Volatiles**". We proceed to define these terms.

## 2. Defining Consistents & Volatiles

---

### Making the abstract concrete

Our definitions make the abstract concepts of Consistency and Volatility concrete by backing them up with some math.

### 2.1 What are Consistents?

The sole basis of our definitions is the growth trend in PAT (Profit After Tax) of companies and sectors. For a company to be deemed a Consistent, it should meet the following 3 criteria –

1. Over a 15-year period, its annual PAT should not fall by over 10% more than thrice (twice if the period is 10 years);
2. No fall in PAT should be greater than 50%; and
3. The terminal year PAT should not be lower than the initial year PAT.

## 2.2 What are Volatiles?

All companies that are not Consistents are Volatiles.

This way, the entire corporate sector can be divided into just two categories of companies – Consistents and Volatiles.

Note that these definitions are not cast in stone. Readers are free to use their own metrics as long as there is some logic and math behind them, and preferably easy to use.

We provide a few academic and actual examples below to clarify the above definitions, which are key to the rest of this report.

Exhibit 1 **Academic examples of Consistents & Volatiles**

Year	YoY PAT growth						
	Company A	Company B	Company C	Company D	Company E	Company F	Company G
2008	20%	44%	11%	14%	4%		
2009	11%	-11%	135%	-1%	16%		
2010	24%	29%	-8%	-2%	20%		
2011	23%	39%	-37%	16%	52%		
2012	13%	26%	-36%	16%	41%		
2013	11%	-15%	45%	-7%	1%	15%	42%
2014	27%	17%	16%	9%	-12%	16%	62%
2015	22%	51%	32%	-30%	85%	20%	26%
2016	25%	33%	39%	10%	-59%	16%	44%
2017	19%	19%	-45%	34%	19%	-12%	26%
2018	21%	6%	27%	-9%	24%	18%	26%
2019	18%	-8%	11%	44%	15%	14%	36%
2020	22%	12%	-9%	-5%	9%	-15%	34%
2021	15%	-20%	-31%	3%	9%	26%	-55%
2022	25%	55%	26%	20%	15%	19%	22%
Category	Consistent	Consistent	Volatile	Consistent	Volatile	Consistent	Volatile

Exhibit 2 **Academic examples explained**

Company	Consistent or Volatile	The math
A	Consistent	The most obvious case; no PAT de-growth at all
B	Consistent	4 PAT de-growths, but only 3 greater than 10%
C	Volatile	6 PAT de-growths, of which 4 greater than 10%
D	Consistent	7 PAT de-growths, but only 2 greater than 10%
E	Volatile	Only 2 PAT de-growths, but 1 greater than 50%
F	Consistent	2 PAT de-growths greater than 10% allowed in 10 years
G	Volatile	Only 1 PAT de-growth, but greater than 50%



Exhibit 3 Actual examples of Consistents &amp; Volatiles

Year	YoY PAT growth							
	HDFC Bank	SBI	UltraTech	Shree Cement	Cummins	ABB	Reliance	BPCL
2008	40%	41%	29%	73%				
2009	41%	22%	-4%	107%				
2010	34%	7%	12%	14%				
2011	33%	-7%	24%	-68%				
2012	31%	40%	64%	131%				
2013	31%	17%	13%	85%	24%	-25%	5%	139%
2014	27%	-21%	-19%	-11%	-12%	28%	6%	98%
2015	22%	20%	-4%	-47%	18%	29%	8%	22%
2016	20%	-28%	26%	253%	4%	32%	34%	69%
2017	19%	-100%	10%	-12%	2%	18%	1%	8%
2018	21%	P to L	-11%	2%	-8%	18%	21%	3%
2019	21%	L to P	1%	-15%	8%	18%	10%	-14%
2020	22%	673%	137%	34%	0%	-31%	8%	-40%
2021	17%	38%	-3%	48%	-13%	-50%	2%	166%
2022	20%	58%	30%	2%	29%	148%	34%	-13%
Category	Consistent	Volatile	Consistent	Volatile	Consistent	Volatile	Consistent	Volatile

### 3. Characteristics & Distinctions

#### How Consistents & Volatiles stack up

The table below captures the various characteristics and distinctions of Consistents and Volatiles.

Exhibit 4 How Consistents &amp; Volatiles stack up

Criteria	Consistents	Volatiles
Typical nature of business	Secular	Cyclical
Industry leadership	Mostly leaders	Many non-leaders
Pricing power	Yes	No
Competitive landscape	Favourable	Unfavourable
Business strategy	Strong value proposition	Weak value proposition
Excellence in execution	Non-negotiable	—
Influence of government regulation	Low	High
Future earnings	Relatively more predictable	Unpredictable
Average Return on Equity	High	Low
Debt-equity	Low	Relatively high
Dividend Payout	Relatively higher	Relatively lower
Valuation approach	Earnings-based	Asset-based
Suggested valuation metric	P/E	P/B
Market valuation	Typically premium to benchmark	Typically discount to benchmark
Valuation range	Narrow	Wide
Compounding	Strong compounders	Weak compounders
Share of Nifty market cap	72%	28%

## 4. Sources of Consistency & Volatility

### A combination of industry-level and company-specific factors

Whether a company is Consistent or Volatile is influenced by a wide range of industry-level and company-specific factors. We list some of them here with suitable examples.

#### 4.1 Industry-level factors

The important industry-level factors influencing Consistents and Volatiles are –

1. Nature of demand
2. Competitive landscape
3. Value inflow/outflow and
4. Government regulation.

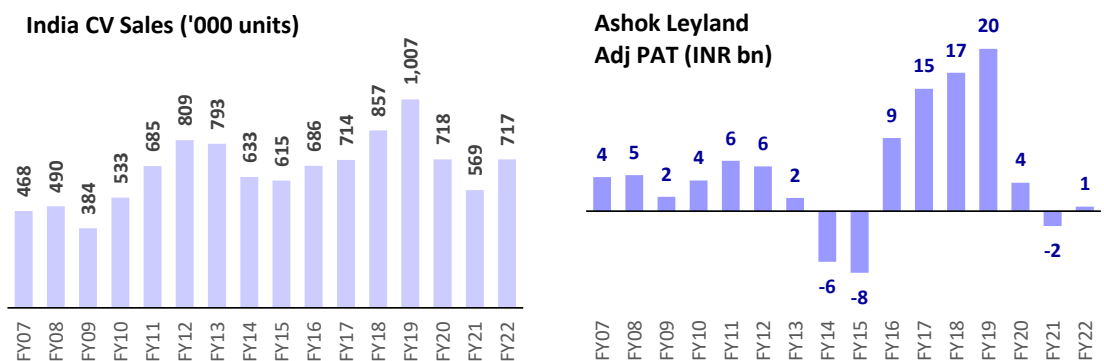
##### 4.1.1 Nature of demand

If the nature of demand is consistent, it will favor Consistents, and vice versa.

##### Examples:

- Demand for commercial vehicles (CVs) in India is highly volatile. Hence, Tata Motors and Ashok Leyland are both Volatiles.
- In contrast, demand for paints is highly stable. So, most paint companies are Consistents.

Exhibit 5 Volatility in CV demand makes Ashok Leyland a Volatile



##### 4.1.2 Competitive landscape

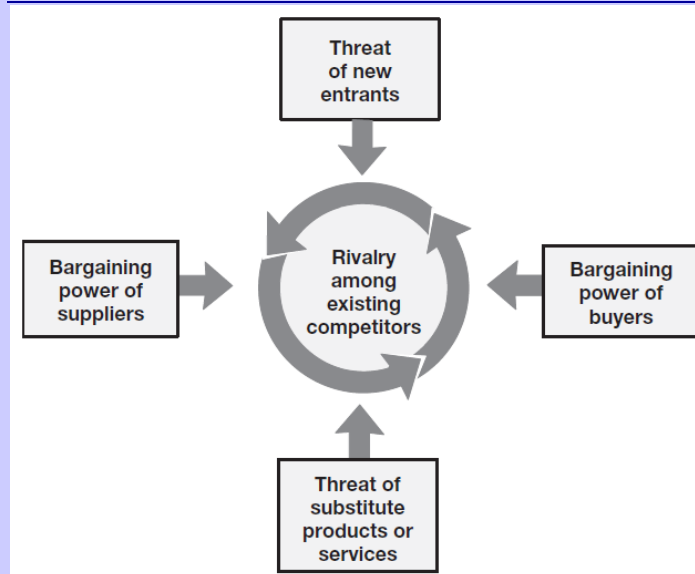
A comprehensive framework to assess an industry's competitive landscape is management guru Michael Porter's Five Forces (see box on page 9). Sectors with a favourable competitive landscape will likely create more Consistents and vice versa.

##### Examples:

- The competitive landscape is extremely favourable for the Cigarettes sector. Hence, every single company here is Consistent.
- As things stand, the Aviation sector faces an extremely unfavourable competitive landscape. As a result, all aviation companies are Volatiles.

## Michael Porter's Five Forces framework – In a nutshell

Exhibit 6 Porter's Five Forces framework



**NOTE:** In their book *Playing to Win*, authors A G Lafley and Roger Martin highlight that –

- (1) The interplay of forces along the vertical axis decides how much value will get created in the industry; and
- (2) The interplay of forces along the horizontal axis decides how the industry value will get distributed among the players, the customers and the suppliers.

### FORCE #1 – Inter-firm rivalry

**Implication:** This lies at the core of the industry structure analysis. Higher the rivalry among incumbents, lower the industry attractiveness and vice-versa.

### FORCE #2 – Threat of new entrants

**Implication:** The threat of new entrants compels incumbents to operate at low profitability as a strategy to ward them off.

### FORCE #3 – Threat of substitute products or services

**Implication:** Like the threat of new entrants, the threat of substitutes also compels incumbents to operate at low profitability.

### FORCE #4 – Bargaining power of customers

**Implication:** Higher the bargaining power of customers, lower the sector attractiveness and vice versa. If the customers are large and concentrated, their bargaining power tends to be high, whereas fragmented customers tend to have lower bargaining power. High brand pull and high switching costs also imply lower bargaining power of customers.

### FORCE #5 – Bargaining power of suppliers

**Implication:** Higher the bargaining power of suppliers, lower the sector attractiveness and vice versa. If the suppliers are large and concentrated, their bargaining power tends to be high, whereas fragmented suppliers tend to have lower bargaining power.

### 4.1.3 Value inflow/outflow

In his book **Value Migration**, author Adrian Slywotzky says, “Value migrates from outmoded business designs to new ones that are better able to satisfy customers' most important priorities.” Value Migration results in a gradual yet major shift in how the current and future profit pool in an industry is shared. So, sectors with value inflow are favourable for Consistents, while sectors going through value outflow will lead to higher Volatiles.

Exhibit 7 **Examples of Value Migration**

Sector	Value migration from	Value migration to
IT Services	Developed world	Low labour-cost countries
Pharmaceuticals	Developed world	Low-cost chemistry countries
Banking	State-owned banks	Private banks
Telecom	Fixed line networks	Wireless networks
e-tailing	Brick-and-mortar retailing	Online retailing
Gems & Jewellery	Unorganized jewellery market	Organized jewellery retailing
Aviation	Full service airlines and railways	Low cost airlines

#### Examples:

- The Indian banking sector is in the midst of Value Migration from public sector banks to private sector banks. As a result, every single public sector bank is a Volatile.
- The IT sector continues to see value inflow from across the globe. As a result, every meaningful IT company is a Consistent.

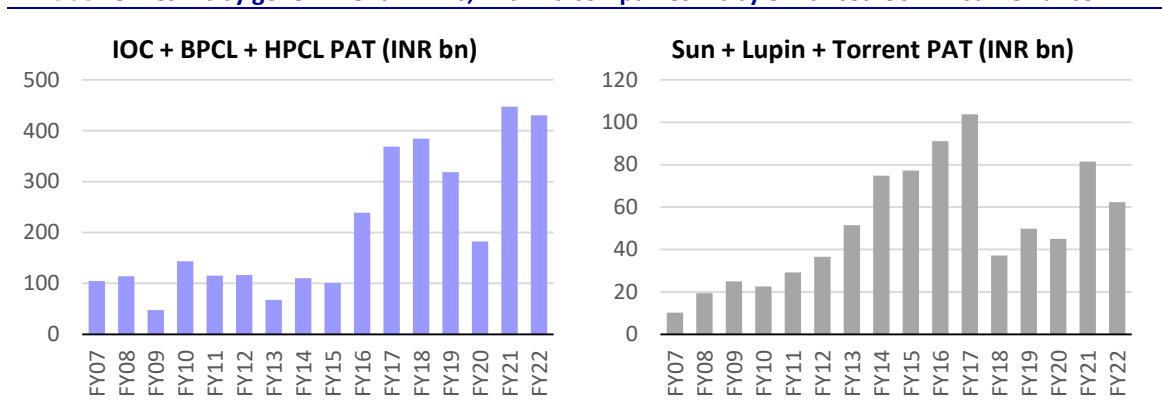
### 4.1.4 Government regulation

Government regulation can make or mar the fortunes of an industry, leading to Volatility rather than Consistency.

#### Examples:

- Indian oil marketing companies (OMCs) are perennially subject to both favourable and unfavourable government regulation on product pricing. As a result, all of them are Volatiles.
- At a global level, enhanced surveillance of the USFDA has led to many hitherto pharma Consistents turn into Volatiles.

Exhibit 8 **OMCs hit by government whims; Pharma companies hit by enhanced USFDA surveillance**



## 4.2 Company-specific factors

The important company-specific factors influencing Consistents and Volatiles are –

1. Company strategy and execution
2. Industry leadership
3. Pricing power
4. Capital (mis)allocation

### 4.2.1 Company strategy and execution

Strategy is all about maintaining or improving the company's competitive advantage vis-à-vis its rivals. Other things remaining equal, companies with a sound strategy backed by execution excellence will be more Consistent than those without.

#### Michael Porter's Value Chain cum Strategy framework

A good strategy is one that will sustain superior economic performance for a company, and must pass the following 5 tests –

1. **Distinctive value proposition (to customers):** This emerges from Porter's belief that companies should not compete to be the best, but to be unique. Thus, the first step to achieving this is by offering to meet customer needs differently from that of rivals by (1) choosing the target customer, (2) identifying the needs, and (3) creating a product or service which addresses both (1) and (2).
2. **Tailored Value Chain:** A Value Chain is the sequence of activities that a company performs to design, produce, sell, deliver, and support its products. In turn, it is part of a company's larger Value System i.e. all activities and players involved to deliver its value proposition, including by suppliers, distribution channel, etc. A tailored value chain makes a company's value proposition hard to replicate.
3. **Trade-offs different from rivals:** This essentially involves deciding on what a company will or will not do, differently from its rivals e.g. budget airlines do not offer free food and beverages on board, as they are targeting only those customers whose focus is to reach their destination faster (than rail, road, etc), and not food.
4. **Fit across the Value Chain:** Fit is how well the value chain activities connect with each other to amplify the company's value proposition, and make it even harder to replicate e.g. Domino's globally is focused on home delivery of pizzas. Accordingly, its outlets are smaller than Pizza Hut which is more designed for dine in. In fact, Domino's pizzas are even tailored for home delivery so that they don't get soft and soggy during delivery.
5. **Continuity over time:** In business, change is the only constant. Hence, a company's strategy should enable it adapt to change and to innovate.

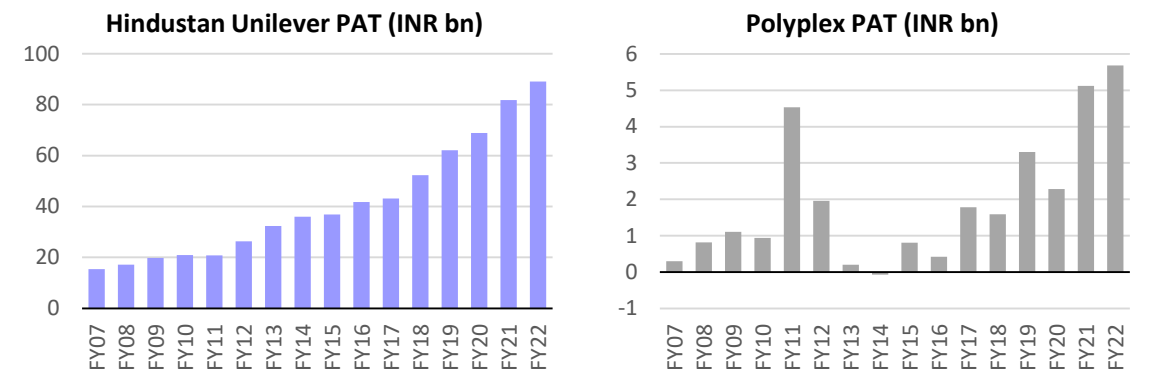
### 4.2.2 Industry leadership

Industry leadership is a huge positive factor to be a Consistent. With leadership comes benefits like scale, better bargaining power with customers and suppliers, and a semblance of pricing power. For example, FY07-22, UltraTech Cement is the only Consistent in the entire Cement sector. Clearly, this is by virtue of its leadership. In fact, UltraTech alone accounts for 40% of the entire Cement sector's FY22 PAT. Its PAT has played a huge role in causing the entire sector to be Consistent.

### 4.2.3 Pricing power

This is a key determinant of Consistency. Pricing power allows a company to manage cost pressures and lend Consistency to its profits. For instance, most FMCG companies enjoy pricing power, and hence prove to be Consistents. In contrast, packaging companies – which are vendors to their FMCG customers – lack pricing power and hence are Volatiles.

Exhibit 9 **FMCG major Hindustan Unilever is a Consistent; packaging major Polyplex is a Volatile**



### 4.2.4 Capital (mis)allocation

How well a company allocates capital is key to whether its profits remain Consistent or Volatile. Capital misallocation can dent company profits for a long time into the future e.g. most mega overseas acquisitions by Indian companies have not delivered a reasonable return on capital – Tata Steel-Corus, Hindalco-Novelis, Tata Motors-JLR, Bharti Airtel-Zain, etc.

Having covered much of the narratives behind Consistents and Volatiles, we proceed to analyze the numbers behind them.

## 5. Consistents v/s Volatiles

### Analyzing the numbers behind the narratives

#### 5.1 Analyzing companies over 15 years

We analyzed a series of data sets to deepen our understanding of Consistents and Volatiles. The first of these was a set of about 700 companies listed throughout the last 15 years i.e. 2007 to 2022. To recap, for a company to be declared a Consistent, it should meet the following 3 criteria:

1. Over a 15-year period, its annual PAT should not fall by over 10% more than thrice;
2. No fall in PAT should be greater than 50%; and
3. The terminal year PAT should not be lower than the initial year PAT.

All companies that are not Consistent are deemed Volatiles.

Our top-level findings are presented in Exhibit 10 on the next page.

Exhibit 10 **Consistents v/s Volatiles – Top-level findings over the period 2007-2022**

<i>No. of years of PAT degrowth &gt; 10%</i>	<b>Consistent</b> <i>Max 3</i>	<b>Volatile</b> <i>Greater than 3</i>	<b>TOTAL</b>
Number of stocks	114	583	<b>697</b>
<i>% of total</i>	16%	84%	
Outperformers	99	192	<b>291</b>
<i>% of no. of stocks</i>	87%	33%	
Underperformers	15	391	<b>406</b>
<i>% of no. of stocks</i>	13%	67%	
<b>Average Return CAGR (2007-22)</b>	<b>17%</b>	<b>1%</b>	
Outperformers	18%	15%	
Underperformers	5%	-6%	
Nifty return	9%	9%	
<b>RoE</b>	<b>20%</b>	<b>2%</b>	
Outperformers	20%	13%	
Underperformers	19%	-3%	
<b>PAT CAGR</b>	<b>16%</b>	<b>Not Meaningful</b>	
Outperformers	16%	12%	
Underperformers	10%	Not Meaningful	
Nifty earnings CAGR	8%	8%	

**Key takeaways –**

- A very high 87% of Consistents have outperformed the benchmark. That figure is 33% in the case of Volatiles.
- The average 15-year return of Consistents is a high 17% as compared to 1% for Volatiles. (Benchmark Nifty return during this period is 9%.)
- There are outperformers in both the categories. However, Consistent outperformers have delivered an average 18% return CAGR v/s 15% for Volatile outperformers.
- A portfolio of Consistent companies is likely to have robust average RoE (20% in the above case) and PAT CAGR (16% in the above case).

Yet another counterintuitive insight came from the growth-return matrix (Exhibit 11).

- Consistents with high PAT growth (20%+) delivered the highest return as expected.
- Surprisingly, Consistents with low growth delivered 13% return, outperforming the Volatiles with high growth, which managed just a benchmark performance of 9%.

Exhibit 11 **Growth-Return matrix**

15-year PAT CAGR	$\geq 20\%$	9% (63)	25% (24)
	$< 20\%$	0% (520)	13% (90)
		Volatiles	Consistents

Numbers in brackets represent number of companies; Nifty CAGR for the period is 9%.

## 5.2 Bringing sectors into the picture

Next, we used the same methodology to classify sectors as Consistent or Volatile. The same are listed below.

Exhibit 12 **Consistent & Volatile sectors**

Consistent – 18 sectors	Volatile – 35 Sectors	
Agro Chemicals	Air Transport Service	Media & Entertainment
Auto Ancillaries	Alcoholic Beverages	Metals - Ferrous
Banks - Private Sector	Automobile	Metals - Non-ferrous
Cement	Banks - Public Sector	Mining & Mineral products
Chemicals	Bearings	Packaging
Cigarettes	Cables	Paper
Credit Rating Agencies	Capital Goods	Plantation & Plantation Products
Diamonds, Gems and Jewellery	Castings, Forgings & Fasteners	Plastic products
Engineering	Ceramic Products	Realty
Finance	Computer Education	Retail
FMCG	Construction	Shipping
IT	Consumer Durables	Sugar
Logistics	Fertilizers	Telecom
Oil & Gas	Glass & Glass Products	Textiles
Paints/Varnish	Hospitals	Trading
Pharma	Hotels & Restaurants	Tyres
Refineries	Infrastructure Developers & Operators	Wood Panels
Utilities	Leather	



Classifying both companies and sectors as Consistent and Volatile enabled some more insightful data as under.

Exhibit 13 **Sectors with not even a single Consistent company**

Air Transport Service	Leather
Alcoholic Beverages	Mining & Mineral products
Banks - Public Sector	Packaging
Bearings	Paper
Cables	Plantation & Plantation Products
Computer Education	Realty
Construction	Retail
Glass & Glass Products	Shipping
Hospitals	Sugar
Hotels & Restaurants	Telecom
Infrastructure Developers & Operators	

Exhibit 14 **Sector-Company return matrix – over the 15-year period 2007-22**

COMPANIES	Consistent	19% (31)	16% (83)
	Volatile	-1% (371)	6% (212)
		Volatile	Consistent
		SECTOR	

Numbers in brackets represent number of companies; Nifty CAGR for the period is 9%.

In the above matrix, the 31 Consistent companies from Volatile sectors have delivered the highest return. Intuitively, one would expect Consistent companies from Consistent Sectors to do so. These 31 companies are listed below.

Exhibit 15 **Consistent companies from Volatile sectors delivered the highest return**

Company	2007-22 Return CAGR	Company	2007-22 Return CAGR	Company	2007-22 Return CAGR
Astral	45%	Honeywell Auto	20%	KSB	12%
Page Industries	36%	Ratnamani Metals	19%	Vesuvius India	11%
TTK Prestige	34%	Wendt India	17%	Sandesh	10%
Eicher Motors	34%	Swaraj Engines	16%	Bharat Electronics	10%
Kajaria Ceramics	32%	Voltas	16%	Cummins India	10%
Whirlpool of India	29%	Honda India	15%	Hero MotoCorp	10%
Supreme Inds	27%	Chambal Fertilisers	14%	Hindustan Zinc	9%
Balkrishna Inds	27%	Surya Roshni	13%	Balmer Lawrie	7%
Grindwell Norton	23%	AIA Engineering	13%	Sun TV Network	0%
Garware Tech	22%	Greenply Industries	13%		
MRF	21%	Redington	12%	<b>AVERAGE</b>	<b>19%</b>

**Note:** Nifty return CAGR over 2007-22 is 9%

### 5.3 Re-confirming the findings

The key finding from the above number crunching is that over the 15-year period 2007 to 2022, Consistents as a group have outperformed Volatiles. We wished to reconfirm this over different time series. So, we repeated the exercise for the respective top 500 companies over 13 rolling 10-year periods from 2000 to 2022.

The results staggered us. In every single 10-year period, Consistents as a group outperformed the benchmark, and in every single 10-year period, Volatiles underperformed the benchmark (exhibit on page 17). Even more staggering is that the outperformance-underperformance phenomenon holds true across market cap categories – large, mid and small.

### 5.4 The next level – Consistency outperforms, not just Consistents

Based on data so far, it is easy to conclude at the first level that Consistents tend to outperform Volatiles. But at the next level, we find that it is Consistency that outperforms, not just Consistents. In other words, even Volatiles outperform when they hit a “Consistency Patch”.

This is amply demonstrated in Exhibit 16. It proves that Irrespective of whether a company was Consistent or Volatile in the last 10 years, if it hits a Consistency Patch over the next 3 years, it is most likely to handsomely outperform.

In the same breath, if a company hits a “Volatile Patch”, it will most likely underperform, even if was a Consistent in the past.

Exhibit 16 **Consistency Patch more important than Consistents per se**

Past	Next 3 years return CAGR				
	Nifty 50	C-C	V-C	C-V	V-V
2000-10	3%	12%	15%	-8%	-11%
2001-11	5%	16%	23%	-7%	-6%
2002-12	17%	36%	53%	16%	13%
2003-13	11%	36%	49%	11%	19%
2004-14	11%	35%	54%	16%	27%
2005-15	6%	18%	33%	3%	14%
2006-16	15%	17%	25%	7%	1%
2007-17	-2%	1%	-8%	-16%	-28%
2008-18	13%	15%	4%	-1%	-9%
2009-19	15%	19%	31%	5%	12%
<b>AVERAGE</b>	<b>9%</b>	<b>21%</b>	<b>28%</b>	<b>3%</b>	<b>3%</b>

#### Terms explained

**C-C:** Consistent in the past 10 years, Consistent in the next 3

**V-C:** Volatile in the past 10 years, Consistent in the next 3

**C-V:** Consistent in the past 10 years, Volatile in the next 3

**V-V:** Volatile in the past 10 years, Volatile in the next 3

Exhibit 17 In every single 10-year period, Consistents outperform and Volatiles underperform

Consistents for 10-years ending													
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
No. of cos.	108	123	131	139	131	127	125	119	122	140	131	129	135
Large	44	47	53	56	52	47	42	34	35	37	37	37	39
Mid	27	36	37	45	40	37	37	42	42	48	37	36	45
Small	37	40	41	38	39	43	46	43	45	55	57	56	51
<b>Price CAGR</b>	<b>22%</b>	<b>30%</b>	<b>27%</b>	<b>28%</b>	<b>21%</b>	<b>22%</b>	<b>17%</b>	<b>19%</b>	<b>19%</b>	<b>27%</b>	<b>12%</b>	<b>17%</b>	<b>19%</b>
Large	19%	23%	24%	25%	19%	20%	14%	14%	13%	19%	7%	12%	13%
Mid	19%	36%	31%	31%	21%	23%	17%	18%	19%	26%	12%	20%	21%
Small	27%	32%	29%	27%	24%	23%	19%	24%	23%	33%	15%	19%	21%
<b>Nifty CAGR</b>	<b>13%</b>	<b>18%</b>	<b>17%</b>	<b>19%</b>	<b>14%</b>	<b>15%</b>	<b>9%</b>	<b>9%</b>	<b>8%</b>	<b>14%</b>	<b>5%</b>	<b>10%</b>	<b>13%</b>
<b>ALPHA</b>	<b>8%</b>	<b>12%</b>	<b>11%</b>	<b>8%</b>	<b>7%</b>	<b>6%</b>	<b>8%</b>	<b>10%</b>	<b>11%</b>	<b>12%</b>	<b>7%</b>	<b>8%</b>	<b>6%</b>
Large	6%	5%	7%	6%	4%	5%	6%	5%	5%	4%	2%	3%	0%
Mid	6%	18%	14%	12%	7%	7%	9%	9%	11%	12%	7%	10%	8%
Small	13%	15%	12%	8%	10%	7%	11%	14%	15%	18%	10%	9%	8%

Volatiles for 10-years ending													
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
No. of cos.	346	338	330	330	346	357	363	371	366	347	356	357	349
Large	49	48	43	42	47	51	57	64	64	61	63	63	61
Mid	110	102	102	96	102	107	108	106	105	100	107	106	100
Small	187	188	185	192	197	199	198	201	197	186	186	188	188
<b>Price CAGR</b>	<b>12%</b>	<b>17%</b>	<b>14%</b>	<b>15%</b>	<b>8%</b>	<b>6%</b>	<b>0%</b>	<b>3%</b>	<b>1%</b>	<b>7%</b>	<b>-8%</b>	<b>-1%</b>	<b>5%</b>
Large	6%	16%	14%	13%	7%	8%	0%	2%	-3%	1%	-12%	-3%	2%
Mid	11%	18%	14%	16%	10%	8%	1%	2%	-1%	6%	-10%	-1%	4%
Small	14%	17%	15%	14%	7%	5%	0%	4%	4%	9%	-6%	-1%	6%
<b>Nifty CAGR</b>	<b>13%</b>	<b>18%</b>	<b>17%</b>	<b>19%</b>	<b>14%</b>	<b>15%</b>	<b>9%</b>	<b>9%</b>	<b>8%</b>	<b>14%</b>	<b>5%</b>	<b>10%</b>	<b>13%</b>
<b>ALPHA</b>	<b>-1%</b>	<b>-0.4%</b>	<b>-2%</b>	<b>-5%</b>	<b>-6%</b>	<b>-9%</b>	<b>-8%</b>	<b>-6%</b>	<b>-7%</b>	<b>-8%</b>	<b>-13%</b>	<b>-11%</b>	<b>-8%</b>
Large	-8%	-1%	-3%	-6%	-8%	-8%	-8%	-7%	-11%	-14%	-17%	-13%	-11%
Mid	-2%	1%	-3%	-3%	-4%	-7%	-8%	-7%	-9%	-8%	-15%	-11%	-9%
Small	1%	-1%	-2%	-5%	-7%	-10%	-9%	-5%	-4%	-6%	-11%	-10%	-7%

**Large:** Top 100 companies by market cap in the respective year**Mid:** Companies ranked 101 to 250 by market cap**Small:** Companies ranked 251 to 500 by market cap

**Did you know? ... 31 of the 50 Nifty companies accounting for 70%+ of market cap are Consistent?**Exhibit 18 **31 companies in Nifty 50 are Consistent (70%+ market cap)**

Consistents			Volatiles	
Adani Ports	HDFC Life Insurance	NTPC	Adani Enterprises	JSW Steel
Asian Paints	Hero MotoCorp	Power Grid Corp	Apollo Hospitals	M&M
Bajaj Auto	Hind. Unilever	Reliance Industries	Axis Bank	Maruti Suzuki
Bajaj Finserv	ICICI Bank	SBI Life Insurance	BPCL	ONGC
Britannia Inds	IndusInd Bank	TCS	Bajaj Finance	State Bank of India
Cipla	Infosys	Tech Mahindra	Bharti Airtel	Sun Pharma
Divi's Labs	ITC	Titan Company	Coal India	Tata Consumer
Eicher Motors	Kotak Mahindra Bank	UltraTech Cement	Dr Reddy's Labs	Tata Motors
HDFC	Larsen & Toubro	UPL	Grasim Inds	Tata Steel
HCL Technologies	Nestle India	Wipro	Hindalco Inds	
HDFC Bank				

**6. How to create wealth from Consistents & Volatiles****Buy below median valuations**

There are two elements of Wealth Creation using equity stocks – (1) Entry strategy and (2) Exit strategy. We discuss below both of these from the perspective of Consistents and Volatiles.

**6.1 Entry strategy**

In the equity market, investors create wealth mainly by buying stocks at reasonable price, relative to their intrinsic value. There are two components to determining intrinsic value – (1) Earnings or cash flow, and (2) An appropriate valuation methodology or metric. Hitherto, we know the nature of earnings – and hence cash flow – of Consistents and Volatiles. Which leaves us with deciding upon the appropriate valuation methodology or metric for valuing them.

Despite its limitations, the theoretically most accurate methodology to value stocks is Discounted Cash Flow (DCF). The other most popular valuation methodology is the P/E ratio. Both these methodologies need predictable cash flow and earnings. Hence, they are easily applicable in the case of Consistents. However, by definition, Volatiles suffer from unpredictable earnings and cash flow. Hence, neither DCF nor P/E are reliable to value Volatiles. So, in our view, Volatiles are best valued using metrics like Price-to-Book-value (P/B), Price-to-Sales, Price-to-Capacity (e.g. market cap per tonne of capacity for steel, market cap per room for hotels, etc). Also, if at all, we recommend investing only in large Volatiles (e.g. within top 200 companies by market cap), as the small ones can be fragile.

For all stocks in the Nifty, we observed the price movement and the relevant valuation metrics since 2005. We found that the odds of generating Alpha are significantly high when stocks are bought below the 10-year median of their relevant valuation metrics i.e. P/E for Consistents and P/B for Volatiles. We present below the summary for 10 Consistents and 10 Volatiles from within the Nifty. Tata Motors is the only exception to this Entry strategy.

Exhibit 19

**Consistents if bought at P/E below 10-year median**

	Probability of +ve Alpha
Asian Paints	*
Divi's Labs	92%
HDFC Bank	89%
Hind. Unilever	*
Larsen & Toubro	83%
NTPC	70%
Reliance Industries	100%
TCS	74%
Titan Company	96%
UltraTech Cement	91%

**Volatiles if bought at P/B below 10-year median**

	Probability of +ve Alpha
Axis Bank	81%
BPCL	61%
Bharti Airtel	72%
Hindalco Inds	67%
Maruti Suzuki	83%
ONGC	65%
State Bank of India	83%
Sun Pharma	65%
Tata Motors	38%
Tata Steel	71%

**Note:** Probability of positive Alpha is calculated as number of positive Alpha instances divided by the total number of instances of the respective valuation going below median

\* In Asian Paints and Hindustan Unilever there are no instances of them trading below their median P/E in the last 7 years

## 6.2 Exit strategy

Having entered into stocks, investors also need a suitable exit strategy to create wealth. In the case of Consistents, given earnings consistency, investors can practice “Buy-and-Hold” as interim “quotational losses”, if any, are likely to be recouped over time. However, in the case of Volatiles, investors must exit at an appropriate price, typically significantly higher than median P/B. Failing to do this can lead to prolonged no or low return.

## 6.3 Some ideas for the future

We applied our framework for Consistents and Volatiles to come up with two sets of ideas for the future –

1. Lesser-known Consistents with P/E below median; and
2. Volatiles with P/B below median.

### 6.3.1 Lesser-known Consistents with P/E below median

By “lesser-known”, we mean companies that have a listed history of less than 10 years, but financial history of at least 10 years. The thought is that given the short listing history, perhaps the market has not looked enough into the companies’ past. We present below 5 lesser-known Consistents with P/E below median.

Exhibit 20 Lesser-known Consistents with P/E below median

Company	For 10 years ending 2022		Current P/E	Median P/E
	Avg RoE	PAT CAGR		
Angel One	22%	54%	18	22
AU Small Finance	16%	37%	34	34
Gland Pharma	18%	28%	28	36
HDFC AMC	31%	18%	34	42
Sharda Cropchem	17%	18%	13	18

**Note:** The above ideas need significant due diligence to determine their investment-worthiness

### 6.3.2 Volatiles with P/B below median

As mentioned earlier, Volatiles are best played via large companies e.g. within the top 200 by market cap. We present below 5 Volatiles with P/B below 10-year median.

Exhibit 21 Volatiles with P/B below 10-year median

Company	For 10 years ending 2022		Current	Median
	Avg RoE	PAT CAGR	P/B	P/B
Coromandel Intl	22%	8%	3.6	3.7
Godrej Properties	4%	16%	4.2	5.6
ICICI Lombard	17%	L to P	6.1	8.5
Lupin	9%	P to L	3.0	3.7
Zee Entertainment	14%	6%	2.4	6.4

**Note:** The above ideas need significant due diligence to determine their investment-worthiness

L to P – Loss to Profit; P to L – Profit to Loss

#### An interesting framework for investor psychology

During the course of our study, we came across a book, *The Long Good Buy* by Peter Oppenheimer. Therein, he talks of 4 phases of the equity cycle – despair, hope, growth and optimism.

1. **Despair:** In this phase, the market moves from its peak to its trough, also known as a bear market.
2. **Hope:** Here, the market recovers from its trough mainly on the back of P/E expansion.
3. **Growth:** This is when earnings growth is generated and drives returns.
4. **Optimism:** In this final phase, valuations rise again and outstrip earnings growth, thereby setting the stage for the next market correction.

Clearly, the author has described the above phases in respect of the market. However, we believe the same can be adapted at the sector and company levels as well. Such an adapted framework will be particularly useful in the case of Volatiles – the highest returns will be generated by buying Volatiles in the Despair phase and selling them into Optimism. (Consistents because of their very nature rarely go into Despair, except during a marketwide collapse such as the global financial crisis in 2008 or the Covid correction in early 2020.)


We see this framework as a subject of our ongoing research.

## 7. Conclusions

---

### Consistency at reasonable valuations creates significant wealth

- **There are only two types of companies – Consistents & Volatiles**
  - This makes the practitioner's job significantly easy. Having bucketed a stock as either Consistent or Volatile, the next major steps are clear –
    - For Consistents –
      1. Determine whether it is likely to remain Consistent over the next 3 years at least
      2. If yes, check whether its current P/E is below its long-period median
      3. If yes, Buy.
    - For Volatiles –
      1. Determine whether it is likely to hit a Consistency Patch over the next 3 years
      2. If yes, check whether its current P/B is below its long-period median
      3. If yes, Buy.
- **Consistency is the source of Outperformance; Volatility is the source of Under-performance**
  - Consistents outperform only as long as they remain Consistent; they underperform if they turn Volatile.
  - Likewise, even Volatiles outperform when they hit a Consistency Patch.
- **Excellence in execution is non-negotiable for Consistency**
  - As seen earlier, there are cases of Consistents even in Volatile sectors. This is possible only through excellence in execution.
- **Buying below median valuations tilts the odds in favour of investors**
  - The key words are "tilts the odds". In investing, no methodology can assure a 100% guarantee of success.



# **2017-22 Wealth Creation Study: Detailed findings**



## #1 Trend in Wealth Creation

### 2017-22 Wealth Created at INR 92.2 trillion is the highest ever by far

- During 2017-22, the top 100 Wealth Creators of India Inc created wealth of INR 92.2 trillion, the highest ever by far.
- The pace of Wealth Creation at 28% CAGR is the highest in the last 8 years. Over the same period, BSE Sensex return was 15%.

Exhibit 1 **2017-22 Wealth Created at INR 92.2 trillion is the highest ever by far**

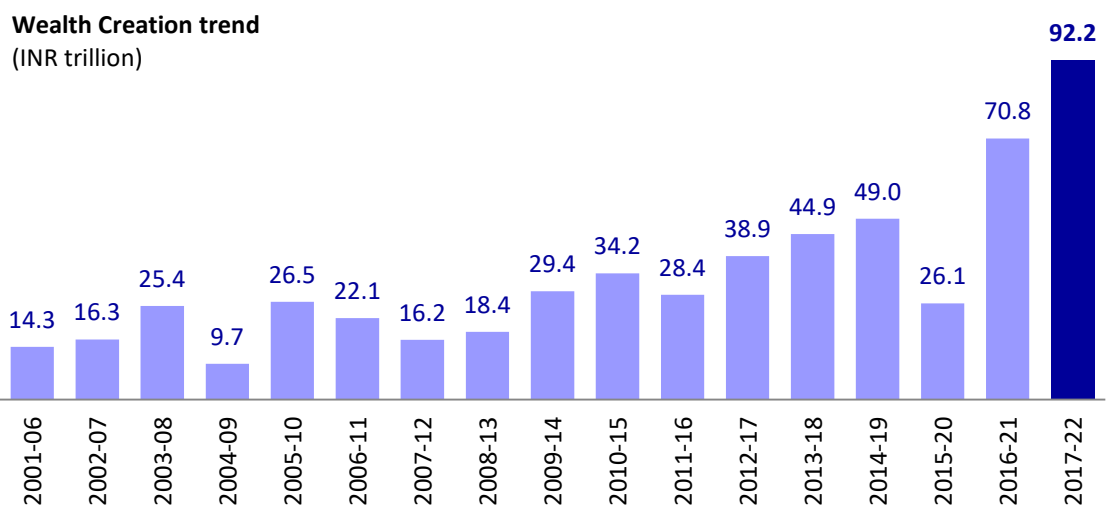
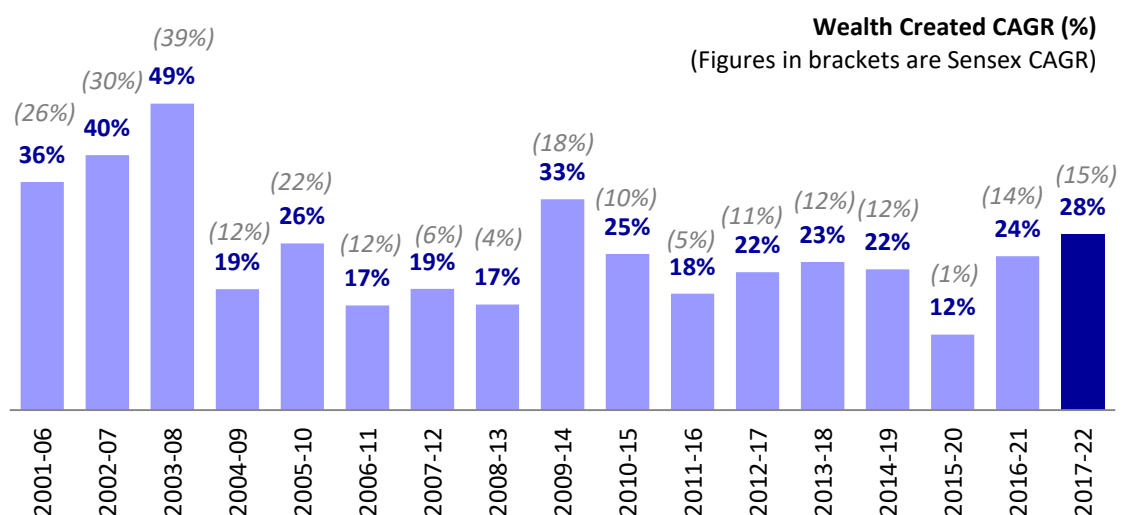


Exhibit 2 **2017-22 pace of Wealth Creation is a robust 28% CAGR vis-à-vis benchmark's 15% CAGR**



### Key Takeaway

#### Forget markets, think stocks

For the past 8 successive study periods, 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 timing, "Forget markets, think stocks."

## #2 The Biggest Wealth Creators

### Reliance smashes all records to emerge as largest Wealth Creator

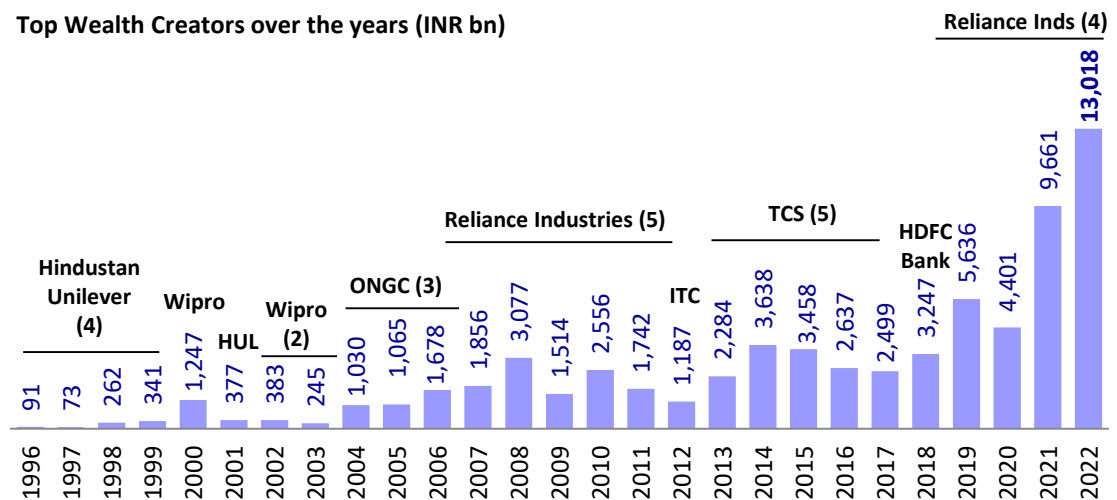
- For the fourth time in succession, **Reliance Industries** has emerged the largest Wealth Creator over 2017-22.
- This takes Reliance's overall No.1 tally to 9 in the last 16 five-year study periods.
- As in recent studies, **TCS**, **Infosys** and **HDFC Bank** remain among the top 5 Wealth Creators.

Exhibit 3 **Top 10 Biggest Wealth Creators (2017-22)**

Rank	Company	Wealth Created		CAGR (%)		P/E (x)		RoE (%)	
		INR bn	% share	Price	PAT	2022	2017	2022	2017
1	Reliance Inds	13,018	14.1	32	14	30	14	8	11
2	TCS	9,548	10.3	25	8	36	18	43	31
3	Infosys	5,795	6.3	30	9	37	17	33	21
4	HDFC Bank	4,108	4.4	15	20	21	24	15	17
5	Bajaj Finance	3,614	3.9	44	31	62	35	16	19
6	ICICI Bank	3,286	3.6	24	20	20	16	14	10
7	Adani Trans.	2,538	2.7	106	24	217	17	12	14
8	Hind. Unilever	2,442	2.6	18	16	54	46	18	64
9	Bharti Airtel	2,422	2.6	19	-7	137	32	5	7
10	Wipro	2,302	2.5	25	8	27	15	19	16
<b>Total of Top 10</b>		<b>49,075</b>	<b>53</b>	<b>27</b>	<b>13</b>	<b>34</b>	<b>19</b>	<b>13</b>	<b>15</b>
<b>Total of Top 100</b>		<b>92,166</b>	<b>100</b>	<b>28</b>	<b>20</b>	<b>32</b>	<b>23</b>	<b>16</b>	<b>13</b>

Exhibit 4 **Reliance Industries has emerged the Biggest Wealth Creator for the ninth time overall**

#### Top Wealth Creators over the years (INR bn)



### Key Takeaway

#### Worst over for the Telecom sector?

Bharti Airtel is a surprise entry in the top 10 after being out of last year's list of top 100 Wealth Creators. This is an indicator that the worst may be over for the Indian Telecom sector. Given a virtual duopoly, there is reason to believe that the incumbents will end the tariff war, and settle for a decent economic return higher than the cost of capital.

### #3 The Fastest Wealth Creators

#### Adani Transmission is the Fastest Wealth Creator for the second time in a row

- For the second successive time, **Adani Transmission** has emerged the Fastest Wealth Creator with a 2017-22 Price CAGR of 106%.
- Like last year, this year too yet another Adani Group company, **Adani Enterprises**, features among the top 10 Fastest Wealth Creators.
- INR 1 million invested in 2017 in these top 10 companies equally would be worth INR 21 million in 2022, a return CAGR of 84% v/s 15% for the BSE Sensex.

Exhibit 5 **Top 10 Fastest Wealth Creators (2017-22)**

Rank	Company	Price Appreciation (x)	Price CAGR %	PAT CAGR %	Mkt Cap (INR bn)		P/E (x)	
					2022	2017	2022	2017
1	Adani Transmission	37	106	24	2,609	71	217	17
2	Tanla Platforms	32	100	67	207	5	38	13
3	Adani Enterprises	30	97	-4	2,217	119	286	12
4	Brightcom Group	26	92	16	197	4	22	1
5	Tata Tele. (Mah.)	23	87	L to L	326	14	N.M.	N.M.
6	Deepak Nitrite	17	76	87	306	17	29	37
7	Alkyl Amines	16	74	34	146	9	65	18
8	Tata Elxsi	12	65	26	551	46	100	26
9	Coforge	10	59	20	271	27	41	10
10	Mindtree	10	57	32	709	76	43	18

L to L – Loss to Loss; N.M. – Not Meaningful

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	2010	Unitech	28	95
1997	Cipla	7	48	2011	Sanwaria Agro	50	119
1998	Satyam Computers	23	87	2012	TTK Prestige	24	89
1999	Satyam Computers	75	137	2013	TTK Prestige	28	95
2000	SSI	223	195	2014	Eicher Motors	27	94
2001	Infosys	66	131	2015	Ajanta Pharma	50	119
2002	Wipro	69	133	2016	Ajanta Pharma	53	121
2003	e-Serve	50	119	2017	Ajanta Pharma	29	96
2004	Matrix Labs	75	137	2018	Indiabulls Ventures	30	97
2005	Matrix Labs	136	167	2019	Indiabulls Ventures	18	78
2006	Matrix Labs	182	183	2020	Tasty Bite Eatables	15	72
2007	B F Utilities	665	267	2021	Adani Transmission	26	93
2008	Unitech	837	284	2022	Adani Transmission	37	106
2009	Unitech	54	122				

#### Key Takeaway

##### Small for speed

Seven of the top 10 Fastest Wealth Creators had market cap of under INR 30 bn in 2017. Further, most of them were reasonably valued then, especially relative to their growth prospects. Thus, the data confirms the obvious – for high Wealth Creation, pick small-to-mid companies with robust earnings growth prospects and trading at reasonable valuations. As all our 27 studies show, such stocks are available in all market conditions.

## #4 The Most Consistent Wealth Creators

### Adani Enterprises is the Most Consistent Wealth Creator for the second successive year

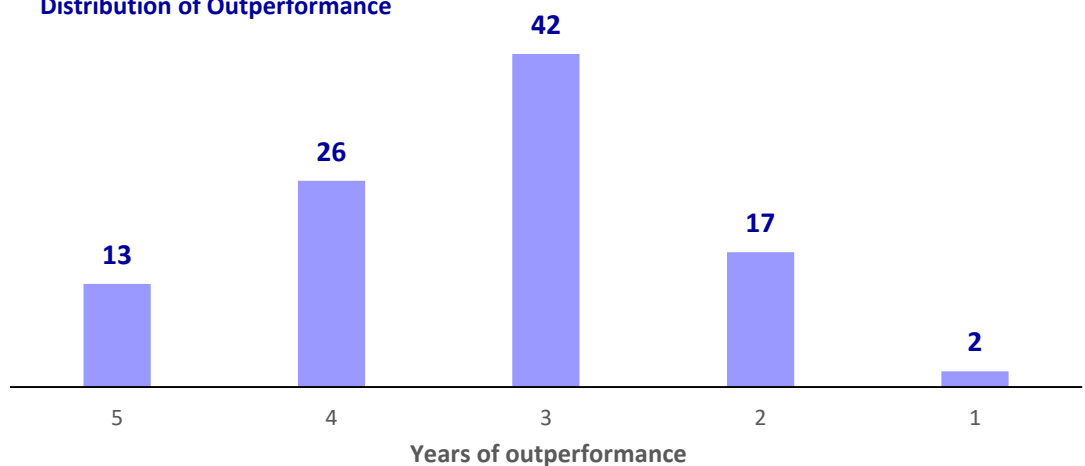
- We define Consistent Wealth Creators based on the number of years the stock has outperformed in each of the last 5 years. Where the number of years is the same, the stock price CAGR decides the rank.
- Based on this, over 2017-22, **Adani Enterprises** has emerged as the Most Consistent Wealth Creator. It has outperformed the BSE Sensex in all the last 5 years, and has the highest price CAGR of 97%.
- Consistent Wealth Creation is a challenge – only 13 of the 100 Wealth Creators have outperformed in each of the 5 years.

Exhibit 7 **Top 10 Most Consistent Wealth Creators (2017-22)**

Rank	Company	No. of years of outperformance	2017-22 Price CAGR (%)	2017-22 PAT CAGR (%)	RoE (%)		P/E (x)	
					2022	2017	2022	2017
1	Adani Enterprises	5	97	-4	3	7	286	12
2	Alkyl Amines	5	74	34	23	20	65	18
3	Coforge	5	59	20	24	16	41	10
4	Mindtree	5	57	32	30	16	43	18
5	L&T Infotech	5	54	19	26	30	47	13
6	SRF	5	52	30	22	16	42	18
7	Divi's Labs	5	48	23	25	20	39	16
8	Astral	5	44	27	20	17	85	45
9	Varun Beverages	5	39	72	17	3	58	156
10	Aarti Industries	5	39	33	22	23	27	20

Exhibit 8 **Only 13 out of 100 Wealth Creators have outperformed in each of the 5 years**

### Distribution of Outperformance



### Key Takeaway

#### Investors' nirvana – Speed with Consistency

One key characteristic of mid- and small cap stocks is high volatility of returns. Such stocks may outperform over 5 years, but in the interim, they may cause investors quite a few anxious moments. This is where consistency comes in. Investors' nirvana is in identifying stocks that not only outperform point-to-point, but in the interim as well.

## #5 All-round Wealth Creators

### Two Adani Group companies are the Best All-round Wealth Creators

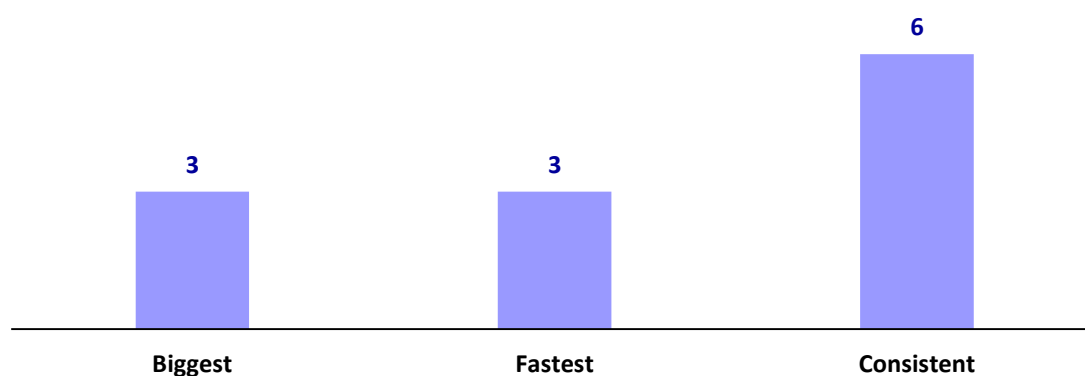
- We define All-round Wealth Creators based on the summation of ranks, under each of the 3 categories – Biggest, Fastest and Consistent. Where scores are tied, the stock price CAGR decides the All-round rank.
- Based on the above criteria, **Adani Enterprises** has emerged as the Best All-round Wealth Creator, followed by group company **Adani Transmission**.
- It's a credible feat by **Titan Company** that it features in the top 10 All-round Wealth Creator despite not being in the top 10 in any individual category, Biggest, Fastest and Consistent.

Exhibit 9 **Top 10 All-round Wealth Creators (2017-22)**

All-round Rank	Company	Rank			Total of Ranks	2017-22 Price CAGR (%)
		Biggest	Fastest	Consistent		
1	Adani Enterprises	12	3	1	16	97
2	Adani Transmission	7	1	14	22	106
3	L&T Infotech	23	12	5	40	54
4	Mindtree	28	10	4	42	57
5	Divi's Labs	21	16	7	44	48
6	SRF	27	13	6	46	52
7	Bajaj Finance	5	21	21	47	44
8	Reliance Industries	1	44	13	58	32
9	Titan Company	16	27	23	66	41
10	Coforge	63	9	3	75	59

Exhibit 10 **Consistency is the clincher for All-round Wealth Creation**

No. of companies in Top 10 All-round Wealth Creators from other categories



### Key Takeaway

#### Consistency is the clincher for All-round Wealth Creation

Six out of top 10 All-round Wealth Creators are also among the top 10 Consistent Wealth Creators. Thus, Consistency is the clincher for All-round Wealth Creation. This is so because consistency influences the speed of Wealth Creation ("Fastest"), which in turn, influences the absolute Wealth Creation ("Biggest").

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

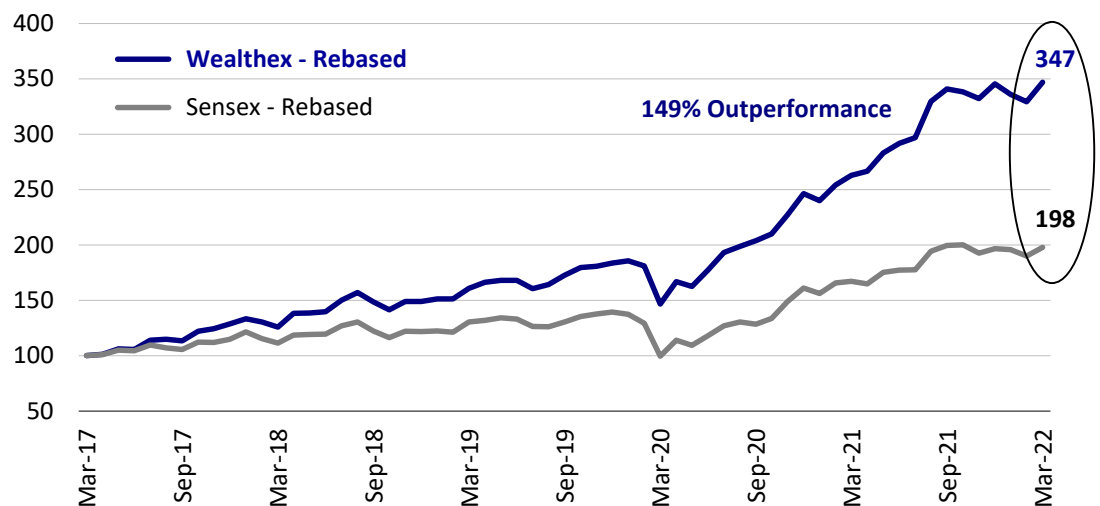
We compare Wealthex (top 100 Wealth Creators Market Cap index) with the BSE Sensex on 3 parameters: (1) market performance, (2) earnings growth and (3) valuation.

- **Market performance:** Over 2017-22, Wealth Creating companies have delivered return CAGR of 28% v/s 15% for the BSE Sensex. March 2022 over March 2017, Wealthex is up 347% whereas the Sensex is up 198% i.e. 149% outperformance over 5 years.
- **Earnings growth:** Wealthex clocked FY17-22 earnings CAGR of 23% v/s 11% for the Sensex.
- **Valuation:** Re-rating has contributed 3% to Sensex CAGR of 15%. For Wealthex, valuation re-rating is 5% CAGR driving 28% return CAGR on the back of 22% earnings CAGR.

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

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	5 Year CAGR (%)
BSE Sensex	29,621	32,969	38,673	29,468	49,509	58,569	15
YoY (%)		11	17	-24	68	18	
<b>Wealthex - based to Sensex</b>	<b>29,621</b>	<b>37,265</b>	<b>47,606</b>	<b>43,460</b>	<b>77,838</b>	<b>1,02,767</b>	<b>28</b>
YoY (%)		26	28	-9	79	32	
Sensex EPS (INR)	1,358	1,356	1,486	1,513	1,702	2,313	11
YoY (%)		0	10	2	13	36	
<b>Wealthex EPS (INR)</b>	<b>1,225</b>	<b>1,555</b>	<b>1,769</b>	<b>1,542</b>	<b>2,144</b>	<b>3,342</b>	<b>22</b>
YoY (%)		17	26	-13	36	60	
Sensex P/E (x)	22	24	26	19	29	25	3
<b>Wealthex P/E (x)</b>	<b>24</b>	<b>24</b>	<b>27</b>	<b>28</b>	<b>36</b>	<b>31</b>	<b>5</b>

Exhibit 12 **Wealthex invariably outperforms the benchmark handsomely**



### Key Takeaway

#### Sensex a weak earnings machine

In the last 4 studies including this one, Sensex earnings growth has been in single digits or low double digits. In the market, broadly  $G = R$  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

### Technology emerges as the largest Wealth Creating sector

- The **Technology** sector has emerged as the largest Wealth Creator after a gap of 8 years.
- The sector has also gained significant share of Wealth Creation – 27% of total Wealth Created v/s 10%, 5 years ago.
- The new kid on the block is **Chemicals/Fertilisers** with 3% share of the Wealth Created.
- The biggest losers are rate sensitives – **Financials** and **Auto**.

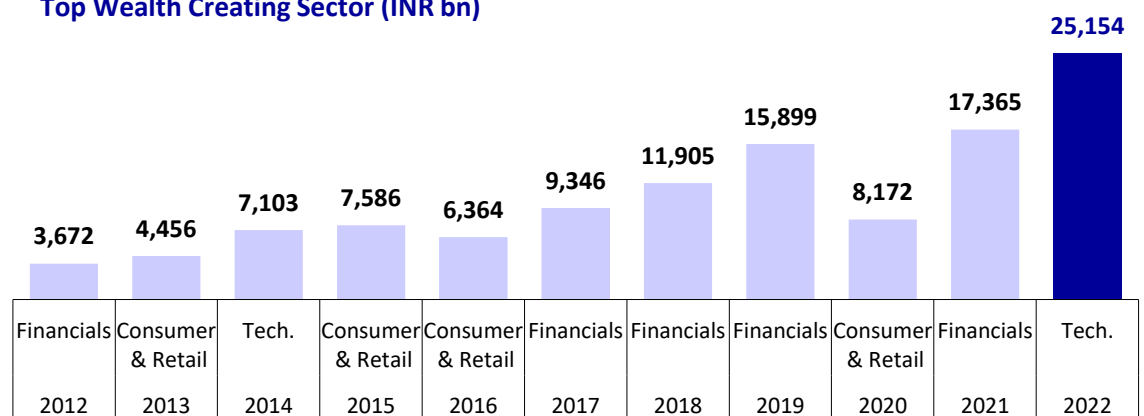
Exhibit 13 **Technology is the top Wealth Creating sector**

Sector (No of companies)	WC Share of WC %			CAGR 17-22 (%)		P/E (x)		RoE (%)	
	(INR bn)	2022	2017	Price	PAT	2022	2017	2022	2017
Technology (15)	25,154	27	10	27	10	34	17	28	23
Financials (9)	16,073	17	24	24	20	26	23	14	13
Consumer & Retail (21)	14,637	16	18	27	16	80	51	18	23
Oil & Gas (2)	13,259	14	11	33	15	30	15	8	11
Utilities (5)	4,154	5	1	48	78	46	117	14	2
Metals / Mining (5)	3,751	4	2	29	137	7	139	27	1
Chemicals & Fert.(13)	3,145	3	-	40	28	36	23	21	17
Telecom (2)	2,734	3	2	27	-9	242	46	4	5
Pharma/Healthcare (8)	2,592	3	8	33	24	45	32	21	14
Realty (4)	1,172	1	-	30	21	60	43	5	4
Auto (5)	893	1	13	31	23	40	29	15	15
Capital Goods (3)	591	1	3	27	L to P	77	N.M.	15	0
Cement (1)	117	0	4	23	30	27	35	16	11
Others (7)	3,894	4	3	35	6	68	20	10	15
<b>Total</b>	<b>92,166</b>	<b>100</b>	<b>100</b>	<b>28</b>	<b>20</b>	<b>32</b>	<b>23</b>	<b>16</b>	<b>13</b>

L to P – Loss to Profit; N.M. – Not Meaningful

Exhibit 14 **Highest ever Wealth Created by any sector**

### Top Wealth Creating Sector (INR bn)



### Key Takeaway

#### Financials should regain its top spot soon

The Technology sector saw a great run in the last 5 years on the back of huge orders led by digitalization. However, given global slowdown, IT spend has moderated. Further, sector P/Es skyrocketed in FY22, which have since corrected. Meanwhile, the Financial sector is coming out of Covid despair, and is likely to dominate Wealth Creation in the foreseeable future.

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

### Worst ever performance by PSUs

- Wealth Creation by PSUs (public sector undertakings) over 2017-22 is the worst ever to date.
- The only Wealth Creating PSU is **Gujarat Gas**.
- Wealth Created by the company is a mere 0.3% of the total Wealth Created.

Exhibit 15 PSUs remain insignificant in Wealth Creation

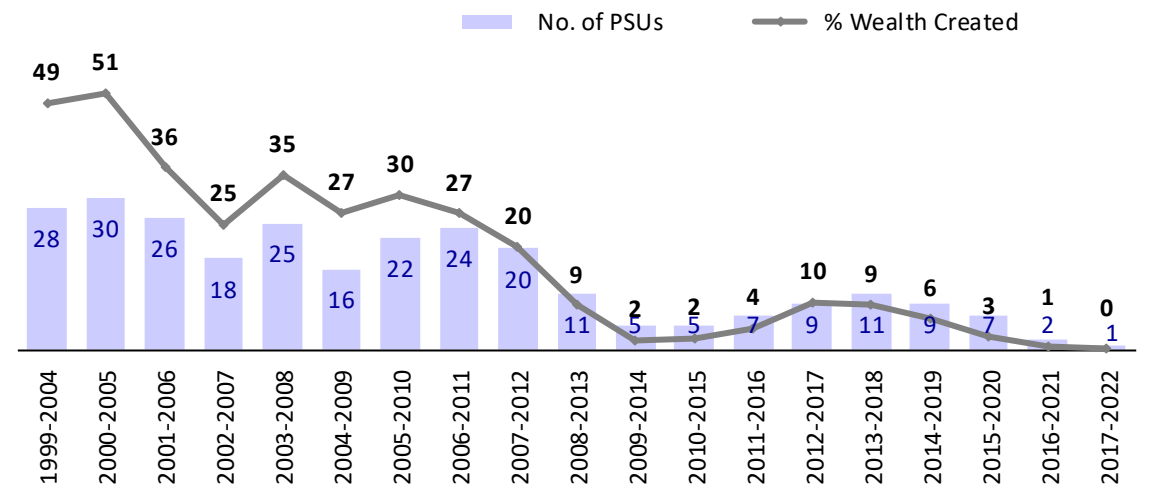


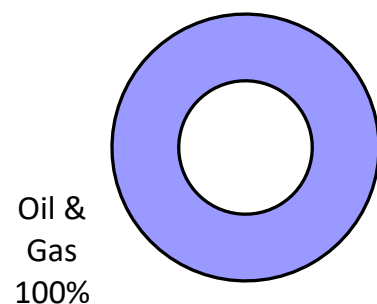
Exhibit 16

### Gujarat Gas is the only Wealth Creator

	2017-2022	
	PSU	Private
No. of Wealth Creators in Top 100	1	99
Share of Wealth Created (%)	0.3	99.7
5-year Sales CAGR (%)	26	14
5-year PAT CAGR (%)	42	20
5-year Price CAGR (%)	27	28
P/E - 2017 (x)	47	23
P/E - 2022 (x)	27	32
RoE - 2017 (%)	14	13
RoE - 2022 (%)	23	16

Exhibit 17

### Oil & Gas is the only Wealth Creating sector



### Key Takeaway

#### Privatization – the pressing need of the hour

The above data make it amply clear why the oft-quoted words hold true – “The government has no business to be in business.” Following the Air India model, the government is better off privatizing as many PSUs as it can. This has a dual positive: (1) The divested companies are likely to turn more efficient, and equally important, (2) The resources raised from such privatization can be deployed for socio-economic development.



## #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 rank.

The market cap ranks of companies change constantly. Over time, companies also cross over from one category to another. For the period 2017-22, the market cap rank crossover matrix stands as under –

Exhibit 18 **2017-22: Market cap rank crossovers: Number of companies and average returns**

		Market Return during the period		15%
TO	Mega	65% (1)	38% (25)	12% (74)
	Mid	35% (48)	10% (76)	-6% (25)
	Mini	9% (2,675)	-11% (49)	-31% (1)
		Mini	Mid	Mega
		FROM		
Total stocks		2,724	150	100

### How to read this table

- In 2017, there were 2,724 Mini companies (i.e. ranked beyond 250). Of these, 1 moved to the Mega category by 2022, clocking 5-year return CAGR of 65%. 48 Minis moved to Mid category by 2022, delivering a return CAGR of 35% in the process. Next, 2,675 Mini companies stayed as Mini and delivered return CAGR of 9%.
- Of the 150 Mid companies in 2017, 25 moved to Mega by 2022, delivering an average 38% return CAGR in the process. 76 Mid companies stayed as Mid (10% return CAGR) and 49 slipped to the Mini category (-11% return CAGR).
- Finally, of the 100 Mega companies in 2017, 74 stayed as Mega (12% return CAGR), 25 slipped to Mid (-6% return CAGR), and 1 slipped to the Mini category (-31% return CAGR).
- Note: During the 2017-22 period, benchmark return was 15%.

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

### 8.1 Mini-to-Mega: 1 company, 65% CAGR

- During 2017-22, 1 company – Tata Elxsi – moved from Mini to Mega.
- Needless to add, it is among the top 10 Fastest Wealth Creators in this Study with a price CAGR of 65%.

Exhibit 19 **Mini-to-Mega (2017-22): 1 company (Tata Elxsi), one of the top 10 Fastest Wealth Creators**

Company	Mkt Cap Rank		WC Rank *		Price	PAT	P/E	
	Mar-22	Mar-17	Biggest	Fastest	CAGR	CAGR	2022	2017
Tata Elxsi	79	322	34	8	65%	26%	100	26

\* 2017-22 Wealth Creation Rank

### 8.2 Mini-to-Mid: 48 companies, 35% average Price CAGR

- Over 2017-22, 48 companies crossed over from Mini to Mid category, generating an average return CAGR of 35%.
- Of these 48 Mini-to-Mid stocks, 28 feature in our list of top 100 Wealth Creators, delivering average return CAGR of 46% v/s 15% for the Sensex.

Exhibit 20 **Mini-to-Mid (2017-22): 28 of 48 Mini-to-Mid stocks feature among top 100 Wealth Creators**

Company	Market Cap Rank		WC Rank *		Price	PAT	P/E	
	2022	2017	Biggest	Fastest	CAGR	CAGR	2022	2017
Tanla Platforms	181	873	71	2	100%	67%	38	13
Brightcom Group	194	984	74	4	92%	16%	22	1
Tata Tele. (Mah.)	126	588	52	5	87%	L to L	N.M.	N.M.
Deepak Nitrite	134	533	55	6	76%	87%	29	37
Alkyl Amines	222	699	90	7	74%	34%	65	18
Coforge	146	430	63	9	59%	20%	41	10
Linde India	127	385	54	11	57%	113%	105	487
Persistent Systems	113	318	48	14	52%	17%	55	16
APL Apollo Tubes	169	424	72	15	51%	30%	41	18
Navin Fluorine	184	411	77	17	46%	15%	77	23
Uno Minda	149	379	67	19	45%	16%	78	21
Astral	105	257	45	22	44%	27%	85	45
Trident	147	331	66	23	44%	20%	32	13
Laurus Labs	128	287	61	25	42%	34%	38	29
Aarti Industries	118	263	60	29	39%	33%	27	20
Vinati Organics	185	355	79	30	39%	20%	58	28
Grindwell Norton	188	351	80	32	38%	20%	71	34
Chambal Fert.	203	373	87	33	37%	35%	11	10
KPR Mill	179	312	78	37	36%	24%	26	17
Relaxo Footwear	150	271	70	42	34%	14%	117	50
DCM Shriram	202	316	92	48	31%	14%	17	9
Timken India	210	334	99	58	27%	27%	49	45
Escorts Kubota	172	255	93	61	26%	40%	31	49
Sheela Foam	207	285	98	62	25%	11%	81	44
Phoenix Mills	195	276	95	70	24%	7%	83	34
J K Cements	200	258	96	79	21%	30%	27	35
Poonawalla Fin.	180	447	86	80	21%	79%	55	123
CG Power & Ind	145	311	68	85	20%	L to P	59	N.M.
<b>AVERAGE</b>					<b>46%</b>			

\* 2017-22 Wealth Creation Rank; L to L – Loss to Loss; L to P – Lost to Profit; N.M. – Not Meaningful

### 8.3 Mid-to-Mega: 25 companies, 38% average Price CAGR

- During 2017-22, a high 25 companies crossed over from Mid to Mega.
- Of these, as many as 23 made it to this year's list of 100 Biggest Wealth Creators.
- The Mid-to-Mega Wealth Creators delivered average return CAGR of 42% over 2017-22 v/s 15% for Sensex.

Exhibit 21 **Mid-to-Mega (2017-22): 23 companies feature among top 100 Wealth Creators**

Company	Market Cap Rank		WC Rank *		Price CAGR	PAT CAGR	P/E	
	2022	2017	Biggest	Fastest			2022	2017
Adani Transmission	17	245	7	1	106%	24%	217	17
Adani Enterprises	23	170	12	3	97%	-4%	286	12
Mindtree	63	233	28	10	57%	32%	43	18
L&T Infotech	43	169	23	12	54%	19%	47	13
SRF	51	201	27	13	52%	30%	42	18
Divi's Labs	39	125	21	16	48%	23%	39	16
L&T Technology	81	228	37	18	45%	17%	58	19
Mphasis	70	168	32	24	42%	12%	44	15
Info Edge (India)	76	196	36	26	41%	L to P	24	N.M.
Tata Consumer	61	200	33	31	39%	20%	74	25
Trent	94	210	44	34	37%	6%	417	109
JSW Energy	85	190	42	36	37%	23%	29	17
Adani Power	62	137	29	38	36%	L to P	14	N.M.
Jindal Steel	80	181	41	39	35%	L to P	9	N.M.
Godrej Properties	90	217	51	40	34%	11%	141	43
Apollo Hospitals	68	128	35	46	31%	30%	78	73
Cholaman.Inv.& Fn	74	141	40	51	30%	25%	27	21
Muthoot Finance	82	145	43	53	29%	27%	13	12
P I Industries	96	176	53	57	27%	13%	51	25
Balkrishna Inds	99	159	56	63	25%	17%	29	21
Page Industries	86	127	49	68	24%	15%	90	61
Berger Paints	65	104	38	72	24%	14%	83	55
Bajaj Holdings	78	101	50	87	18%	10%	14	10
<b>AVERAGE</b>					<b>42%</b>			

\* 2017-22 Wealth Creation Rank; L to P – Loss to Profit; N.M. – Not Meaningful

#### 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 about 500 companies.
- The most potent and focused hunting ground for high-performing stocks is the Mid category i.e. 150 stocks with market cap rank of 101 to 250.
- Over the next five years, 12-25 of these stocks (8-16% strike rate) will cross over to the Mega category and deliver handsome returns in the process.

## #10 Wealth Creation: Valuation parameters analysis

### Most valuations true to form

- Unlike in the recent past, over 2017-22, most valuation metrics stayed true to form with lower valuations delivering the highest return in its class.

Exhibit 22 Most valuation metrics stayed true to form

Range in 2017	No. of cos.	WC (INR bn)	% Share of WC	CAGR (%)		RoE (%)	
				Price	PAT	2022	2017
P/E							
<10	3	633	1	26	12	11	15
10-15	11	22,876	25	32	16	11	14
15-20	19	28,567	31	29	12	23	19
20-25	8	6,806	7	21	24	15	13
25-30	7	3,685	4	33	15	12	14
>30	45	26,493	29	27	18	13	12
Others *	7	3,105	3	34	L to P	30	-13
Total	100	92.166	100	28	20	16	13

\* Others are companies which were loss-making in 2007

### Price / Book

<1	7	4,440	5	46	99	16	1
1-2	16	22,279	24	31	27	12	9
2-3	12	11,217	12	32	11	14	12
3-4	16	12,136	13	29	12	25	21
4-5	14	11,278	12	21	18	14	15
5-6	7	11,417	12	25	12	38	26
>6	28	19,398	21	29	21	19	25
<b>Total</b>	<b>100</b>	<b>92,166</b>	<b>100</b>	<b>28</b>	<b>20</b>	<b>16</b>	<b>13</b>

### Price / Sales

<1	18	8,895	10	37	119	25	1
1-2	21	22,330	24	33	15	9	11
2-3	18	15,942	17	29	15	16	15
3-4	16	13,494	15	31	13	19	15
4-5	9	12,072	13	25	9	37	28
>5	18	19,433	21	22	18	15	18
<b>Total</b>	<b>100</b>	<b>92,166</b>	<b>100</b>	<b>28</b>	<b>20</b>	<b>16</b>	<b>13</b>

### Payback ratio

<1	15	7,906	9	31	87	25	2
1-2	21	26,126	28	34	17	11	13
2-3	25	36,438	40	26	15	19	16
>3	39	21,697	24	26	17	14	15
<b>Total</b>	<b>100</b>	<b>92,166</b>	<b>100</b>	<b>28</b>	<b>20</b>	<b>16</b>	<b>13</b>

### Notes:

- Payback is a proprietary ratio of Motilal Oswal, defined as current market cap divided by estimated profits over the next five years. For 2017, we calculate this ratio based on market cap as on 31-Mar-2017 divided by the actual profits reported over the next five years.
- L to P – Loss to Profit

**PEG < 1x is 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 2017 is 20x, and its 2017-22 PAT CAGR is 25%, its 2017 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 2017-22 Wealth Creators. PEG less than 1x is a solid formula for superior returns.

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

PEG Range in 2017 (x)	No. of cos.	WC (INR bn)	% Share of WC	CAGR (%)		RoE (%)	
				Price	PAT	2022	2017
<1	28	29,227	32	35	21	12	11
1-2	33	28,654	31	25	15	17	16
2-3	8	15,591	17	24	10	29	28
>3	19	10,475	11	26	11	16	20
Others	12	8,219	9	33	L to P	21	-2
<b>Total</b>	<b>100</b>	<b>92,166</b>	<b>100</b>	<b>28</b>	<b>20</b>	<b>16</b>	<b>13</b>

**Notes:**

- PEG here is calculated as P/E of March 2017 divided by 2017-22 PAT CAGR
- "Others" are cases where PAT CAGR cannot be calculated e.g. turnarounds
- L to P – Loss to Profit

## #11 Those who missed the Wealth Creators' list

### The big who didn't beat the market

- During 2017-22, the Sensex return CAGR was 14.6%.
- 26 companies created enough wealth to qualify among the 100 biggest Wealth Creators, but failed to make it to the final list as their stock return CAGR was lower than that of the Sensex. (Exhibit 24)
- They made way for 26 others to join the list (Exhibit 25).

Exhibit 24 Those who missed the list ...

2017-22	WC * (INR bn)	Price CAGR	Potential Size Rank **
SBI	1,793	11%	17
HDFC	1,588	10%	19
L&T	1,007	11%	23
Axis Bank	813	9%	30
UltraTech Cem.	750	11%	31
Sun Pharma	545	6%	35
Vedanta	502	8%	41
Power Grid	498	8%	42
Maruti Suzuki	464	5%	45
Dabur India	459	14%	46
Siemens	396	13%	52
InterGlobe Avn.	369	14%	55
Grasim Inds	369	14%	56
Britannia Inds	364	14%	57
Cipla	344	11%	59
Dr Reddy's	278	10%	72
Marico	271	11%	76
Shree Cement	249	7%	80
Bajaj Auto	245	5%	82
P&G Hygiene	224	14%	86
UPL	218	10%	87
Torrent Pharma	211	13%	90
M&M	201	5%	94
Godrej Cons.	195	6%	96
United Brew.	190	14%	98
ABB	186	13%	99

Exhibit 25 ... and those who made it

2017-22	WC * (INR b)	Price CAGR	Size Rank
Solar Industries	183	29%	75
Bata India	179	28%	76
Navin Fluorine	172	46%	77
KPR Mill	169	36%	78
Vinati Organics	162	39%	79
Grindwell Norton	160	38%	80
Indian Hotels	159	16%	81
Schaeffler India	154	16%	82
Hatsun Agro	148	16%	83
Supreme Petrochem	145	25%	84
Coromandel Intl	143	21%	85
Poonawalla Finance	141	21%	86
Chambal Fertilisers	140	37%	87
Aditya Birla Fashion	139	15%	88
Dr Lal PathLabs	137	22%	89
Alkyl Amines	137	74%	90
Syngene Intl	134	18%	91
DCM Shriram	131	31%	92
Escorts Kubota	129	26%	93
Torrent Power	125	16%	94
Phoenix Mills	121	24%	95
J K Cements	117	21%	96
Thermax	116	15%	97
Sheela Foam	115	25%	98
Timken India	113	27%	99
Pfizer	112	18%	100

\* Wealth Created; \*\* Size rank had the stock outperformed the Sensex

**The fast who didn't make it big**

- The 100th biggest Wealth Creator (Pfizer) created Wealth of INR 112 billion.
- Over 100 more companies beat the 2017-22 benchmark return CAGR of 14.6% but did not make it to the list as they created absolute wealth less than INR 112 billion.
- Exhibit 26 lists the top 20 fastest among them.

Exhibit 26 **The fast who didn't make it big**

2017-22	Price CAGR (%)	WC (INR bn)	2017-22	Price CAGR (%)	WC (INR bn)
Borosil Renewables	71	56	V-Mart Retail	37	60
Intellect Design	54	112	Vaibhav Global	37	49
Balaji Amines	50	82	RHI Magnesita	37	82
NIIT	49	70	J B Chem & Pharm	35	95
KEI Industries	47	94	Graphite India	35	76
Radico Khaitan	45	100	Privi Specialty	35	53
HFCL	44	86	Team Lease Services	35	57
Polyplex Corpn	42	63	Sonata Software	34	60
Birlasoft	41	101	Guj. Ambuja Exports	34	46
Praj Industries	38	58	TCI Express	34	50

**Note:** Only companies with base year 2017 market cap of at least INR 10 billion are chosen

## #12 Wealth Destruction: Companies & Sectors

### Financials the top Wealth Destroyer despite the second best Wealth Creator

- The total Wealth Destroyed during 2017-22 is INR 14 trillion, 16% of the total Wealth Created by top 100 companies. This is sharply below the previous Covid-hit study period 2015-20.
- Four of the top 10 Wealth Destroying companies are PSUs.
- Financials is the top Wealth Destroying sector, despite also being the second largest Wealth Creating sector.

Exhibit 27 Wealth destroyed remains well below the Covid-hit study period 2015-20

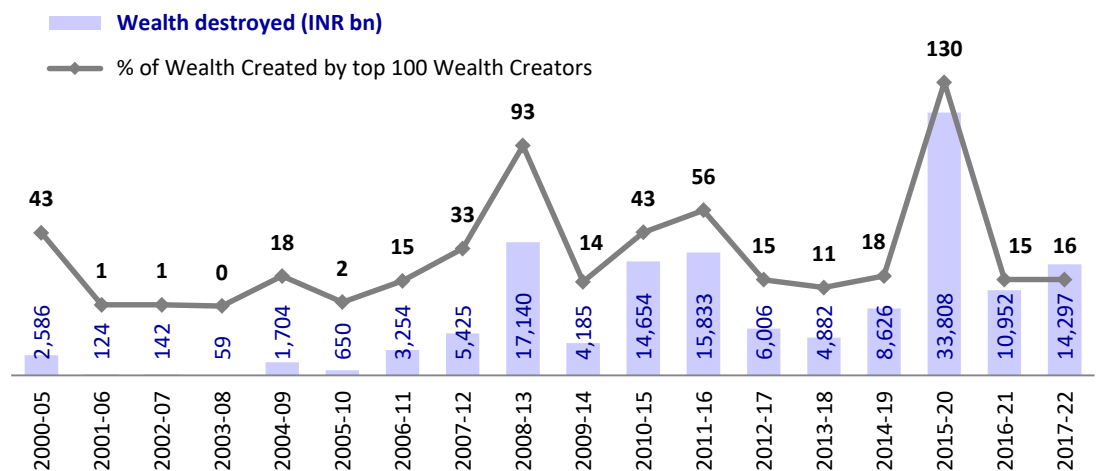


Exhibit 28

### Four of top 10 Wealth Destroyers are PSUs

Company	Wealth Destroyed		Price CAGR (%)
	INR bn	% Share	
Vodafone Idea	1,275	9	-28
IOCL	713	5	-9
Coal India	679	5	-9
Yes Bank	669	5	-48
Indiabulls Housing	360	3	-31
ITC	352	2	-2
Lupin	316	2	-12
Punjab National Bank	305	2	-25
ONGC	273	2	-2
Bosch	248	2	-9
<b>Total of Above</b>	<b>5,189</b>	<b>36</b>	
<b>Total Wealth Destroyed</b>	<b>14,297</b>	<b>100</b>	

Exhibit 29

### Financials among the top Wealth Creators as well as Wealth Destroyers

Sector	Wealth Destroyed	
	(INR bn)	% Share
Financials	3,689	26
Oil & Gas	1,559	11
Telecom	1,478	10
Auto	959	7
Consumer & Retail	857	6
Capital Goods	839	6
Media	826	6
Pharma / Healthcare	803	6
Metals / Mining	715	5
Others	2,573	18
<b>Total</b>	<b>14,297</b>	<b>100</b>



# Appendices

## Appendix 1: The 100 Biggest Wealth Creators (2017-2022)

Rank	Company	Wealth Created		CAGR (2017-22, %)		Mkt Cap (INR bn)		ROE (%)		P/E (x)	
		INR bn	Share (%)	Price	PAT	2022	2017	2022	2017	2022	2017
1	Reliance Industries	13,018	14.1	32	14	17,818	4,289	8	11	30	14
2	TCS	9,548	10.4	25	8	13,680	4,790	43	31	36	18
3	Infosys	5,795	6.3	30	9	8,023	2,345	33	21	37	17
4	HDFC Bank	4,108	4.5	15	20	8,152	3,696	15	17	21	24
5	Bajaj Finance	3,614	3.9	44	31	4,395	646	16	19	62	35
6	ICICI Bank	3,286	3.6	24	20	5,074	1,614	14	10	20	16
7	Adani Transmission	2,538	2.8	106	24	2,609	71	12	14	217	17
8	Hind. Unilever	2,442	2.6	18	16	4,814	1,969	18	64	54	46
9	Bharti Airtel	2,422	2.6	19	-7	4,303	1,399	5	7	137	32
10	Wipro	2,302	2.5	25	8	3,245	1,253	19	16	27	15
11	Avenue Supermarts	2,151	2.3	44	26	2,591	398	11	12	174	84
12	Adani Enterprises	2,098	2.3	97	-4	2,217	119	3	7	286	12
13	Bajaj Finserv	2,063	2.2	33	15	2,714	650	11	14	60	29
14	HCL Technologies	1,984	2.2	22	9	3,157	1,246	22	26	24	15
15	Asian Paints	1,929	2.1	24	10	2,956	1,027	22	25	96	53
16	Titan Company	1,842	2.0	41	23	2,252	410	24	19	102	52
17	Kotak Mahindra Bank	1,730	1.9	15	20	3,482	1,605	12	13	29	33
18	JSW Steel	1,317	1.4	31	43	1,771	453	32	16	8	13
19	Nestle India	1,031	1.1	21	18	1,675	644	111	31	72	64
20	Tech Mahindra	1,020	1.1	27	15	1,457	448	21	17	26	16
21	Divi's Labs	1,003	1.1	48	23	1,169	166	25	20	39	16
22	Tata Steel	979	1.1	23	L to P	1,596	469	35	-8	4	N.M.
23	L&T Infotech	956	1.0	54	19	1,079	121	26	30	47	13
24	Pidilite Inds	895	1.0	29	7	1,248	358	19	25	103	42
25	Adani Ports	893	1.0	18	5	1,635	704	13	22	32	18
26	Hindalco Inds	842	0.9	24	47	1,280	438	17	4	10	23
27	SRF	693	0.8	52	30	794	93	22	16	42	18
28	Mindtree	635	0.7	57	32	709	76	30	16	43	18
29	Adani Power	560	0.6	36	L to P	714	154	27	-70	14	N.M.
30	Tata Power	543	0.6	21	8	763	245	8	10	41	19
31	DLF	533	0.6	21	27	942	265	5	2	57	53
32	Mphasis	532	0.6	42	12	634	122	21	13	44	15
33	Tata Consumer	526	0.6	39	20	716	95	6	6	74	25
34	Tata Elxsi	505	0.5	65	26	551	46	34	31	100	26
35	Apollo Hospitals	476	0.5	31	30	649	162	15	7	78	73
36	Info Edge	466	0.5	41	L to P	581	97	14	-4	24	N.M.
37	L&T Technology	458	0.5	45	17	538	80	22	29	58	19
38	Berger Paints	445	0.5	24	14	680	234	21	22	83	55
39	Havells India	429	0.5	20	16	723	293	20	17	60	52
40	Cholaman.Inv.&Fn	427	0.5	30	25	590	151	18	17	27	21
41	Jindal Steel	414	0.4	35	L to P	544	111	17	-6	9	N.M.
42	JSW Energy	388	0.4	37	23	491	103	10	6	29	17
43	Muthoot Finance	386	0.4	29	27	534	148	21	18	13	12
44	Trent	356	0.4	37	6	454	88	5	5	417	109
45	Astral	339	0.4	44	27	407	66	20	17	85	45
46	United Spirits	329	0.4	15	26	645	316	19	17	69	106
47	Varun Beverages	327	0.4	39	72	408	74	17	3	58	156
48	Persistent Systems	320	0.3	52	17	365	48	20	16	55	16
49	Page Industries	318	0.3	24	15	482	163	49	40	90	61
50	Bajaj Holdings	317	0.3	18	10	559	242	9	14	14	10
Rank	Company	Wealth Created		CAGR (2017-22, %)		Mkt Cap (INR bn)		ROE (%)		P/E (x)	
		INR bn	Share (%)	Price	PAT	2022	2017	2022	2017	2022	2017

## Appendix 1: The 100 Biggest Wealth Creators (2017-2022) ... continued

Rank	Company	Wealth Created		CAGR (2017-22, %)		Mkt Cap (INR bn)		ROE (%)		P/E (x)	
		INR bn	Share (%)	Price	PAT	2022	2017	2022	2017	2022	2017
51	Godrej Properties	314	0.3	34	11	465	83	4	10	141	43
52	Tata Tele. (Mah.)	312	0.3	87	L to L	326	14	6	23	N.M.	N.M.
53	P I Industries	293	0.3	27	13	428	115	14	28	51	25
54	Linde India	289	0.3	57	113	323	34	11	0	105	487
55	Deepak Nitrite	287	0.3	76	87	306	17	32	7	29	37
56	Balkrishna Inds	279	0.3	25	17	413	134	20	18	29	21
57	Abbott India	278	0.3	31	24	376	99	28	20	47	36
58	Jubilant FoodWorks	275	0.3	37	45	348	73	22	8	81	108
59	Voltas	275	0.3	25	0	412	136	9	16	82	26
60	Aarti Industries	266	0.3	39	33	347	63	22	23	27	20
61	Laurus Labs	262	0.3	42	34	317	54	25	14	38	29
62	Honeywell Auto	259	0.3	31	15	350	91	12	14	103	54
63	Coforge	247	0.3	59	20	271	27	24	16	41	10
64	Gujarat Gas	240	0.3	27	42	346	106	23	14	27	47
65	Atul	234	0.3	34	13	304	71	13	16	52	22
66	Trident	227	0.2	44	20	271	44	22	12	32	13
67	Uno Minda	217	0.2	45	16	266	35	10	15	78	21
68	CG Power & Ind	216	0.2	20	L to P	273	49	46	-11	59	N.M.
69	Oberoi Realty	205	0.2	21	23	342	125	10	7	33	33
70	Relaxo Footwear	204	0.2	34	14	265	60	13	20	117	50
71	Tanla Platforms	202	0.2	100	67	207	5	40	6	38	13
72	APL Apollo Tubes	199	0.2	51	30	229	28	25	22	41	18
73	Ipca Labs	190	0.2	28	36	269	79	16	8	30	41
74	Brightcom Group	185	0.2	92	16	197	4	17	18	22	1
75	Solar Industries	183	0.2	29	19	254	70	23	20	57	38
76	Bata India	179	0.2	28	-10	252	73	6	13	246	41
77	Navin Fluorine	172	0.2	46	15	202	30	14	16	77	23
78	KPR Mill	169	0.2	36	24	214	49	26	22	26	17
79	Vinati Organics	162	0.2	39	20	201	39	19	21	58	28
80	Grindwell Norton	160	0.2	38	20	199	39	18	13	71	34
81	Indian Hotels	159	0.2	16	L to L	339	126	-4	-4	N.M.	N.M.
82	Schaeffler India	154	0.2	16	26	305	76	17	13	48	39
83	Hatsun Agro	148	0.2	16	10	231	78	19	39	108	58
84	Supreme Petrochem	145	0.2	25	29	217	73	43	31	33	41
85	Coromandel Intl	143	0.2	21	26	235	91	24	16	15	19
86	Poonawalla Finance	141	0.2	21	79	208	25	6	1	55	123
87	Chambal Fertilisers	140	0.2	37	35	176	36	24	16	11	10
88	Aditya Birla Fashion	139	0.2	15	P to L	283	119	-5	6	N.M.	217
89	Dr Lal PathLabs	137	0.1	22	17	217	80	23	26	63	52
90	Alkyl Amines	137	0.1	74	34	146	9	23	20	65	18
91	Syngene Intl	134	0.1	18	8	239	104	13	20	57	36
92	DCM Shriram	131	0.1	31	14	176	48	19	22	17	9
93	Escorts Kubota	129	0.1	26	40	223	66	10	8	31	49
94	Torrent Power	125	0.1	16	17	236	112	9	6	27	28
95	Phoenix Mills	121	0.1	24	7	196	58	4	8	83	34
96	J K Cements	117	0.1	21	30	188	65	16	11	27	35
97	Thermax	116	0.1	15	5	232	115	9	9	76	49
98	Sheela Foam	115	0.1	25	11	170	55	15	27	81	44
99	Timken India	113	0.1	27	27	162	44	20	16	49	45
100	Pfizer	112	0.1	18	19	199	87	21	10	33	34
TOTAL		92,166	100	28	20	1,32,216	38,108	16	13	32	23
Rank	Company	Wealth Created		CAGR (2017-22, %)		Mkt Cap (INR bn)		ROE (%)		P/E (x)	
		INR bn	Share (%)	Price	PAT	2022	2017	2022	2017	2022	2017

**Note:** L to P stands for Loss to Profit; P to L stands for Profit to Loss; L to L stands for Loss to Loss; N.M. stands for Not Meaningful

## Appendix 2: The 100 Fastest Wealth Creators (2017-2022)

Rank	Company	2017-22 Price		CAGR 17-22 (%)		Wealth Created		RoE (%)		P/E (x)	
		CAGR (%)	Times (x)	PAT	Sales	INR bn	Share (%)	2022	2017	2022	2017
1	Adani Transmission	106	36.9	24	31	2,538	2.8	12	14	217	17
2	Tanla Platforms	100	31.7	67	41	202	0.2	40	6	38	13
3	Adani Enterprises	97	29.8	-4	14	2,098	2.3	3	7	286	12
4	Brightcom Group	92	26.3	16	15	185	0.2	17	18	22	1
5	Tata Tele. (Mah.)	87	23.2	L to L	-17	312	0.3	6	23	N.M.	N.M.
6	Deepak Nitrite	76	17.1	87	38	287	0.3	32	7	29	37
7	Alkyl Amines	74	15.9	34	25	137	0.1	23	20	65	18
8	Tata Elxsi	65	12.1	26	15	505	0.5	34	31	100	26
9	Coforge	59	10.2	20	18	247	0.3	24	16	41	10
10	Mindtree	57	9.5	32	15	635	0.7	30	16	43	18
11	Linde India	57	9.5	113	3	289	0.3	11	0	105	487
12	L&T Infotech	54	8.7	19	19	956	1.0	26	30	47	13
13	SRF	52	8.2	30	21	693	0.8	22	16	42	18
14	Persistent Systems	52	8.0	17	15	320	0.3	20	16	55	16
15	APL Apollo Tubes	51	7.8	30	27	199	0.2	25	22	41	18
16	Divi's Labs	48	7.1	23	17	1,003	1.1	25	20	39	16
17	Navin Fluorine	46	6.7	15	14	172	0.2	14	16	77	23
18	L&T Technology	45	6.5	17	15	458	0.5	22	29	58	19
19	Uno Minda	45	6.3	16	20	217	0.2	10	15	78	21
20	Avenue Supermarts	44	6.3	26	21	2,151	2.3	11	12	174	84
21	Bajaj Finance	44	6.2	31	26	3,614	3.9	16	19	62	35
22	Astral	44	6.2	27	18	339	0.4	20	17	85	45
23	Trident	44	6.2	20	9	227	0.2	22	12	32	13
24	Mphasis	42	5.8	12	15	532	0.6	21	13	44	15
25	Laurus Labs	42	5.7	34	21	262	0.3	25	14	38	29
26	Info Edge	41	5.6	L to P	12	466	0.5	14	-4	24	N.M.
27	Titan Company	41	5.5	23	17	1,842	2.0	24	19	102	52
28	Varun Beverages	39	5.2	72	19	327	0.4	17	3	58	156
29	Aarti Industries	39	5.2	33	17	266	0.3	22	23	27	20
30	Vinati Organics	39	5.2	20	20	162	0.2	19	21	58	28
31	Tata Consumer	39	5.2	20	13	526	0.6	6	6	74	25
32	Grindwell Norton	38	5.1	20	10	160	0.2	18	13	71	34
33	Chambal Fertilisers	37	4.9	35	16	140	0.2	24	16	11	10
34	Trent	37	4.8	6	20	356	0.4	5	5	417	109
35	Jubilant FoodWorks	37	4.8	45	11	275	0.3	22	8	81	108
36	JSW Energy	37	4.8	23	0	388	0.4	10	6	29	17
37	KPR Mill	36	4.7	24	11	169	0.2	26	22	26	17
38	Adani Power	36	4.6	L to P	4	560	0.6	27	-70	14	N.M.
39	Jindal Steel	35	4.4	L to P	19	414	0.4	17	-6	9	N.M.
40	Godrej Properties	34	4.3	11	3	314	0.3	4	10	141	43
41	Atul	34	4.3	13	12	234	0.3	13	16	52	22
42	Relaxo Footwear	34	4.3	14	10	204	0.2	13	20	117	50
43	Bajaj Finserv	33	4.2	15	23	2,063	2.2	11	14	60	29
44	Reliance Industries	32	4.0	14	18	13,018	14.1	8	11	30	14
45	JSW Steel	31	3.9	43	21	1,317	1.4	32	16	8	13
46	Apollo Hospitals	31	3.9	30	15	476	0.5	15	7	78	73
47	Honeywell Auto	31	3.8	15	4	259	0.3	12	14	103	54
48	DCM Shriram	31	3.8	14	11	131	0.1	19	22	17	9
49	Abbott India	31	3.8	24	11	278	0.3	28	20	47	36
50	Infosys	30	3.7	9	12	5,795	6.3	33	21	37	17
Rank	Company	2017-22 Price		CAGR 17-22 (%)		Wealth Created		RoE (%)		P/E (x)	
		CAGR (%)	Times (x)	PAT	Sales	INR bn	Share (%)	2022	2017	2022	2017

## Appendix 2: The 100 Fastest Wealth Creators (2017-2022) ... continued

Rank	Company	2017-22 Price		CAGR (17-22, %)		Wealth Created		RoE (%)		P/E (x)	
		CAGR (%)	Times (x)	PAT	Sales	INR bn	Share (%)	2022	2017	2022	2017
51	Cholaman.Inv.&Fn	30	3.7	25	17	427	0.5	18	17	27	21
52	Solar Industries	29	3.6	19	20	183	0.2	23	20	57	38
53	Muthoot Finance	29	3.6	27	15	386	0.4	21	18	13	12
54	Pidilite Inds	29	3.5	7	12	895	1.0	19	25	103	42
55	Bata India	28	3.5	-10	-1	179	0.2	6	13	246	41
56	Ipca Labs	28	3.4	36	13	190	0.2	16	8	30	41
57	P I Industries	27	3.4	13	18	293	0.3	14	28	51	25
58	Timken India	27	3.3	27	16	113	0.1	20	16	49	45
59	Gujarat Gas	27	3.3	42	26	240	0.3	23	14	27	47
60	Tech Mahindra	27	3.3	15	9	1,020	1.1	21	17	26	16
61	Escorts Kubota	26	3.1	40	12	129	0.1	10	8	31	49
62	Sheela Foam	25	3.1	11	11	115	0.1	15	27	81	44
63	Balkrishna Inds	25	3.1	17	17	279	0.3	20	18	29	21
64	TCS	25	3.1	8	10	9,548	10.4	43	31	36	18
65	Wipro	25	3.1	8	7	2,302	2.5	19	16	27	15
66	Supreme Petrochem	25	3.1	29	12	145	0.2	43	31	33	41
67	Voltas	25	3.0	0	6	275	0.3	9	16	82	26
68	Page Industries	24	3.0	15	13	318	0.3	49	40	90	61
69	Hindalco Inds	24	2.9	47	14	842	0.9	17	4	10	23
70	Phoenix Mills	24	2.9	7	-4	121	0.1	4	8	83	34
71	ICICI Bank	24	2.9	20	9	3,286	3.6	14	10	20	16
72	Berger Paints	24	2.9	14	14	445	0.5	21	22	83	55
73	Asian Paints	24	2.9	10	11	1,929	2.1	22	25	96	53
74	Tata Steel	23	2.8	L to P	17	979	1.1	35	-8	4	N.M.
75	Dr Lal PathLabs	22	2.7	17	18	137	0.1	23	26	63	52
76	HCL Technologies	22	2.7	9	12	1,984	2.2	22	26	24	15
77	Tata Power	21	2.6	8	9	543	0.6	8	10	41	19
78	Nestle India	21	2.6	18	10	1,031	1.1	111	31	72	64
79	J K Cements	21	2.6	30	15	117	0.1	16	11	27	35
80	Poonawalla Finance	21	2.6	79	-5	141	0.2	6	1	55	123
81	DLF	21	2.6	27	-7	533	0.6	5	2	57	53
82	Coromandel Intl	21	2.6	26	14	143	0.2	24	16	15	19
83	Oberoi Realty	21	2.6	23	19	205	0.2	10	7	33	33
84	Havells India	20	2.5	16	18	429	0.5	20	17	60	52
85	CG Power & Ind	20	2.4	L to P	0	216	0.2	46	-11	59	N.M.
86	Bharti Airtel	19	2.4	-7	4	2,422	2.6	5	7	137	32
87	Bajaj Holdings	18	2.3	10	-10	317	0.3	9	14	14	10
88	Pfizer	18	2.3	19	6	112	0.1	21	10	33	34
89	Syngene Intl	18	2.3	8	17	134	0.1	13	20	57	36
90	Adani Ports	18	2.3	5	14	893	1.0	13	22	32	18
91	Hind. Unilever	18	2.3	16	10	2,442	2.6	18	64	54	46
92	Schaeffler India	16	2.1	26	25	154	0.2	17	13	48	39
93	Hatsun Agro	16	2.1	10	9	148	0.2	19	39	108	58
94	Torrent Power	16	2.1	17	7	125	0.1	9	6	27	28
95	Indian Hotels	16	2.1	L to L	-5	159	0.2	-4	-4	N.M.	N.M.
96	United Spirits	15	2.0	26	2	329	0.4	19	17	69	106
97	HDFC Bank	15	2.0	20	13	4,108	4.5	15	17	21	24
98	Kotak Mahindra Bank	15	2.0	20	9	1,730	1.9	12	13	29	33
99	Thermax	15	2.0	5	6	116	0.1	9	9	76	49
100	Aditya Birla Fashion	15	2.0	P to L	4	139	0.2	-5	6	N.M.	217
<b>TOTAL</b>		<b>28</b>	<b>3.5</b>	<b>20</b>	<b>14</b>	<b>92,166</b>	<b>100</b>	<b>16</b>	<b>13</b>	<b>32</b>	<b>23</b>
Rank	Company	2017-22 Price		CAGR (17-22, %)		Wealth Created		RoE (%)		P/E (x)	
		CAGR (%)	Times (x)	PAT	Sales	INR bn	Share (%)	2022	2017	2022	2017

**Note:** L to P stands for Loss to Profit; P to L stands for Profit to Loss; L to L stands for Loss to Loss; N.M. stands for Not Meaningful

### Appendix 3: The 100 Consistent Wealth Creators (2017-2022)

Rank	Company	No. of years of outperformance	2017-22 Price CAGR (%)	2017-22 PAT CAGR (%)	Market Cap (INR bn)		RoE (%)		P/E (x)	
					2022	2017	2022	2017	2022	2017
1	Adani Enterprises	5	97	-4	2,217	119	3	7	286	12
2	Alkyl Amines	5	74	34	146	9	23	20	65	18
3	Coforge	5	59	20	271	27	24	16	41	10
4	Mindtree	5	57	32	709	76	30	16	43	18
5	L&T Infotech	5	54	19	1,079	121	26	30	47	13
6	SRF	5	52	30	794	93	22	16	42	18
7	Divi's Labs	5	48	23	1,169	166	25	20	39	16
8	Astral	5	44	27	407	66	20	17	85	45
9	Varun Beverages	5	39	72	408	74	17	3	58	156
10	Aarti Industries	5	39	33	347	63	22	23	27	20
11	Vinati Organics	5	39	20	201	39	19	21	58	28
12	Grindwell Norton	5	38	20	199	39	18	13	71	34
13	Reliance Industries	5	32	14	17,818	4,289	8	11	30	14
14	Adani Transmission	4	106	24	2,609	71	12	14	217	17
15	Tanla Platforms	4	100	67	207	5	40	6	38	13
16	Deepak Nitrite	4	76	87	306	17	32	7	29	37
17	Persistent Systems	4	52	17	365	48	20	16	55	16
18	APL Apollo Tubes	4	51	30	229	28	25	22	41	18
19	Navin Fluorine	4	46	15	202	30	14	16	77	23
20	L&T Technology	4	45	17	538	80	22	29	58	19
21	Bajaj Finance	4	44	31	4,395	646	16	19	62	35
22	Info Edge	4	41	L to P	581	97	14	-4	24	N.M.
23	Titan Company	4	41	23	2,252	410	24	19	102	52
24	Tata Consumer	4	39	20	716	95	6	6	74	25
25	Jubilant FoodWorks	4	37	45	348	73	22	8	81	108
26	Atul	4	34	13	304	71	13	16	52	22
27	Relaxo Footwear	4	34	14	265	60	13	20	117	50
28	Bajaj Finserv	4	33	15	2,714	650	11	14	60	29
29	Honeywell Auto	4	31	15	350	91	12	14	103	54
30	Infosys	4	30	9	8,023	2,345	33	21	37	17
31	Pidilite Inds	4	29	7	1,248	358	19	25	103	42
32	Bata India	4	28	-10	252	73	6	13	246	41
33	Tech Mahindra	4	27	15	1,457	448	21	17	26	16
34	Escorts Kubota	4	26	40	223	66	10	8	31	49
35	Balkrishna Inds	4	25	17	413	134	20	18	29	21
36	TCS	4	25	8	13,680	4,790	43	31	36	18
37	Wipro	4	25	8	3,245	1,253	19	16	27	15
38	ICICI Bank	4	24	20	5,074	1,614	14	10	20	16
39	Bajaj Holdings	4	18	10	559	242	9	14	14	10
40	Brightcom Group	3	92	16	197	4	17	18	22	1
41	Tata Elxsi	3	65	26	551	46	34	31	100	26
42	Linde India	3	57	113	323	34	11	0	105	487
43	Uno Minda	3	45	16	266	35	10	15	78	21
44	Avenue Supermarts	3	44	26	2,591	398	11	12	174	84
45	Trident	3	44	20	271	44	22	12	32	13
46	Mphasis	3	42	12	634	122	21	13	44	15
47	Laurus Labs	3	42	34	317	54	25	14	38	29
48	Chambal Fertilisers	3	37	35	176	36	24	16	11	10
49	Trent	3	37	6	454	88	5	5	417	109
50	JSW Energy	3	37	23	491	103	10	6	29	17
Rank	Company	No. of years of outperformance	2017-22 Price CAGR (%)	2017-22 PAT CAGR (%)	Market Cap (INR bn)		RoE (%)		P/E (x)	
					2022	2017	2022	2017	2022	2017

## Appendix 3: The 100 Consistent Wealth Creators (2017-2022) ... continued

Rank	Company	No. of years of outperformance	2017-22 Price CAGR (%)	2017-22 PAT CAGR (%)	Market Cap (INR bn)		RoE (%)		P/E (x)	
					2022	2017	2022	2017	2022	2017
51	Adani Power	3	36	L to P	714	154	27	-70	14	N.M.
52	Jindal Steel	3	35	L to P	544	111	17	-6	9	N.M.
53	Godrej Properties	3	34	11	465	83	4	10	141	43
54	JSW Steel	3	31	43	1,771	453	32	16	8	13
55	Apollo Hospitals	3	31	30	649	162	15	7	78	73
56	DCM Shriram	3	31	14	176	48	19	22	17	9
57	Abbott India	3	31	24	376	99	28	20	47	36
58	Cholaman.Inv.&Fn	3	30	25	590	151	18	17	27	21
59	Solar Industries	3	29	19	254	70	23	20	57	38
60	Muthoot Finance	3	29	27	534	148	21	18	13	12
61	P I Industries	3	27	13	428	115	14	28	51	25
62	Timken India	3	27	27	162	44	20	16	49	45
63	Sheela Foam	3	25	11	170	55	15	27	81	44
64	Voltas	3	25	0	412	136	9	16	82	26
65	Page Industries	3	24	15	482	163	49	40	90	61
66	Phoenix Mills	3	24	7	196	58	4	8	83	34
67	Asian Paints	3	24	10	2,956	1,027	22	25	96	53
68	Tata Steel	3	23	L to P	1,596	469	35	-8	4	N.M.
69	Dr Lal PathLabs	3	22	17	217	80	23	26	63	52
70	Nestle India	3	21	18	1,675	644	111	31	72	64
71	Poonawalla Finance	3	21	79	208	25	6	1	55	123
72	DLF	3	21	27	942	265	5	2	57	53
73	Oberoi Realty	3	21	23	342	125	10	7	33	33
74	Bharti Airtel	3	19	-7	4,303	1,399	5	7	137	32
75	Pfizer	3	18	19	199	87	21	10	33	34
76	Syngene Intl	3	18	8	239	104	13	20	57	36
77	Hind. Unilever	3	18	16	4,814	1,969	18	64	54	46
78	United Spirits	3	15	26	645	316	19	17	69	106
79	HDFC Bank	3	15	20	8,152	3,696	15	17	21	24
80	Kotak Mahindra Bank	3	15	20	3,482	1,605	12	13	29	33
81	Thermax	3	15	5	232	115	9	9	76	49
82	Tata Tele. (Mah.)	2	87	L to L	326	14	6	23	N.M.	N.M.
83	KPR Mill	2	36	24	214	49	26	22	26	17
84	Ipca Labs	2	28	36	269	79	16	8	30	41
85	Gujarat Gas	2	27	42	346	106	23	14	27	47
86	Supreme Petrochem	2	25	29	217	73	43	31	33	41
87	Hindalco Inds	2	24	47	1,280	438	17	4	10	23
88	Berger Paints	2	24	14	680	234	21	22	83	55
89	HCL Technologies	2	22	9	3,157	1,246	22	26	24	15
90	Tata Power	2	21	8	763	245	8	10	41	19
91	J K Cements	2	21	30	188	65	16	11	27	35
92	Coromandel Intl	2	21	26	235	91	24	16	15	19
93	Havells India	2	20	16	723	293	20	17	60	52
94	CG Power & Ind	2	20	L to P	273	49	46	-11	59	N.M.
95	Schaeffler India	2	16	26	305	76	17	13	48	39
96	Hatsun Agro	2	16	10	231	78	19	39	108	58
97	Indian Hotels	2	16	L to L	339	126	-4	-4	N.M.	N.M.
98	Aditya Birla Fashion	2	15	P to L	283	119	-5	6	N.M.	217
99	Adani Ports	1	18	5	1,635	704	13	22	32	18
100	Torrent Power	1	16	17	236	112	9	6	27	28
Rank	Company	No. of years of outperformance	2017-22 Price CAGR (%)	2017-22 PAT CAGR (%)	Market Cap (INR bn)		RoE (%)		P/E (x)	
					2022	2017	2022	2017	2022	2017

**Note:** L to P stands for Loss to Profit; P to L stands for Profit to Loss; L to L stands for Loss to Loss; N.M. stands for Not Meaningful

## Appendix 4: The 100 All-round Wealth Creators (2017-2022)

All-round Rank	Company	Rank			Total of Ranks	2017-22 Price CAGR (%)
		Biggest	Fastest	Consistent		
1	Adani Enterprises	12	3	1	16	97
2	Adani Transmission	7	1	14	22	106
3	L&T Infotech	23	12	5	40	54
4	Mindtree	28	10	4	42	57
5	Divi's Labs	21	16	7	44	48
6	SRF	27	13	6	46	52
7	Bajaj Finance	5	21	21	47	44
8	Reliance Industries	1	44	13	58	32
9	Titan Company	16	27	23	66	41
10	Coforge	63	9	3	75	59
11	L&T Technology	37	18	20	75	45
12	Avenue Supermarts	11	20	44	75	44
13	Astral	45	22	8	75	44
14	Deepak Nitrite	55	6	16	77	76
15	Persistent Systems	48	14	17	79	52
16	Tata Elxsi	34	8	41	83	65
17	Infosys	3	50	30	83	30
18	Info Edge	36	26	22	84	41
19	Varun Beverages	47	28	9	84	39
20	Bajaj Finserv	13	43	28	84	33
21	Tanla Platforms	71	2	15	88	100
22	Tata Consumer	33	31	24	88	39
23	Alkyl Amines	90	7	2	99	74
24	Aarti Industries	60	29	10	99	39
25	Mphasis	32	24	46	102	42
26	TCS	2	64	36	102	25
27	APL Apollo Tubes	72	15	18	105	51
28	Linde India	54	11	42	107	57
29	Pidilite Inds	24	54	31	109	29
30	Wipro	10	65	37	112	25
31	Navin Fluorine	77	17	19	113	46
32	Tech Mahindra	20	60	33	113	27
33	ICICI Bank	6	71	38	115	24
34	JSW Steel	18	45	54	117	31
35	Brightcom Group	74	4	40	118	92
36	Jubilant FoodWorks	58	35	25	118	37
37	Adani Power	29	38	51	118	36
38	Vinati Organics	79	30	11	120	39
39	Grindwell Norton	80	32	12	124	38
40	Trent	44	34	49	127	37
41	JSW Energy	42	36	50	128	37
42	Uno Minda	67	19	43	129	45
43	Jindal Steel	41	39	52	132	35
44	Atul	65	41	26	132	34
45	Laurus Labs	61	25	47	133	42
46	Trident	66	23	45	134	44
47	Apollo Hospitals	35	46	55	136	31
48	Honeywell Auto	62	47	29	138	31
49	Tata Tele. (Mah.)	52	5	82	139	87
50	Relaxo Footwear	70	42	27	139	34
All-round Rank	Company	Rank			Total of Ranks	2017-22 Price CAGR (%)
		Biggest	Fastest	Consistent		



## Appendix 4: The 100 All-round Wealth Creators (2017-2022) ... continued

All-round Rank	Company	Rank			Total of Ranks	2017-22 Price CAGR (%)
		Biggest	Fastest	Consistent		
51	Godrej Properties	51	40	53	144	34
52	Cholaman.Inv.&Fn	40	51	58	149	30
53	Balkrishna Inds	56	63	35	154	25
54	Asian Paints	15	73	67	155	24
55	Muthoot Finance	43	53	60	156	29
56	Abbott India	57	49	57	163	31
57	Bata India	76	55	32	163	28
58	Tata Steel	22	74	68	164	23
59	Nestle India	19	78	70	167	21
60	Chambal Fertilisers	87	33	48	168	37
61	Bharti Airtel	9	86	74	169	19
62	P I Industries	53	57	61	171	27
63	Bajaj Holdings	50	87	39	176	18
64	Hind. Unilever	8	91	77	176	18
65	HCL Technologies	14	76	89	179	22
66	HDFC Bank	4	97	79	180	15
67	Page Industries	49	68	65	182	24
68	Hindalco Inds	26	69	87	182	24
69	DLF	31	81	72	184	21
70	Solar Industries	75	52	59	186	29
71	Escorts Kubota	93	61	34	188	26
72	Voltas	59	67	64	190	25
73	Kotak Mahindra Bank	17	98	80	195	15
74	DCM Shriram	92	48	56	196	31
75	Tata Power	30	77	90	197	21
76	KPR Mill	78	37	83	198	36
77	Berger Paints	38	72	88	198	24
78	Gujarat Gas	64	59	85	208	27
79	Ipca Labs	73	56	84	213	28
80	Adani Ports	25	90	99	214	18
81	Havells India	39	84	93	216	20
82	Timken India	99	58	62	219	27
83	United Spirits	46	96	78	220	15
84	Sheela Foam	98	62	63	223	25
85	Oberoi Realty	69	83	73	225	21
86	Phoenix Mills	95	70	66	231	24
87	Dr Lal PathLabs	89	75	69	233	22
88	Supreme Petrochem	84	66	86	236	25
89	Poonawalla Finance	86	80	71	237	21
90	CG Power & Ind	68	85	94	247	20
91	Syngene Intl	91	89	76	256	18
92	Coromandel Intl	85	82	92	259	21
93	Pfizer	100	88	75	263	18
94	J K Cements	96	79	91	266	21
95	Schaeffler India	82	92	95	269	16
96	Hatsun Agro	83	93	96	272	16
97	Indian Hotels	81	95	97	273	16
98	Thermax	97	99	81	277	15
99	Aditya Birla Fashion	88	100	98	286	15
100	Torrent Power	94	94	100	288	16
All-round Rank	Company	Rank			Total of Ranks	2017-22 Price CAGR (%)
		Biggest	Fastest	Consistent		

## Appendix 5: The 100 Wealth Creators (2017-2022) – Alphabetical order

Company	Wealth Creation Rank				Wealth Created (INR bn)	Price CAGR (%)
	Biggest	Fastest	Consistent	All-round		
Aarti Industries	60	29	10	24	266	39
Abbott India	57	49	57	56	278	31
Adani Enterprises	12	3	1	1	2,098	97
Adani Ports	25	90	99	80	893	18
Adani Power	29	38	51	37	560	36
Adani Transmission	7	1	14	2	2,538	106
Aditya Birla Fashion	88	100	98	99	139	15
Alkyl Amines	90	7	2	23	137	74
APL Apollo Tubes	72	15	18	27	199	51
Apollo Hospitals	35	46	55	47	476	31
Asian Paints	15	73	67	54	1,929	24
Astral	45	22	8	13	339	44
Atul	65	41	26	44	234	34
Avenue Supermarts	11	20	44	12	2,151	44
Bajaj Finance	5	21	21	7	3,614	44
Bajaj Finserv	13	43	28	20	2,063	33
Bajaj Holdings	50	87	39	63	317	18
Balkrishna Inds	56	63	35	53	279	25
Bata India	76	55	32	57	179	28
Berger Paints	38	72	88	77	445	24
Bharti Airtel	9	86	74	61	2,422	19
Brightcom Group	74	4	40	35	185	92
CG Power & Ind	68	85	94	90	216	20
Chambal Fertilisers	87	33	48	60	140	37
Cholaman.Inv.&Fn	40	51	58	52	427	30
Coforge	63	9	3	10	247	59
Coromandel Intl	85	82	92	92	143	21
DCM Shriram	92	48	56	74	131	31
Deepak Nitrite	55	6	16	14	287	76
Divi's Labs	21	16	7	5	1,003	48
DLF	31	81	72	69	533	21
Dr Lal PathLabs	89	75	69	87	137	22
Escorts Kubota	93	61	34	71	129	26
Godrej Properties	51	40	53	51	314	34
Grindwell Norton	80	32	12	39	160	38
Gujarat Gas	64	59	85	78	240	27
Hatsun Agro	83	93	96	96	148	16
Havells India	39	84	93	81	429	20
HCL Technologies	14	76	89	65	1,984	22
HDFC Bank	4	97	79	66	4,108	15
Hind. Unilever	8	91	77	64	2,442	18
Hindalco Inds	26	69	87	68	842	24
Honeywell Auto	62	47	29	48	259	31
ICICI Bank	6	71	38	33	3,286	24
Indian Hotels	81	95	97	97	159	16
Info Edge	36	26	22	18	466	41
Infosys	3	50	30	17	5,795	30
Ipca Labs	73	56	84	79	190	28
J K Cements	96	79	91	94	117	21
Jindal Steel	41	39	52	43	414	35
Company	Wealth Creation Rank				Wealth Created (INR bn)	Price CAGR (%)
	Biggest	Fastest	Consistent	All-round		

## Appendix 5: The 100 Wealth Creators (2017-2022) – Alphabetical order ... continued

Company	Wealth Creation Rank				Wealth Created (INR bn)	Price CAGR (%)
	Biggest	Fastest	Consistent	All-round		
JSW Energy	42	36	50	41	388	37
JSW Steel	18	45	54	34	1,317	31
Jubilant FoodWorks	58	35	25	36	275	37
KPR Mill	78	37	83	76	169	36
Kotak Mahindra Bank	17	98	80	73	1,730	15
L&T Infotech	23	12	5	3	956	54
L&T Technology	37	18	20	11	458	45
Laurus Labs	61	25	47	45	262	42
Linde India	54	11	42	28	289	57
Mindtree	28	10	4	4	635	57
Mphasis	32	24	46	25	532	42
Muthoot Finance	43	53	60	55	386	29
Navin Fluorine	77	17	19	31	172	46
Nestle India	19	78	70	59	1,031	21
Oberoi Realty	69	83	73	85	205	21
P I Industries	53	57	61	62	293	27
Page Industries	49	68	65	67	318	24
Persistent Systems	48	14	17	15	320	52
Pfizer	100	88	75	93	112	18
Phoenix Mills	95	70	66	86	121	24
Pidilite Inds	24	54	31	29	895	29
Poonawalla Finance	86	80	71	89	141	21
Relaxo Footwear	70	42	27	50	204	34
Reliance Industries	1	44	13	8	13,018	32
Schaeffler India	82	92	95	95	154	16
Sheela Foam	98	62	63	84	115	25
Solar Industries	75	52	59	70	183	29
SRF	27	13	6	6	693	52
Supreme Petrochem	84	66	86	88	145	25
Syngene Intl	91	89	76	91	134	18
Tanla Platforms	71	2	15	21	202	100
Tata Consumer	33	31	24	22	526	39
Tata Elxsi	34	8	41	16	505	65
Tata Power	30	77	90	75	543	21
Tata Steel	22	74	68	58	979	23
Tata Tele. (Mah.)	52	5	82	49	312	87
TCS	2	64	36	26	9,548	25
Tech Mahindra	20	60	33	32	1,020	27
Thermax	97	99	81	98	116	15
Timken India	99	58	62	82	113	27
Titan Company	16	27	23	9	1,842	41
Torrent Power	94	94	100	100	125	16
Trent	44	34	49	40	356	37
Trident	66	23	45	46	227	44
United Spirits	46	96	78	83	329	15
Uno Minda	67	19	43	42	217	45
Varun Beverages	47	28	9	19	327	39
Vinati Organics	79	30	11	38	162	39
Voltas	59	67	64	72	275	25
Wipro	10	65	37	30	2,302	25

Company	Wealth Creation Rank				Wealth Created (INR bn)	Price CAGR (%)
	Biggest	Fastest	Consistent	All-round		

## NOTES

**Disclosures:**

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

**Terms & Conditions:**

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

**Analyst Certification**

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Disclosure of Interest Statement****Companies where there is interest**

Analyst ownership of the stock

No

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

**Regional Disclosures (outside India)**

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

**For Hong Kong:**

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

**For U.S.**

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts", and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and

interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### **For Singapore**

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore, as per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

#### **Disclaimer:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; [www.motilaloswal.com](http://www.motilaloswal.com).  
Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.:022-71881085.

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products. Customer having any query/feedback/ clarification may write to [query@motilaloswal.com](mailto:query@motilaloswal.com). In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com), for DP to [dp grievances@motilaloswal.com](mailto:dp grievances@motilaloswal.com).





\_\_\_\_\_