150 Wealth-Creators: Standing Rock-Steady

Benchmark indices have tumbled around 12-13 per cent from their record highs, while broader indices have faced a sharp correction of over 20 per cent, primarily driven by sustained FII outflows totalling ₹2.85 lakh crore over the past 4-5 months. Despite the market downturn, we recommend long-term investors to stay invested—here's why!

The Indian markets have faced a challenging phase since October 2024, with the Nifty 50 breaking a 23-year record by marking its fourth consecutive month of decline. If the current selling pressure persists, the index is on the brink of setting another record with five months of consecutive declines. Foreign institutional investors (FIIs) have sold equities worth over ₹2.85 lakh crore from the Indian markets since October 2024, with more than ₹1 lakh crore being sold in just the past month and a half.

While clear signs of market weakness and investor pessimism are evident, recent reports reveal a slowdown in new dematerialised account openings in January, with many accounts even being closed, possibly due to investor disappointment. In light of this, we bring you a special feature highlighting 150 wealth-creators from the past five years who have significantly changed the lives of investors. This story may help restore your confidence in the market by offering a fresh perspective and showcasing the potential for long-term growth, even in challenging times.

The Rise of Wealth Creators

Over the past five years, the Indian equity market has witnessed a remarkable transformation, characterised by both volatility and immense wealth-creation. From 2019 to 2024, investors navigated multiple turning points, from the corona virus pandemic-induced crash in early 2020 to a robust V-shaped recovery that defied global economic uncertainties. Liquiditydriven rallies, an influx of retail investors, and strong corporate earnings laid the foundation for a resilient market that continued to thrive despite headwinds. The market's trajectory was shaped by macroeconomic factors, including inflationary pressures, interest rate hikes by global central banks, and geopolitical uncertainties.

However, these challenges also created opportunities for companies with strong fundamentals, innovative business models, and sectoral tailwinds. Many companies capitalised on changing consumer behaviour, supply chain realignments, and technological advancements to solidify their market position.

A significant driver of this wealth-creation has been India's robust economic growth, supported by structural reforms and digital transformation. Government initiatives such as the Production-Linked Incentive (PLI) scheme, infrastructure development, and the push for self-reliance have provided a strong platform for industries like manufacturing, fintech, renewable energy, and electric mobility.

Top Multibagger Stocks of the Last Year		
Company Name	Latest Market Cap. (₹ Crore)	1 Year Returns (%)
Artificial Electronics Intelligent Material Ltd.	422	1,899.18
ITCONS E-Solutions Ltd.	239	1,118.54
Healthy Life Agritec Ltd.	138	1,099.79
Narmada Macplast Drip Irrigation Systems Ltd.	44	997.90
Unifinz Capital India Ltd.	407	965.05
City Pulse Multiventures Ltd.	1,362	937.70
Aayush Art And Bullion Ltd.	1,173	889.61
Ashika Credit Capital Ltd.	1,623	882.12
Golden Crest Education & Services Ltd.	388	855.25
Arihant Foundations & Housing Ltd.	694	850.50

The rapid adoption of digital payments, e-commerce, and automation has further accelerated value-creation across sectors. As a result, several companies have seen exponential growth in market capitalisation, rewarding long-term investors with substantial returns. The emergence of new-age technology firms, the resurgence of traditional sectors like capital goods and automotive ancillaries, and the steady performance of defensive sectors such as pharmaceuticals and FMCG have contributed to this wealth-creation narrative.

The Power of Long-Term Investing

Long-term investing is one of the most effective strategies for creating significant wealth, primarily due to the power of compounding, market growth, and reduced risk from short-term volatility. Unlike short-term trading, which depends on timing the market and reacting to fluctuations, long-term investing focuses on staying invested in quality assets over decades, allowing wealth to grow exponentially.

1. Compounding: The Eighth Wonder of the World - Compounding is the process where earnings on an investment generate further earnings, leading to exponential growth over time. The key to compounding is time — the longer the investment horizon, the greater the wealth accumulation. For instance, consider an investor who puts ₹1 lakh in an equity mutual fund that delivers an average annual return of 15 per cent. In 10 years, the investment grows to ₹4 lakhs, and in 20 years, it multiplies to ₹16 lakhs. If the investor remains patient for 30 years, the same ₹1 lakh turns into an impressive ₹66 lakhs—all without adding any extra funds. This demonstrates how long-term investing benefits those who stay committed to the journey.

2. Market Growth and Economic Expansion - Over time, economies grow, businesses expand, and innovation drives productivity. Stock markets reflecting corporate performance and economic growth tend to rise in the long run. While short-term volatility exists, major stock indices like the Nifty 50 and BSE Sensex have historically delivered strong returns over decades. A great example of long-term wealth creation is

Top Multibagger Stocks of the Last 5 Years		
Company Name	Latest Market Cap. (₹ Crore)	5-Year CAGR (%)
Waaree Renewable Technologies Ltd.	8,789	218
Hazoor Multi Projects Ltd.	859	210
Artificial Electronics Intelligent Material Ltd.	422	193
Authum Investment & Infrastructure Ltd.	27,784	191
Lloyds Metals & Energy Ltd.	59,550	174
Lloyds Engineering Works Ltd.	7,620	174
PG Electroplast Ltd.	21,472	162
PTC Industries Ltd.	19,481	150
Swiss Military Consumer Goods Ltd.	696	150
Algoquant Fintech Ltd.	1,334	149

Warren Buffett, one of the world's richest investors. He started investing at the age of 11, and today, most of his wealth comes from decades of compounding. Had he tried to time the market instead of remaining invested, his net worth would have been significantly lower.

3. The Power of Staying Invested: The Wipro Story A fascinating real-life example from the Indian market is Wipro, which highlights how long-term investing can create immense wealth. In 1980, an investor who bought just 10 shares of Wipro at ₹100 per share (a total investment of ₹1,000) and stayed invested while reinvesting **dividend**s and **stock split**s would have seen extraordinary growth in their holdings. Over the years, Wipro has implemented several stock splits and **bonus** share issuances, leading to a substantial increase in the number of shares held by early investors.

Consequently, an initial investment of just 10 shares would have transformed into a holding worth several crores today! This transformation happened not because of frequent buying and selling but due to the power of compounding, staying invested in a fundamentally strong company, and benefiting from its consistent growth. Wipro's journey from a small vegetable oil manufacturer to a global IT giant reflects the long-term potential of India's stock market for patient investors.

Top Multibagger Stocks of the Last 10 Years		
Company Name	**Latest Market Cap. (₹ Crore)**	**10-Year CAGR (%)**
Lloyds Metals & Energy Ltd.	59,550	76
3B Blackbio Dx Ltd.	1,629	68
Refex Industries Ltd.	5,097	68
Tanfac Industries Ltd.	3,372	68
Tips Music Ltd.	8,496	65
Dynacons Systems & Solutions Ltd.	1,387	59
XT Global Infotech Ltd.	463	58
PG Electroplast Ltd.	21,472	57
Jaykay Enterprises Ltd.	1,778	56
Shilchar Technologies Ltd.	4,184	55

Top Multibagger Stocks of the Last 20 Years		
Company Name	**Latest Market Cap. (₹ Crore)**	**20-Year CAGR (%)**
Capri Global Capital Ltd.	13,262	44
Symphony Ltd.	7,584	44
Safari Industries (India) Ltd.	9,607	42
Choice International Ltd.	9,663	40
Bajaj Finance Ltd.	5,20,289	39
Vinati Organics Ltd.	16,505	37
Bodal Chemicals Ltd.	771	37
Caplin Point Laboratories Ltd.	14,588	37
Borosil Renewables Ltd.	6,464	37
JSW Steel Ltd.	2,35,680	37

4. Mitigating Risks and Avoiding Market Noise

Short-term market movements are influenced by various factors like economic slowdowns, geopolitical events, and investor sentiment. These fluctuations often cause panic, leading to impulsive buying and selling. However, history shows that markets recover from downturns, and long-term investors tend to benefit the most. For instance, during the 2008 financial crisis and the pandemic-triggered market crash in early 2020, the global markets tumbled sharply.

However, investors who remained invested witnessed strong recoveries and significant portfolio growth in the following years, similar to those who weathered the dot-com bubble burst in the early 2000s.

Identifying Future Wealth-Creators

Identifying future wealth-creators requires a combination of financial analysis, market research, and a keen understanding of the emerging trends. Investors should focus on companies with strong fundamentals, including consistent revenue growth, profitability, and a robust balance-sheet. High return on equity (ROE), low debt levels, and strong cash flows are key indicators of a company's ability to sustain long-term growth. Additionally, identifying industries poised for exponential growth is crucial.

Sectors such as renewable energy, artificial intelligence, fintech, healthcare, and electric mobility are witnessing rapid expansion, driven by technological advancements and changing consumer preferences. Companies at the forefront of innovation, with a clear competitive advantage and scalable business models, have the potential to become future wealthcreators. Market leadership and management quality also play a vital role. Firms led by visionary leaders with a track record of execution and adaptability are more likely to outperform.

Assessing corporate governance, transparency, and capital allocation strategies can provide insights into a company's long-term sustainability. Macroeconomic factors, including government policies, global trade dynamics, and interest rate trends, should also be considered. Companies that align with policy initiatives such as sustainability, digital transformation, and infrastructure development can benefit from regulatory support and favourable market conditions.

We are pleased to present a list of 150 wealth-creators that have delivered exceptional performance over the past five years, navigating various market fluctuations. Please note, these are not investment recommendations, and investors are encouraged to conduct their own research before considering any of the stocks mentioned.

METHODOLOGY

DSIJ 150: The Method and The Logic Extensive research has led to the selection of India's top 150 companies which have created wealth for their promoters, shareholders and the society at large. We have applied a professional approach and method in this selection process as explained below. This year's list marks Dalal Street Investment Journal's 10th year ranking of India Inc. and presenting the DSIJ 150. This is a result of a meticulously laid out process. What follows is a detailed description of the various steps that have been followed. For this study, we began with all the listed companies in India.

Since our objective was to focus on companies that have been super-achievers, a 'short period' study would not have been justified. Therefore, we spread our period of study over the past five years. A long-term study evens out any aberration in the results of any particular year and helps in providing a fair idea of long-term performance. We have deliberately left out certain categories and companies from our study of Elite 100. These include banking and non-banking finance companies. The reason for excluding banking and NBFCs from our study is due to the difference in the nature of their business and the way they should be evaluated.

The Parameters

Broadly speaking, we have sought to analyse and rank companies based on the following parameters:

- Growth
- Efficiency
- Safety
- Wealth creation.

- ### Growth

  The most important criterion for determining a company's success is, naturally, the growth that it achieves over a period of time and also its capacity for growth in the future. Growth for a company can be defined in many ways. The most important and critical among these is the top-line which is defined by the sales or revenues of the company. The next growth factor is the operating profit which defines the operational performance of the company. Then comes the net profit which defines the eventual benefit to stakeholders either to be used this year in the form of dividends or which can be invested to reap its benefit in the coming years.

- **Efficiency**

It is not only the growth that matters but also how effectively and efficiently this is achieved. The more efficiently an organisation uses its resources, the higher the value that it creates for its stakeholders. Having said that, we have measured efficiency based on the following factors - operating profit margins (OPM), net profit margins (NPM) and return on capital employed (ROCE). The OPM and the NPM together capture the efficiency of a company at the operating and the net levels, respectively. The ROCE, on the other hand, indicates how good a company is in utilising its funds. ROCE is a good indicator of a company's efficiency because it measures its profitability after factoring in the capital used to achieve that profitability. These parameters are evaluated on a relative basis for the current year.

- **Safety**
  Our recent experience shows that debt has become a big pain for many companies with the servicing cost escalating over a period of time. Therefore, we have used the debt-to equity ratio to measure the safety of capital of the company's shareholders.

- **Wealth Creation**
  The ultimate objective of any organisation is maximising the shareholder's return. Hence, this had to be one of the criteria for our study. To evaluate companies on this front, we have looked at the movement of the share prices in the last five years after adjusting for splits and bonuses. We have considered a total return given by these companies and not just a simple price return. This is because the total return captures both the capital gains and the income generated from dividends. The latter provides a much more complete picture of performance — especially for stocks that have high dividends.

The Ranking Method

After having laid out the data according to the various parameters as discussed above, we embarked on the final step of ranking these companies. We have carefully assigned weights to each of the parameters. Even within that, companies in different stages of their evolution have been assigned weights according to the requirement. This led us to the creation of two broad categories. One, where we considered companies with a market capitalisation over ₹10,000 crore and another, where we considered companies with a market capitalisation of less than ₹10,000 crore but exceeding ₹1,000 crore.

Accordingly, a higher weight has been assigned to the growth factor in the case of companies with a market capitalisation of more than ₹10,000 crore, the reason being that these companies are far ahead on the safety curve. They have been in the business for a greater duration and have achieved critical mass by now. What is important in their case is the growth factor that will propel them into the next orbit. Safety and efficiency have been assigned an equal weightage for the same reasons as mentioned above.

On the other hand, growth and safety have been weighted at an equal level in the case of companies with a market capitalisation of less than ₹10,000 crore but over ₹1,000 crore. Shareholder returns have been given due consideration for both categories. Based on all these factors, a final composite ranking of companies in both the categories were arrived at. This gave us a list of the top 50 companies in the first category (market capitalisation above ₹10,000 crore), which is our 'Super 50' club. The top 100 companies in the second category make up our 'Elite 100' group.

Super 50 Wealth Creators

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