INDIA VALUE CREATORS REPORT 2025

Leading the pack: India's path to continued outperformance

By Kanchan Samtani, Akshay Kohli, Sambhav Jain, Vinayak Jain, Nikhil Khaitan, Kanishak Gilotra

Over the last decade, India has emerged as the leading capital markets performer globally from a shareholder value creation perspective -- delivering the highest average annual total shareholder return (TSR) among all major economies. This report explores the strategic, financial and structural drivers of this sustained outperformance, grounded in BCG's proprietary TSR methodology and extensive experience advising leading Indian companies for decades. We analyze the sectors, company archetypes, and corporate strategies that have created the most value, and outline a forward-looking set of priorities for CEOs, CFOs, Boards and Leadership Teams to navigate an increasingly uncertain and demanding capital markets environment to chart the next decade of India's leadership. India's capital markets are no longer just a reflection of domestic macro momentum -- they are a global benchmark for strategic ambition, focused execution and investor value creation ... and the bar has been set higher than ever.

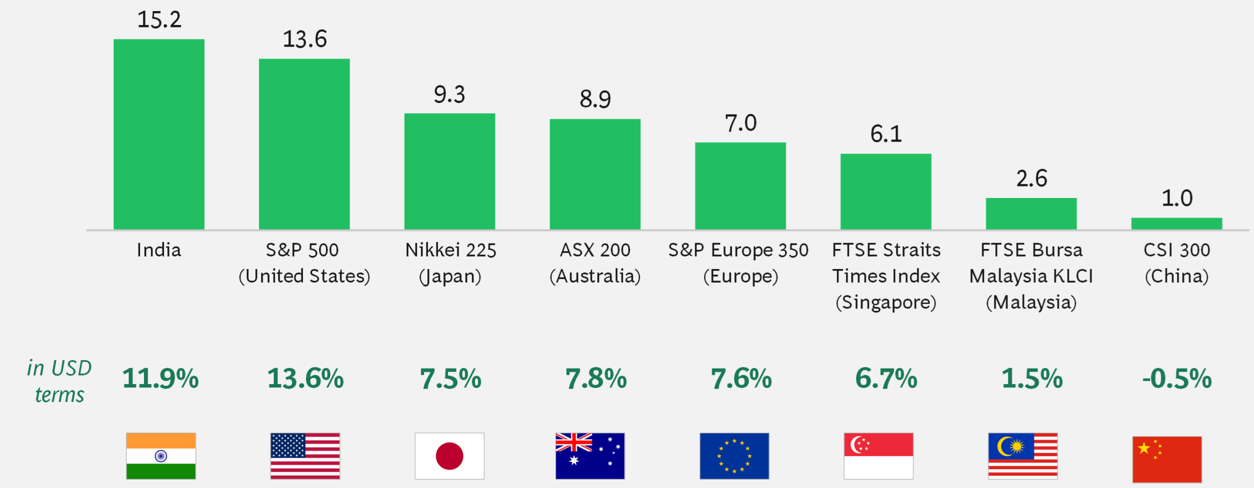
India's capital markets have been at the global forefront

India has achieved the highest total shareholder return (TSR) performance among any major economy over the last 10 years, delivering 15.2% average annual TSR from 2015 to 2025. This surpasses both developed market benchmarks like the S&P 500 (13.6%) and the S&P EU350 (7.0%), while also outpacing every other region in Asia-Pacific, including Japan (9.3%), Singapore (6.1%), Malaysia (2.6%), and China (1.0%).

EXHIBIT 1

At the global apex: India leads on total shareholder return (TSR)

10-year average annual TSR (%), June 2015 to June 2025 (reported currency)[1]



Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis.
[1] TSR was measured from June 30, 2015, through June 30, 2025, in the reported currency. TSR for India is based on month-over-month returns weighted by market capitalization for companies that met the study's criteria for inclusion, sample includes 550 Indian companies: publicly listed Indian companies representing 95% of total market cap, excl. companies with <20% float or <5 yrs trading history

India's sustained outperformance is not just a story of top-line (revenue) growth. It is one of the only economies in the Asia-Pacific region where revenue growth has been accompanied by both improvement in margins and increase in valuation multiples. This is in sharp contrast to markets like Singapore, Malaysia, and China, where multiple compression and margin erosion have offset TSR contribution from top-line growth.

As such, India's TSR leadership is not just impressive but is structurally healthier, reflecting a market where capital is being productively and efficiently deployed, and where investors exhibit confidence in the quality of future earnings and free cash flows.

EXHIBIT 2

TSR in India has been delivered through combination of top-line growth + margin improvement + increase in valuation multiples

Contribution to average annual TSR[1] (%), June 2015 to June 2025

1. TSR disaggregation is based on a rolling average of five-year TSR disaggregation of Index constituents over the past decade—that is, the average of TSR disaggregation factors for June 2015-2020, 2016-2021, 2017-2022, 2018-2023, 2019-2024, and 2020-2025, based on the last 12 months' financials ending in March for each period; sample for India includes 550 companies : listed Indian companies representing 95% of total market cap, excl. companies with <20% float or <5 yrs trading history; 2. TSR was measured from June 30, 2015, through June 30, 2025, in the reported currency. TSR for India is based on month-over-month returns weighted by market capitalization; and for other regions it was based on the respective index 3. Median of revenue growth, change in net-income margin, change in PE multiple and FCF contribution will not add up to total TSR since these represent median numbers

Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis

The forces driving India's winning capital markets performance

India's capital markets outperformance is not a unidimensional narrative -- it has been driven by a combination of clear, powerful structural trends. From among many, there are three that particularly stand out:

- A shift in sectoral leadership toward capex- and innovation-led industries
- The consistent outperformance of family-owned companies
- A significant uptick in IPO activity and post-listing maturity

Together, these forces reflect how India's markets have evolved relative to other regions, in terms of where value is created, who creates it, and how capital is amplified to drive that value creation.

1. Sectoral rotation in India's next wave of value creation engines

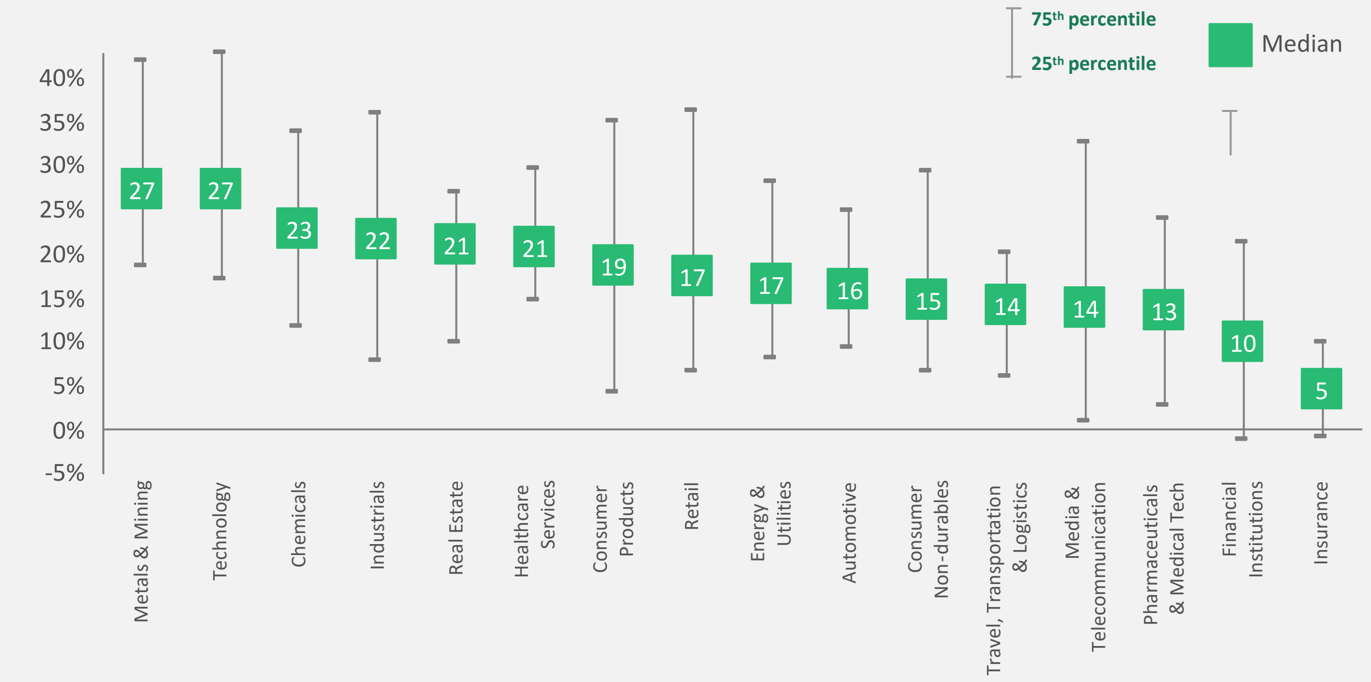
Over the past decade, India's capital markets have delivered strong and sustainable TSR across a variety of sectors. But the most consistent value creation has come from a distinctive set of industries: those that are either capital-intensive with structural tailwinds, or tech-led and innovation-driven.

Sectors such as Industrials, Technology, Metals & Mining, and Healthcare Services have been among the top TSR performers over the last 10-year period. In contrast, more traditional sectors like Retail, Consumer Non-Durables, and Financial Institutions have delivered lower relative TSR, despite their historical dominance in India's equity markets.

EXHIBIT 3

Capex-intensive and technology sectors have led India's value creation over the past decade

Average of 5-year rolling TSR median (%), June 2015 to 2025[1,2]



Inter-quartile range[3]	23.2%	25.8%	22.1%	28.0%	17.1%	15.0%	30.8%	29.7%	20.1%	15.6%	22.7%	14.0%	31.8%	21.0%	22.4%	10.8%

Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis.

1. TSR is based on a rolling average of five-year TSRs over the past decade—that is, the average of TSR for June 2015-2020, 2016-2021, 2017-2022, 2018-2023, 2019-2024, and 2020-2025; 2. Total 550 companies across sectors - publicly listed Indian companies representing 95% of total market cap, excl. companies with <20% float or <5 yrs trading history; Industrials include sectors such as Construction & Engineering, Aerospace & Defense, Construction materials, Building Products, Heavy Electrical Equipment, Electrical Components & Equipment and Multibusiness; Chemicals include Specialty Chemicals, Commodity Chemicals, Fertilizers & Agricultural Chemicals; 3. Difference between top and bottom quartile

To understand these dynamics more clearly, we looked at different rolling 5-year periods within the last decade.

This comparison reveals a marked re-ordering of sectoral leadership:

EXHIBIT 4

TSR leadership by sector has shifted over the last decade

Rankings based on respective 5-year average annualized TSR

Sector	2014-2019	2015-2020	2016-2021	2017-2022	2018-2023	2019-2024	2020-2025
Metals & Mining	15	10	1	7	2	1	1
Industrials	5	13	10	9	3	2	2
Technology	11	8	3	1	1	3	3
Healthcare Services	10	11	7	5	4	7	4
Real Estate	13	6	9	6	6	5	5
Travel, Transportation & Logistics	7	14	15	11	12	10	6
Energy & Utilities	12	12	11	13	10	4	7
Automotive	4	9	12	14	14	6	8
Financial Institutions	9	15	14	16	16	14	9
Chemicals	2	1	2	3	5	8	10
Consumer Products	1	3	4	2	11	13	11
Retail	6	7	5	4	8	12	12
Media & Telecommunication	14	5	13	10	9	9	13
Pharmaceuticals & Medical Technology	8	4	8	12	15	11	14
Consumer Non-durables	3	2	6	8	13	15	15
Insurance	16	16	16	15	7	16	16

Above median   Below median

Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis.
Based on average of TSR for June 2014-2019, 2015-2020, 2016-2021, 2017-2022, 2018-2023, 2019-2024, and 2020-2025
Total 550 companies across sectors - publicly listed Indian companies representing 95% of total market cap, excl. companies with <20% float or <5 yrs trading history

- Industrials climbed from the bottom tier to the top three TSR sectors. This was driven by a multi-year manufacturing push supported by Production-Linked Incentive (PLI) schemes, sustained infrastructure capex, and tailwinds from defense modernization and the broader "Make in India" program -- all contributing to capacity creation and stronger capital productivity
- Metals & Mining maintained strong TSR performance, reflecting a combination of global demand recovery, anti-dumping and regulatory reforms, and renewed domestic infrastructure investment. Pricing discipline and improved operating leverage also bolstered investor confidence
- Technology[1] continued to deliver resilient TSR through the cycle, supported by scalable digital business models, export orientation, and investor confidence in India's global IT leadership. Continued demand for digitization and productivity-driven tech spend also served as structural anchors. That said, shorter-term headwinds are emerging in the IT sector --- large services firms face margin pressures, slower discretionary spending among global clients, and the structural transition to automation and AI-driven services is deflationary for traditional models
- The Chemicals sector was the TSR frontrunner in the early part of the decade, benefiting from global supply chain shifts and export growth. But as margins compressed and growth[1] moderated post-2022, TSR normalized, bringing the sector back to mid-ranking levels

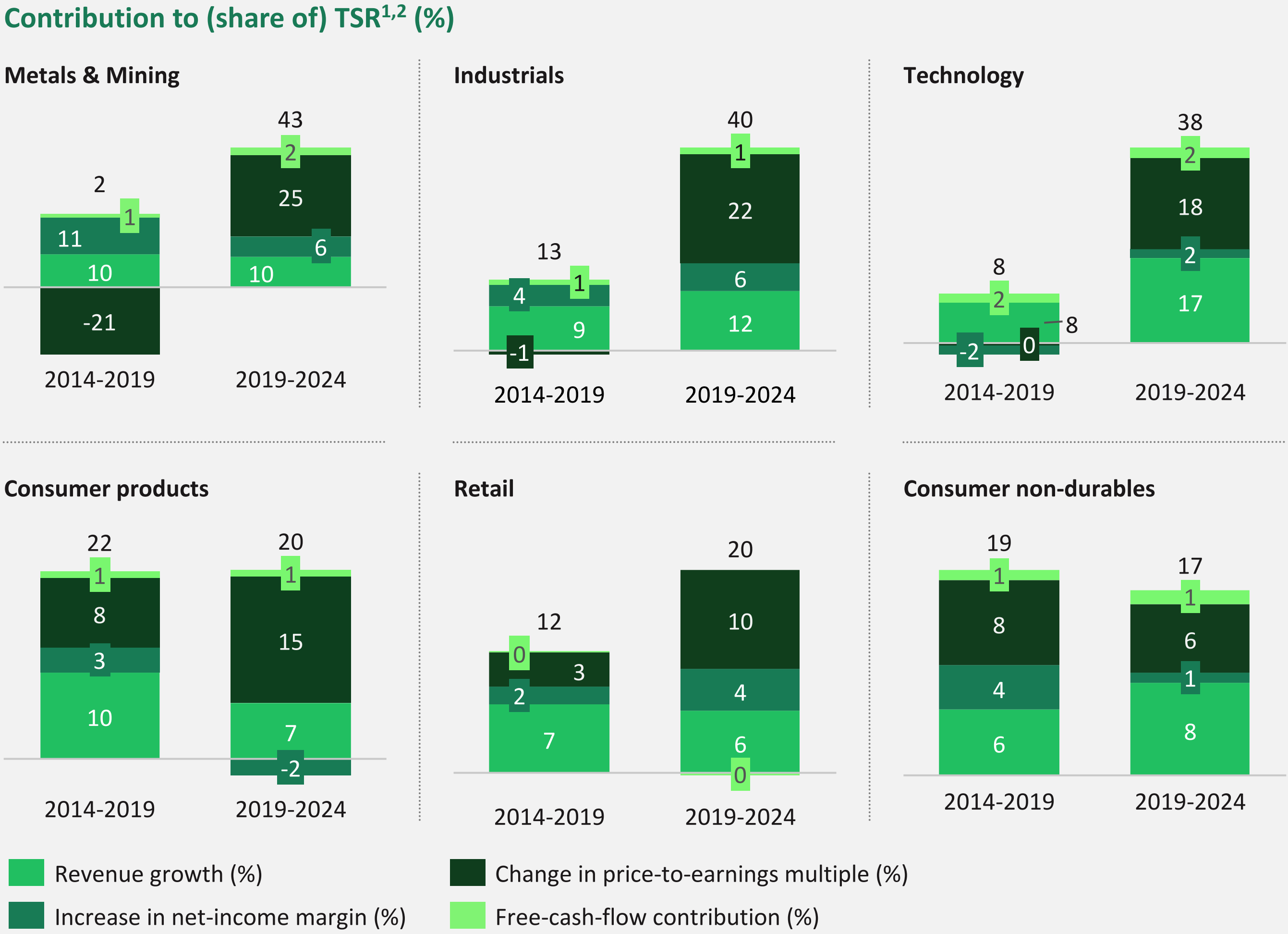
This shift reflects an evolution in how India's markets perceive long-term value creation. Sectors that combine high reinvestment intensity and structural tailwinds, such as renewables, manufacturing-linked industries, and tech platforms, are increasingly at the forefront of the markets. Many of these sectors have benefited from targeted policy support. For instance, India's PLI schemes have directed large-scale investments toward solar module manufacturing, advanced battery storage, electronics, and auto components, creating visibility for capacity expansion and global integration.

A disaggregated TSR view reveals that across the top-performing sectors over the most recent five-year period[2], a larger share of delivered TSR is attributable to multiple expansion compared to the preceding period. This suggests that capital markets are increasingly pricing in long-term growth potential, underpinned by structural drivers and improving sector-specific investment theses.

[1] Some new-age tech firms such as Zomato, Nykaa, Swiggy, PB Fintech, etc. are not included in the core sample, as their listings occurred post-June 2021 and fall outside the minimum 5-year trading history criteria as of June 30, 2025. While not part of the current analysis set, their emergence reflects growing investor interest in tech-based business models.
[2] TSR disaggregation done for 2014-19 and 2019-24 periods to eliminate the valuation impact anomaly seen during 2020 due to COVID

EXHIBIT 5

Multiple-led TSR indicates structural conviction in top performing sectors



Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis.

1. TSR disaggregation is based on a five-year TSR disaggregation over two periods —June 2014-2019 and 2019-2024, based on the last 12 months' financials ending in March for each period; 2. TSR disaggregation done for 2014-19 and 2019-24 periods to eliminate the valuation impact anomaly seen during 2020 due to COVID

2. Family-owned companies: the compounding value creators of India's economy

One of the most striking patterns in India's capital markets is the **systematic outperformance of family-owned companies (FOs).**

- FOs delivered **20.7% average annual TSR,** outperforming all non-family-owned (NFO) companies by **640+ bps**
- Even when adjusting for PSU and foreign-owned constituents in the sample, the outperformance holds

Family-owned firms consistently outperform their non-family-owned counterparts on TSR -- across sectors, sizes, and vintages. This is not just a function of control, but of a distinct ownership and value creation philosophy that public markets increasingly reward. Three characteristics of this value creation outperformance stand out:

- **Long-term reinvestment philosophy over nearer-term value extraction focus**

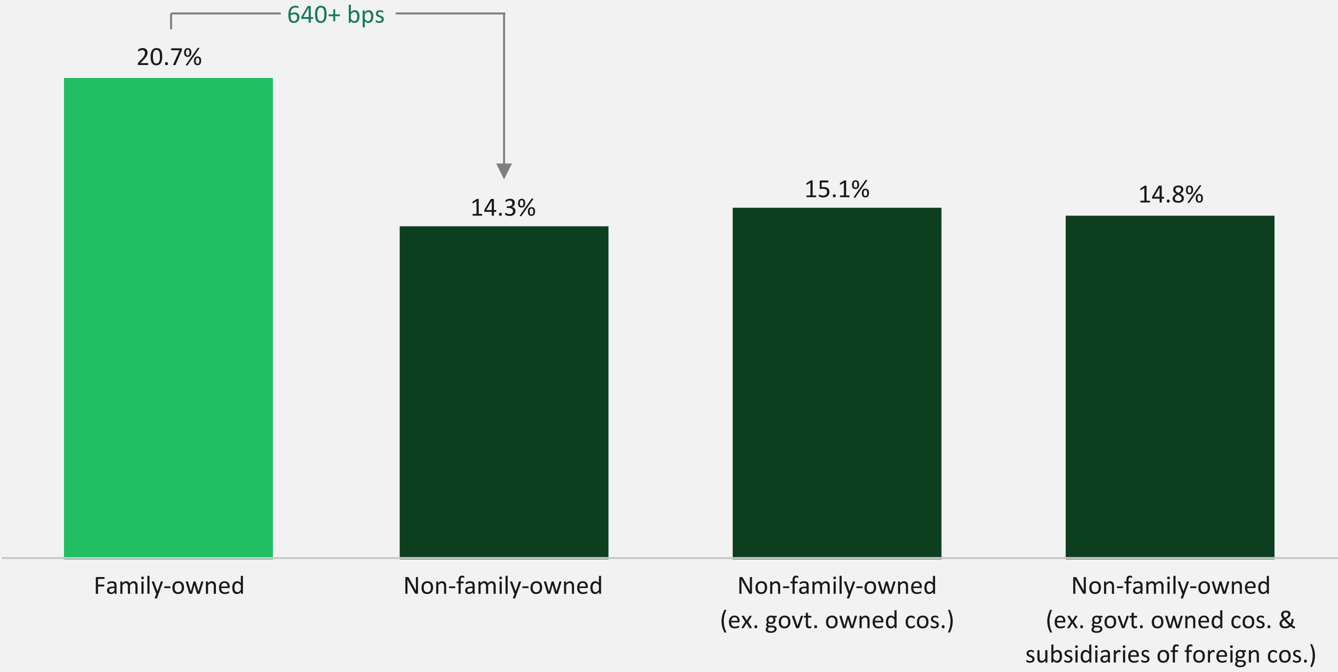
  FO firms show a clear bias toward driving long-term revenue growth, with top-line CAGR consistently higher than that of NFO firms. This growth is not incidental but is backed by higher capex as a percentage of revenue, reflecting a deliberate choice to reinvest rather than optimize for short-term earnings or returns.

  This mindset, rooted in the idea of creating multi-generational value, gives these firms the conviction to "look through" industry and market cycles, deploy capital with a long-term horizon, scale into business adjacencies and new frontiers, and build platforms that compound returns over time.

EXHIBIT 6

Family-owned firms lead India's TSR story with a 640+ bps edge

Average of 5-year rolling TSR median (2015-2025)[1]



N[2] =	343	207	149	101

Sources: S&P Capital IQ; BCG ValueScience Center; BSE India; BCG analysis.

1. TSR is based on a rolling average of five-year TSRs over the past decade—that is, the average of TSR for June 2015-2020, 2016-2021, 2017-2022, 2018-2023, 2019-2024, and 2020-2025; 2. N is based on a sample of 550 Indian companies - publicly listed Indian companies representing 95% of total market cap, excl. companies with <20% float or <5 yrs trading history; Companies with >35% promoter holding (excluding government-owned companies & subsidiaries of foreign companies) classified as family-owned ("FO") companies, the remaining companies in sample all classified as non-family-owned ("NFO")

- **Greater ability to "look through" quarterly public market windows and pressures**

  Unlike many NFOs, family-owned firms are often less guided by near-term quarterly market noise or short-term reporting windows. This allows them to stay focused on long-term priorities, often continuing capex plans, transformation agendas, or restructurings even when near-term TSR may be under pressure.

  FO firms tend to have lower cash payout ratios, preserving more internal cash flow accruals for growth reinvestment. This "freedom" aligns with a promoter mindset focused on long-term value creation over near-to-medium-term share price appreciation, a characteristic increasingly valued in today's markets that hold a very high bar on capital allocation discipline.

- **Active portfolio management including strategic diversification appetite**

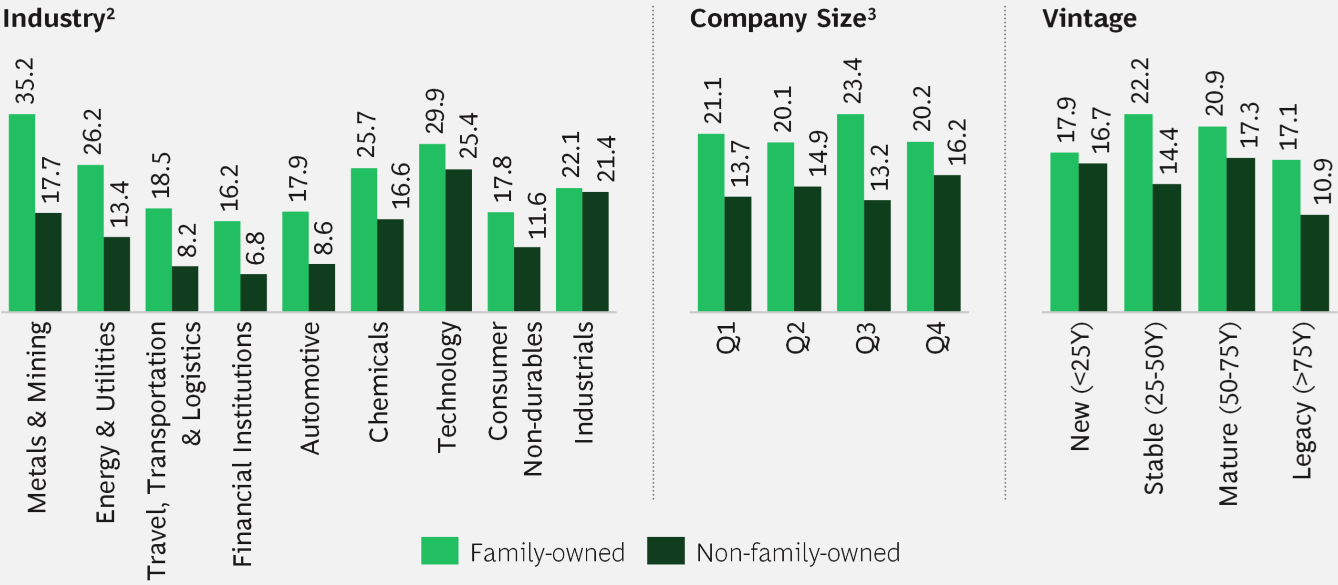
  While many FO firms start with a single-business legacy, many successful ones show a consistent pattern of disciplined diversification anchored on overall group value creation. Over time, they evolve into multi-business platforms, expanding across adjacencies, foraying into new frontiers, or even separating businesses (spin-offs, carve-outs, IPOs, etc.), all while maintaining tight control over capital and governance.

  This ability to grow without diluting strategic clarity or capital efficiency makes FOs particularly attractive to long-term investors as strong stewards of capital.

EXHIBIT 7

Family-owned outperformance consistent across sectors, sizes, vintages

Average of 5-year rolling TSR median[1] (2015-2025)



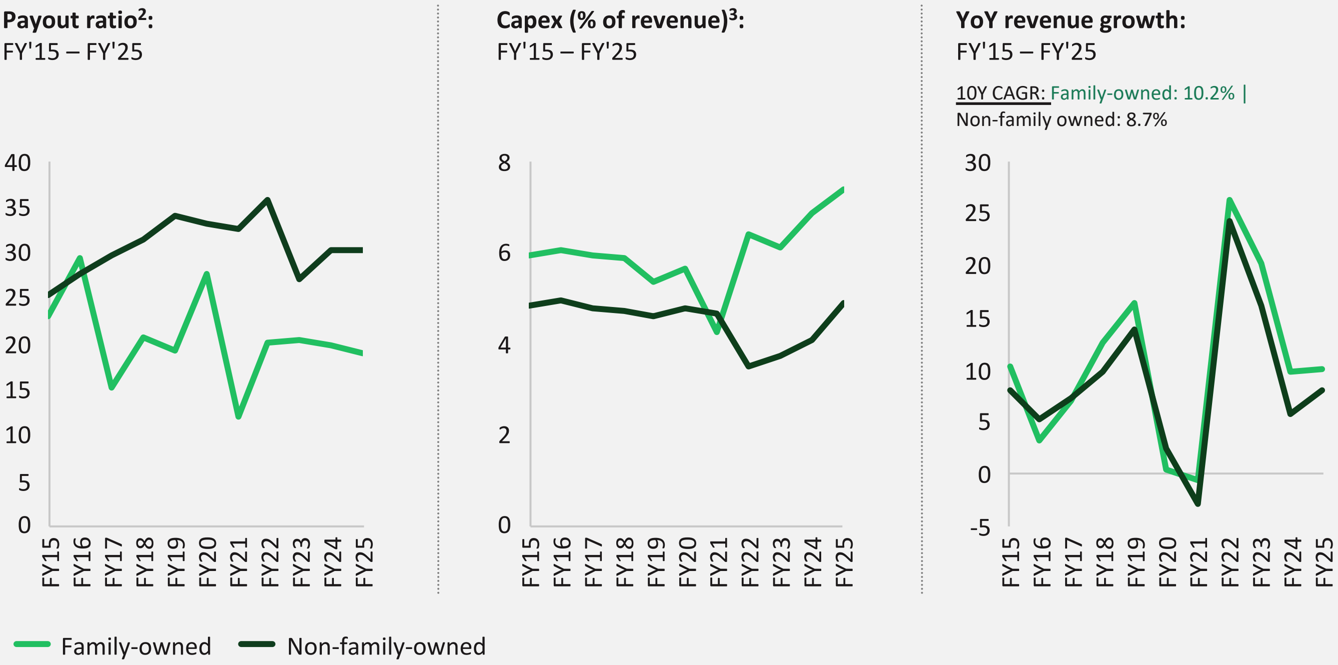
Sources: S&P Capital IQ; BCG ValueScience Center; BSE India; BCG analysis

[1] TSR based on a rolling average of five-year over the past decade—that is, the average of TSR for June 2015-2020, 2016-2021, 2017-2022, 2018-2023, 2019-2024, and 2020-2025; [2] Only industries with N>5 in both FO and NFO categories are considered; [3] Quartiles are defined by market caps

EXHIBIT 8

Family-owned firms lead with long-term reinvestment orientation

Capital intensive industries[1]



Sources: S&P Capital IQ; BCG ValueScience Center; BSE India; BCG analysis

[1] Capital-intensive industries include industries with 10Y average Asset Turnover Ratio (Revenue/Total Assets) under 1x: Metals & Mining; Energy & Utilities; Industrials; Media & Telecom; Pharma & MedTech; Travel, Transportation, and Logistics; Healthcare Services; Chemicals; Real Estate [2] Payout Ratio = Total Payouts/Net Income, Total payouts = Dividends + Buybacks; [3] Capex (% of revenue) = Adj. Capex/Revenue, Adj. Capex = Capex + Cash Acquisitions + Divestitures;

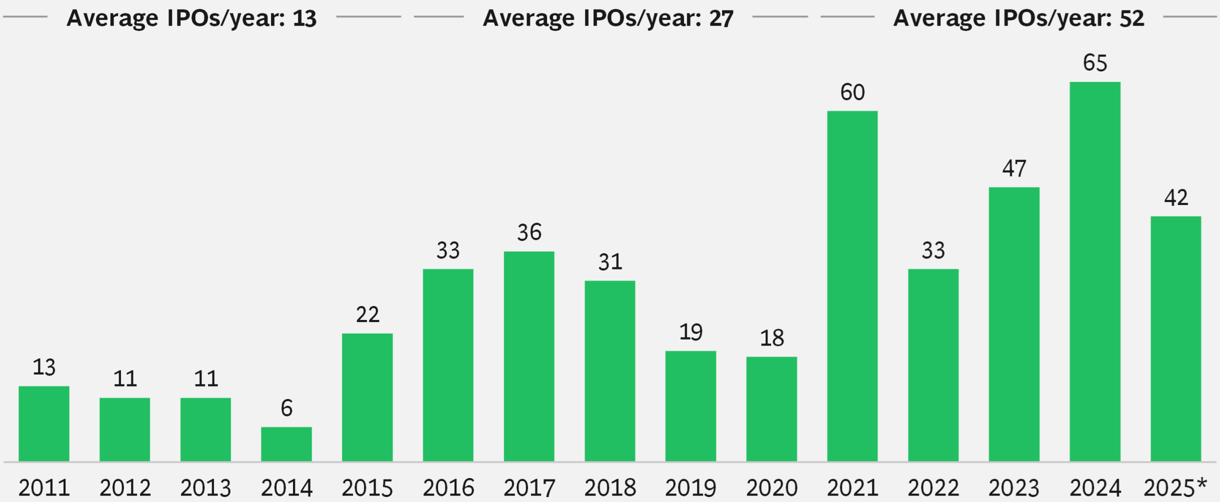
3. IPOs: From "exit events" to vehicles of public market value creation

India's IPO market has undergone a notable transformation in the last five years. The shift is not only in volume but also more importantly in the strategic role IPOs now play in long-term value creation.

EXHIBIT 9

IPO activity has seen an increase over the last decade

# of IPOs (per year) over the past 15 years[1]



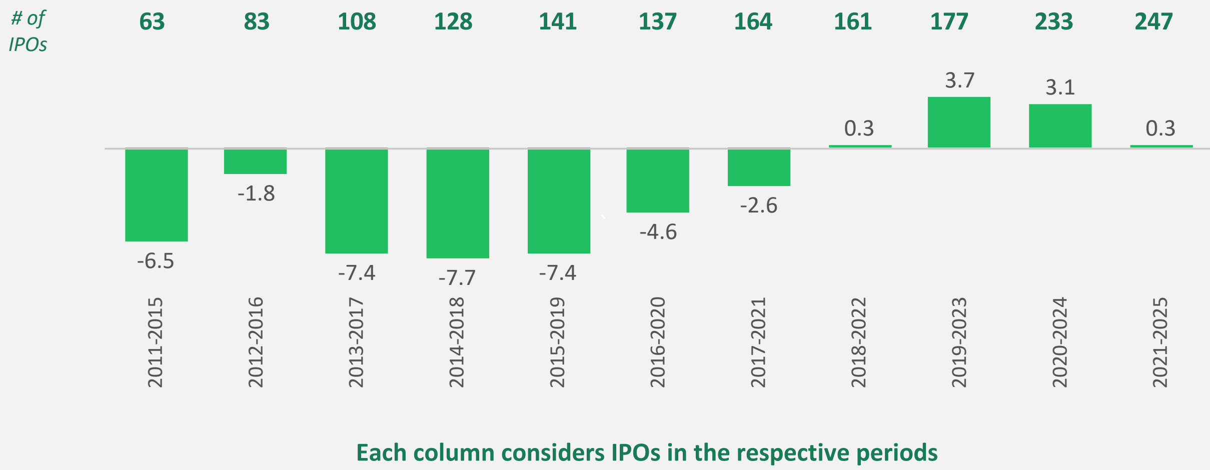
Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis; [1] Analysis covers companies (total 447) listed in the past 15 years via IPO, including only those with either (a) a 5-year average market capitalization post-listing above ₹2000 crore, or (b) a latest market capitalization (as of 30 Sep, 2025) above ₹2000 crore; *2025 covers nine months until 30 September

2024 saw a record 65 IPOs (only IPOs with >₹2,000 Cr market cap -- either 5-year average post-listing or latest as of September 30, 2025 included), the highest in 15 years and spanning industrials, technology, chemicals, healthcare, and consumer-facing sectors. But volume alone only tells part of the story. The more important shift has been in post-listing performance and investor support.

EXHIBIT 10

Post-IPO performance has improved significantly in recent years

Return relative to BSE Sensex over 3-year period post listing, across different time periods[1] (%)



Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis; [1] Analysis covers companies (total 447) listed in the past 15 years via IPO, including only those with either (a) a 5-year average market capitalization post-listing above ₹2000 crore, or (b) a latest market capitalization (as of 30 Sep, 2025) above ₹2000 crore

India’s IPO market has matured significantly in recent years, not just in scale, but in how companies prepare for and participate in public markets. Recent listings have delivered stronger returns than IPO cohorts from a decade ago, marking a clear reversal in the historical trend of relative underperformance.

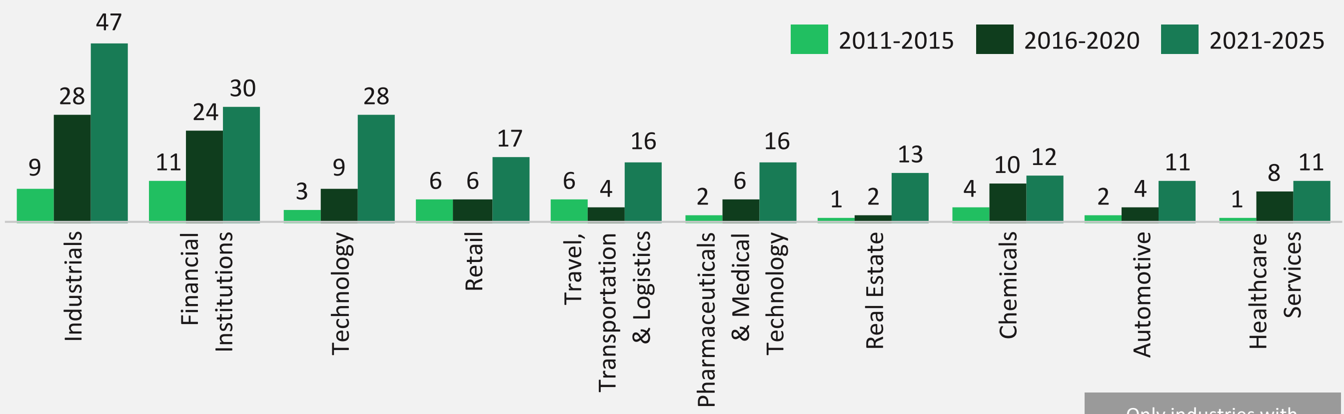
The sectoral mix of IPOs has also evolved in line with broader value creation trends. The most significant increase in IPO activity over the last five years has been in sectors that have also outperformed in TSR terms, such as Industrials and Technology. For instance, Industrials saw 47 IPOs between 2021 and 2025, up from just 9 in the 2011–2015 period. Technology IPOs also saw a marked increase from 3 IPOs in the 2011–2015 period to 28 IPOs between 2021 and 2025. This suggests that companies in high-TSR sectors are increasingly using the public markets not just as an exit pathway, but as a platform for long-term value creation and capital access.

This convergence of TSR leadership and IPO momentum underscores a virtuous cycle, where strong sector tailwinds, credibly advantaged business models, and investor confidence all reinforce each other. It also reflects how India’s capital markets have matured: rewarding companies that are both well-positioned from a sectoral and structural perspective in their path to going public.

EXHIBIT 11

IPO momentum has aligned with top TSR sectors in the past five years

# of IPOs per industry[1]



Only industries with N>=10 in 2021-2025 period

Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis;

1. Analysis covers companies (total 447) listed in the past 15 years via IPO, including only those with either (a) a 5-year average market capitalization post-listing above ₹2000 crore, or (b) a latest market capitalization (as of 30 Sep, 2025) above ₹2000 crore; *2025 covers 9 months until 30 Sep

Another key driver of this trend has been the rising share of private equity–backed IPOs. Between 2021 and 2025, 31 of the top 50 IPOs were backed by financial sponsors, up from just 20 between 2011–2015. While TSR outcomes for these firms have varied, PE-backed listings have consistently raised the bar on what it means to be IPO-ready, with cleaner structures, professional management, clearer investor narratives, and stronger governance. Even non-sponsored companies are increasingly adopting similar IPO preparation playbooks, often guided by strategic consultants, investment banks, and internal corporate development teams who more sharply define “what good looks like”.

Today, India’s public markets are not just IPO-friendly, they are IPO-savvy. Investors are more discerning in how they price-in readiness, credibility, and clarity with greater precision. Companies that are well-prepared are not only more likely to succeed in listing but are also more likely to sustain post-IPO performance beyond the event itself. And while the playbook is becoming more visible, it is not yet evenly applied. Many companies still approach IPOs primarily as liquidity events and single point-in-time episodes, without using the opportunity to bolster their equity story, optimize corporate structure, expand their TSR strategy, and professionalize executive teams and governance processes. For those firms that do not embrace this “readiness journey”, the gap is not in potential, but in preparation and execution.

As more firms adopt this “IPO readiness” mindset, the playbook will become more mainstream, but as will the markets’ expectations rise. In this new environment, preparedness won’t be a differentiator but will instead become table-stakes.

India’s Top 50 Value Creators: Learning from the Leaders

To distil what has driven long-term value in the Indian public markets, we analyzed a universe of over 550 publicly listed companies which represent ~95% of India’s total public market capitalization. Based on rolling five-year TSR performance from 2015 to 2025, we identified India’s **Top 50 large cap value creators.**

EXHIBIT 12

India: Top 50 large-cap value creators by rolling average of five-year TSR

Company name	Industry	June 2025 market cap ($ millions)	5Y rolling TSR (%)[1]	Rank
Hitachi Energy India	Heavy Electrical Equipment	10,398	89	1
Rail Vikas Nigam	Construction & Engineering	9,668	84	2
Adani Enterprises	Multibusiness	35,242	80	3
Max Healthcare Institute	Healthcare Services	14,454	80	4
Dixon Technologies (India)	Electronic Manufacturing Services	10,565	70	5
Hindustan Aeronautics	Aerospace and Defense	37,974	62	6
BSE	Financial Institutions	13,306	58	7
Polycab India	Electrical Components and Equipment	11,496	58	8
Adani Energy Solutions	Energy & Utilities	12,350	55	9
Adani Power	Energy & Utilities	26,342	51	10
Bharat Dynamics	Aerospace and Defense	8,305	51	11
Varun Beverages	Consumer Non-durables	18,040	50	12
Trent	Retail	25,778	47	13
Persistent Systems	Technology	10,514	46	14
CG Power and Industrial Solutions	Electrical Components and Equipment	12,162	42	15
SRF	Chemicals	11,215	39	16
Adani Total Gas	Energy & Utilities	8,666	37	17
Solar Industries India	Aerospace and Defense	18,568	35	18
JSW Energy	Energy & Utilities	10,624	32	19
Tata Consumer Products	Consumer Non-durables	12,679	32	20
Jindal Steel	Metals & Mining	11,201	32	21
Bajaj Finance	Financial Institutions	67,748	32	22
Bharat Electronics	Aerospace and Defense	35,942	31	23
Muthoot Finance	Financial Institutions	12,283	30	24
Cholamandalam Investment and Finance Company	Financial Institutions	15,967	30	25
Info Edge (India)	Media & Telecommunication	11,204	30	26
Torrent Power	Energy & Utilities	8,623	29	27
LTIMindtree	Technology	18,371	29	28
Abbott India	Pharma & Medtech	8,830	29	29
Divi's Laboratories	Pharma & Medtech	21,077	29	30
JSW Steel	Metals & Mining	28,960	29	31
Titan Company	Consumer Products	38,188	28	32
Apollo Hospitals Enterprise	Healthcare Services	12,141	27	33
Tata Power Company	Energy & Utilities	15,111	27	34
Coromandel International	Fertilizers and Agricultural Chemicals	8,612	26	35
Bajaj Finserv	Financial Institutions	38,252	26	36
Reliance Industries	Energy & Utilities	222,327	26	37
GMR Airports	Travel, Transportation & Logistics	10,488	25	38
TVS Motor Company	Automotive	16,169	25	39
Tata Steel	Metals & Mining	23,252	24	40
Power Finance Corporation	Financial Institutions	16,446	24	41
REC	Financial Institutions	12,355	24	42
Vedanta	Metals & Mining	20,986	24	43
Avenue Supermarts	Retail	33,174	24	44
Siemens	Multibusiness	13,501	24	45
Godrej Properties	Real Estate	8,229	24	46
ABB India	Industrials	15,015	23	47
Bajaj Holdings & Investment	Financial Institutions	18,667	23	48
The Indian Hotels Company	Travel, Transportation & Logistics	12,617	22	49
ICICI Bank	Financial Institutions	120,306	22	50

Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis; Notes: The analysis covered 129 companies representing ~70% of India's total market capitalization, excluding those with <5 years of listing history or <20% public float; [1] TSR is based on a rolling average of five-year TSRs over the past decade—that is, the average of TSR for June 2015-2020, 2016-2021, 2017-2022, 2018-2023, 2019-2024, and 2020-2025; Sectors such as Construction & Engineering, Aerospace & Defense, Construction materials, Building Products, Heavy Electrical Equipment, Electrical Components & Equipment and Multibusiness are classified as Industrials elsewhere in the report

The Top 50 large cap value creators in India over the last decade reflect the same shifts seen in the broader market: a strong presence of firms from capital-intensive and policy-backed sectors such as Industrials and a skew toward promoter-driven models (34 out of 50 companies). Together, these 50 companies span 15+ sectors and include both FO and non-FO firms, suggesting that while outperformers come in many shapes and sizes, the market continues to reward long-term growth orientation, capital discipline, and strategic clarity.

But let us unpack what sets the Top 50 apart and what this means for the future course of value creation in India's capital markets?

While these firms vary in size and sector, a few consistent patterns emerge. Based on the behaviors of these top-performing firms and emerging investor expectations of the Indian capital markets, we outline five imperatives for CEOs, CFOs, Boards and Leadership Teams:

1. Streamline the business portfolio and simplify the corporate structure

Capital markets today reward focus not fragmentation. One of the clearest patterns observed among India's top TSR performers is a willingness to rethink and reshape the portfolio while also reconfiguring the corporate structure to unlock long-term sustainable value. These companies lead with strategic clarity, reduce internal complexity, and channel capital into platforms where there is a clear right to win.

But sharpening the portfolio often requires more than just business strategy choices and financial policy decisions. In many cases, corporate structure is the enabler (or the bottleneck). Cross-holdings, "trapped" subsidiaries, or over-leveraged sub-entities can delay or dilute value creation. Simplifying the corporate architecture becomes essential to unlocking growth, accessing capital, strengthening the balance sheet and enabling long-term value-led transformation.

As one CXO put it, "We knew where we wanted to go but our structure just couldn't get us there."

From the field, we see four recurring motivations for structure-related actions to support portfolio choices:

- **Unlocking trapped value** — through demergers, simplification of "Holdcos", and unbundling of legacy conglomerates
- **Scaling faster** — by creating IPO/M&A-ready entities, entering new markets, or accessing adjacencies
- **Addressing financial stress / friction** — deleveraging through divestitures, removing pledge encumbrances, or cleaning up related-party linkages
- **Solving for family roles / control dynamics** — such as stake consolidation, promoter ownership composition, next-gen preferences or investor (family or non-family) rotation

BCG's analysis of India's top 50 large-cap value creators over the past five years shows that corporate actions are not just frequent but also materially value-accretive. In total, these companies undertook 239 corporate actions, spanning mergers and acquisitions, strategic alliances, and portfolio moves.

Among these:

- **M&A transactions:** the most common category, were associated with an average excess return of 1.4% over the BSE Sensex within 30 days of announcement
- **Strategic alliances:** often underestimated, yet delivered the highest 30-day excess return of 3.0%, reflecting market enthusiasm for capability- or market-expanding moves without full acquisition risk
- **Corporate structure moves:** such as carve-outs or demergers generated a 1.1% 30-day excess return, signaling investor support for portfolio simplification and sharper capital allocation

Across all types of actions, the median 30-day excess return was 2.2% (from the date of announcement), reinforcing the idea that optimal structural moves can:

- Unlock trapped value in diversified portfolios
- Prepare high-growth units for independent scale (via carve-outs or IPOs)
- Accelerate capability building (via strategic alliances or tuck-in M&A)
- Enable balance sheet optimization or cleaner governance transitions (including family roles)

The fact that investors are rewarding these moves in real-time shows that structure and capital strategy are now tightly linked in market perception.

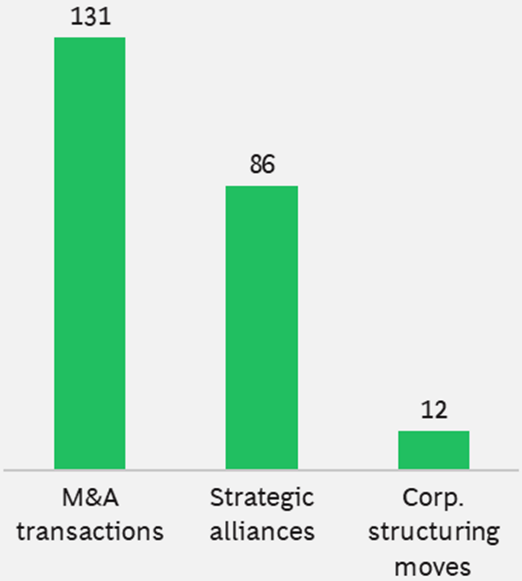
For executive teams, this translates into a focused set of actions to consider moving ahead:

- **Challenge your portfolio logic:** Clearly define where to focus and scale / optimize for value / consider exit. Ensure each business unit has a clear, standalone investment thesis, supported by segment disclosures, KPIs, and governance
- **Link strategy to capital allocation:** Your capital deployment model should follow portfolio focus, not fund everything democratically; instead, distort capital disproportionately and deliberately
- **Use corporate structure as a strategic tool:** Carve-outs, JVs, IPOs, demergers, subsidiarizations, and even controlled exits can unlock long-term value by creating more future-ready business platforms

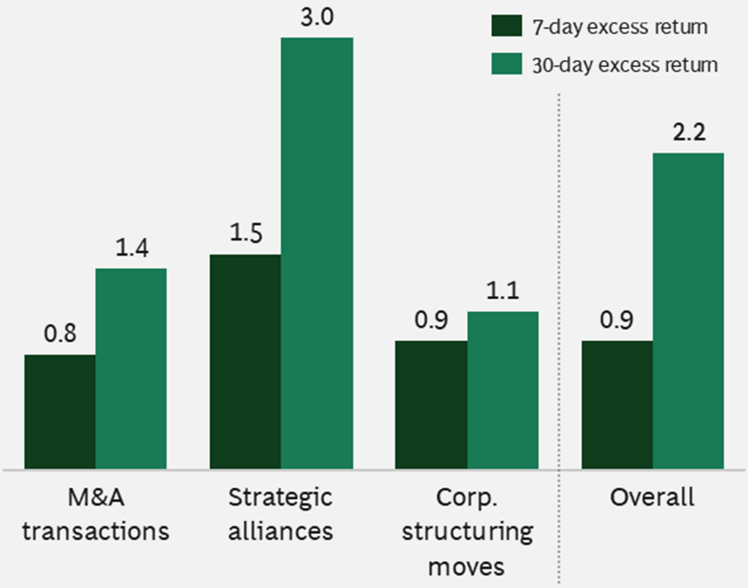
EXHIBIT 13

Corporate actions: common feature of top 50 large-cap value creators

M&A activity dominates, but alliances & portfolio moves also feature strongly[1]



Return relative to BSE Sensex over 7-day and 30-day post corporate action date[2] (%)



Sources: S&P Capital IQ; BCG ValueScience Center; BCG analysis; [1] Corporate actions undertaken over the past 5 years by top 50 large-cap value creators [2] Excess return = company 7-/30-day return from the corporate action date minus BSE Sensex return over the same period; median across each respective action and overall 229 actions

2. Grow the business with a return-generating lens and not just to increase revenue

Growth still matters and always will, but it may no longer be enough in itself. The Indian public markets have evolved from rewarding the build of pure scale to recognizing capital-efficient, profitable growth. Investors are now asking:

"Are you growing in a way that creates value (or will within a visible horizon) or just increasing size?"

And the data is clearer than it has ever been:

- 72% of top-quartile TSR companies over the past 5 years delivered both revenue growth and margin expansion (i.e., it required both these component drivers to be a top-quartile value creator)
- Only about 25% of bottom-quartile performers achieved both revenue growth and margin expansion and nearly half delivered just one of the two, either growth without profitability or margin gains without top-line momentum
- These patterns hold firm in the longer-term 10-year period as well

Value creation is no longer just a "growth story"; it is about building profitable growth businesses. Investors have recalibrated to the following tenets:

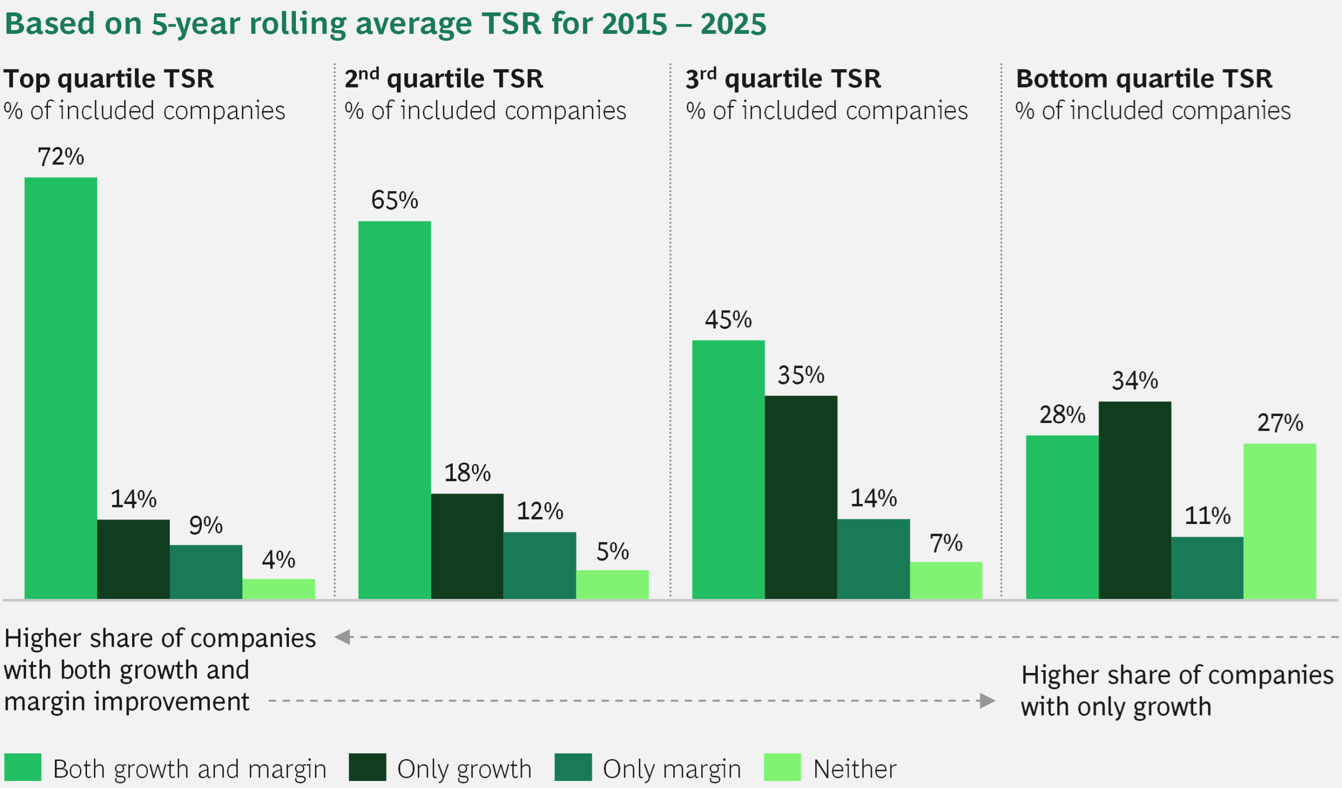
- Growth without margin or returns can constrain re-rating potential (and in some cases even lead to de-rating)
- Margin improvement with limited reinvestment suggests "growth stagnation" and these companies risk losing relevance
- Companies that consistently deliver both are being re-rated and retain investor trust even in downturns

For Leadership Teams, this translates into a focused set of actions to consider moving ahead:

- **Critically evaluate growth through a "TSR lens":** Is it profitable? Is it sustainable? Is it capital efficient? And ultimately, will it create shareholder value? If not, then why are we investing behind it?
- **Reallocate capital to high-return engines:** Divest or limit investment in margin-dilutive businesses
- **Use margin as a signal:** Margin trajectory is often a proxy for strategic clarity and operational discipline
- **Communicate growth quality:** Use your investor narrative to show why your growth will convert to TSR, not just increase scale

EXHIBIT 14

Top TSR performers combine growth with profitability



Note: Based on VCR sample of 550 companies by market cap in India
Source: S&P Capital IQ; BCG ValueScience® Center

3. Put your balance sheet to work

India's top TSR performers didn't just grow faster, they used capital more strategically. In today's environment, a strong balance sheet is not an end in itself, but a means to drive growth, resilience, and returns. What increasingly separates leaders is how they put their capital to work, not simply how much they build or retain.

In an era of rising costs of capital, investors are sharpening their lens on balance sheet productivity. Companies are expected to clearly articulate why capital is being retained and how it will create value if not deployed or returned. Idle cash is increasingly viewed as a drag unless backed by a compelling reinvestment thesis.

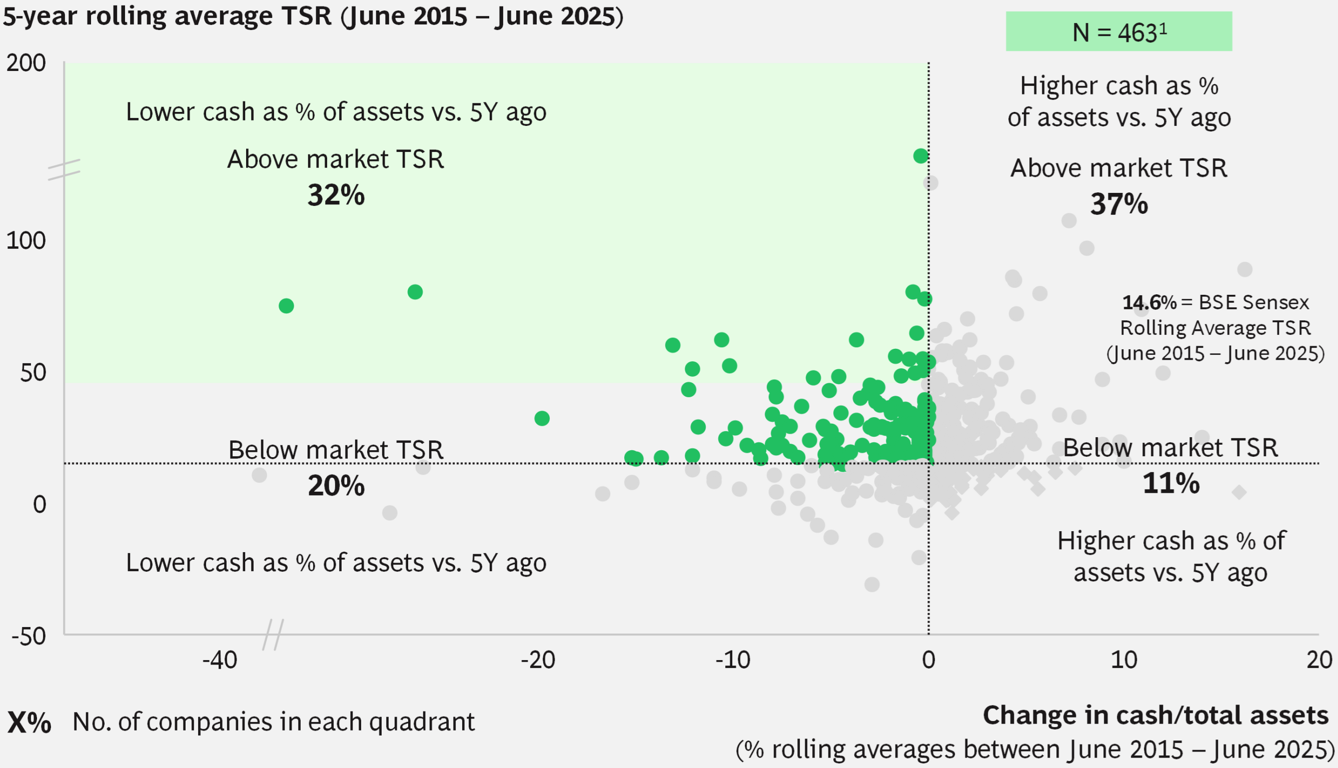
Our analysis found no positive correlation at all between increases in cash holdings (as a % of total assets) and TSR performance, reinforcing that cash-heavy balance sheets are not inherently valued; in fact, investors may view such "overly strong" (cash rich) balance sheets as inherently "lazy" and value destructive from an opportunity cost perspective.

For Leadership Teams, this translates into a focused set of actions to consider moving ahead:

- **Align balance sheet "utility" with long-term TSR delivery:** Tie your capital deployment plan directly to the ROIC-WACC spread and expected TSR impact; don't simply keep the balance sheet "healthy" without a targeted plan
- **Declare your intent clearly to the market:** Investors don't expect every rupee of cash flow to be deployed as generated, but they do expect clarity on your capital philosophy and its associated guardrails
- **Revisit your capital structure with a view to optimizing long-term:** Are you under-levered for your growth ambitions? Or over-levered without a clear path to returns? Is paying down debt early going to create value or should that cash be redeployed elsewhere to greater effect? Is your debt a constraint on the multiple?

EXHIBIT 15

"Idle" balance sheets not valued by investors



32% of companies delivered above market TSR despite cash depletion over last 5 years

1. Based on VCR sample of 550 constituents (excluding Financials and Real estate sector)
2. Change in Cash and equivalents/Total Assets based on 5Y rolling averages between June 2015 and June 2025
Source: S&P Capital IQ; BCG ValueScience® Center

4. Elevate governance to lead for the long-term

In India's capital markets, governance and leadership models are becoming real differentiators. Investors are no longer focused solely on "who owns or runs the company"; instead, they are increasingly focused on how the business is governed, how capital is allocated, and whether leadership is equipped to scale with discipline.

Outperformance is not necessarily a function of whether a company is family-led or professionally managed -- it is about how "capital markets-friendly" a company is in how it operates and behaves. Capital increasingly flows to companies that can demonstrate clarity in decision-making, accountability at all levels, leadership depth beyond the founder or CEO, and incentives that align with long-term value creation. And the urgency is rising. Globally, activist campaigns are at an all-time high, with 179[3] major events launched in the first 9 months of 2025 alone, compared to 108 in 2020 and just 56 in 2015 (excluding short-seller raids and exempt solicitations, and including only companies >$500M market cap). As India becomes more central to global investors' portfolios, we should expect this scrutiny to follow.

Governance will unfailingly shift from a compliance "checkbox" to a strategic differentiator.

Firms that lag the evolution curve on these dimensions are likely to face valuation "overhangs" even if their financial fundamentals are solid.

For Leadership Teams, this translates into a focused set of actions to consider moving ahead:

- **Move from founder-centric to system-centric leadership:** even when the founder stays involved, it is important for companies to empower teams to drive the business as one integrated leadership unit
- **Re-evaluate Board capabilities and engagement cadence:** Is the Board a sparring partner on capital allocation and risk management? How should we elevate management's engagement quality with the Board?

[3] Source: FactSet

- **Align leadership incentives with investor outcomes:** Think in terms of multi-year value creation, not single-year P&L targets alone
- **Proactively communicate governance model evolution:** Investors reward clarity and transparency, especially around leadership continuity and capital deployment oversight

5. Institutionalize investor strategy as a top-of-the-house mandate

In India's increasingly competitive capital markets, investor engagement has become a strategic advantage not a support "Q&A" function. Companies that proactively shape their equity story, target the right investor base, and communicate with clarity are being rewarded with higher multiples, lower price volatility, and more durable investor trust.

In today's environment, managing investor expectations and controlling the narrative to shape their perception is just as important as managing the P&L. The bar on public capital has become high and increasingly selective. Institutional investors are rotating portfolios faster, retail investors are more informed, and valuation cycles are tighter. As a result, **passive investor relations (IR) is no longer enough**. High-performing companies are not waiting for the markets to interpret their story, they are **owning the narrative, calibrating expectations and shaping investor perspectives.**

Synthesis of best IR practices and learnings from "exemplar" companies highlight that "best-in-class" companies clearly articulate strategic priorities and link them to long-term value creation drivers for the business.

Some of the levers that 'gold standard' companies are using include:

- **Proactive communications:** Hosting focused investor and analyst days, publishing capital allocation frameworks, and managing expectation bands
- **Taking investors along the journey:** Staging how they introduce growth bets, margin initiatives, and portfolio changes over time as opposed to one "big bang"
- **Elevated IR leadership:** Treating IR as a C-suite function often led or heavily guided by the CFO and CEO, not buried in finance or corporate communications; IR is now about **"increasing the relative valuation multiple"** not just answering questions well

EXHIBIT 16

Given uncertainty in macro environment, more important than ever to stay close to investors and shape the dialogue to align with long-term value creation …

Business strategy	Clearly articulate the business strategy/outlook Sources of advantage/growth, programs to drive performance	Be explicit with performance metrics Be optimistic AND realistic when setting expectations	Communicate the overarching "journey" Program to fuel 'step change' in momentum (CEO, CFO & BU Heads communicate with 'one voice')
Financial strategy	Lay out expected uses of cash/balance sheet health Be specific (e.g., investment needs, debt), use numbers	Provide specific details on reinvestment needs e.g., organic growth, acquisition plans and criteria, ability to payout cash if needed	Discuss achievable returns/cash generation Underscore validity of commitments
Investor strategy	Identify and message to your "natural investor type" Focus/prioritize messaging (current & future investor base)	Strengthen management credibility by delivering a series of good news Outline path to perf. improvement w/milestones (regularly report on metrics; a big bang is not needed)	Define TSR delivery model & develop '8 quarter action plan' with likely messaging Tightly integrate with overall company-level plan
Overall objective	Roadmap to driving strong & sustainable Total Shareholder Return grounded in a clear and compelling investment thesis		

Source: BCG

For Leadership Teams, this translates into a focused set of actions to consider moving ahead:

- **Articulate your equity story in a simple way:** Every line of business must have a distinct value narrative -- growth, margin, and / or capital returns
- **Train management as credible storytellers:** Founders, CEOs, CFOs, and BU heads need to communicate not just plans but positioning, progress and achievable goals
- **Make investor engagement programmatic:** Create an 8-12 quarter-by-quarter engagement calendar, aligned with capital deployment and business milestones (who should we talk to, where should we be present, etc.)
- **Qualify your current investor mix:** Do you have the right blend of growth, value, and long-only investors aligned to your business model? Does your investor base need gradual migration? How to manage the transition / churn?

Looking Ahead: The Next Differentiator - Making AI Count

While the five imperatives above are grounded in the behaviors of India's top value creators, one area stands out as the next frontier, not because it has already separated leaders from laggards, but because it is fast becoming a non-negotiable expectation of the capital markets: AI and technology must increasingly show up in results, not just roadmaps.

AI has dominated boardroom discussions and investor narratives in recent years. Yet, for most public companies, it remains disconnected from the P&L. While pilots, proofs-of-concept, and innovation labs are now common, investors are asking sharper questions:

- How will AI improve your cost structure?
- How will it unlock new revenue or margin levers?
- When will it start showing up in operating leverage?

As the capital markets evolve, the focus will shift from showcasing adoption to proving value. Companies that can embed AI into core workflows, from pricing and forecasting to procurement and customer service, and do so with ROI discipline, will begin to pull ahead. AI, in this context, is no longer a technology story, it is a capital allocation decision. The firms that treat AI as a performance lever, rather than a positioning statement, will define the next wave of value creation leadership.

For Leadership Teams, this translates into a focused set of actions to consider moving ahead:

- **Audit your AI and tech initiatives:** Are they solving for core P&L levers in the medium-term or creating more complexity?
- **Define financial KPIs for AI:** Treat AI investments like any other capital allocation area with clear returns and time-to-impact metrics (even if the parameters are different, the point is to define them)
- **Embed AI in core processes:** Prioritize integration in pricing, forecasting, procurement, customer-facing models, etc.
- **Elevate AI governance:** Technology is no longer the CTO/CIO's mandate alone; CEOs and CFOs must lead the business case and adoption discipline, and be the nucleus to permeate this across the company

Conclusion: Opportunity for India Inc. to "widen the gap" over the next decade

Over the past decade, India has not only delivered the highest shareholder returns globally but also has done so through structurally healthier and more disciplined actions. This outperformance has been underpinned by bold sectoral shifts, the committed stewardship of long-term promoters and executive teams, and a maturing capital markets ecosystem that increasingly rewards strategy, not just scale.

And as a result, the bar on capital has risen.

Investors today demand more clarity in capital allocation, more discipline in growth, more professionalism in governance, and more conviction in long-term planning. They reward companies that lead with focus, scale with returns, and communicate with transparency and accountability.

The next decade of value creation in India will not be won by riding macro momentum alone. It will be defined by how well leadership teams align business, financial and investor strategies around a common North Star: strong and sustainable TSR delivery.

The roadmap is clear and the opportunity is enormous. For India Inc., this is not just a moment to maintain leadership. It is a moment to widen the gap to the rest of the world.

Methodology

Since 1999, BCG has published annual rankings of the world's top value creators. This report marks the first edition of our India Value Creators series, focused exclusively on the Indian public markets. Our analysis covers the 10-year period from June 30, 2015, to June 30, 2025, using Total Shareholder Return (TSR) as the core metric for shareholder value creation.

TSR. TSR is a holistic performance indicator that combines capital gains with free-cash-flow contributions, including dividends and share repurchases over time. To provide deeper insight into what drives TSR, we disaggregated performance into four value drivers: revenue growth, net income margin expansion, change in valuation multiple (P/E), and free-cash-flow contribution. Our approach uses a rolling average of five-year TSR windows over the past decade, spanning six overlapping periods: 2015–2020 through 2020–2025.

The initial company universe was sourced from S&P Capital IQ, comprising approximately 4,800 listed Indian entities. We filtered this down to ~750 companies that collectively represent ~95% of India's total public market capitalization. Companies falling within the top 70% of this capital base were classified as "Large Cap," consistent with BSE's definition. We further applied two screens: companies must have (1) been listed continuously on Indian stock exchanges for at least five years, and (2) maintained a minimum public float of 20%. This yielded a final sample of 550 companies, including 129 Large Caps. For ranking purposes, we organized companies into 18 distinct industry groups including Industrials, Technology, Consumer, Pharma & MedTech, Financial Institutions, Real Estate, and others, ensuring sectoral diversity and analytical consistency.

The Top 50 rankings presented in this report are based on the average TSR performance across the six rolling five-year periods. Companies that ceased to exist due to mergers, bankruptcies, or other structural changes were excluded to maintain analytical continuity. This methodology provides a consistent and long-term lens on what truly drives sustained shareholder value creation in India's evolving capital markets.

IPO. We identified all companies listed in the past 15 years (2011–2025) and excluded those listed through spin-offs. From this universe, we included companies with either latest market capitalization (as of September 30, 2025) exceeding ₹2,000 crore or a 5-year average post-listing market capitalization above ₹ 2,000 crore, resulting in a final sample of 447 companies.

For each company, we calculated the 3-year TSR post-listing and compared it with the BSE Sensex return over the same period to derive the excess return over the BSE Sensex. For companies listed after September 2022, we measured TSR from listing to September 30, 2025, and compared it with the BSE Sensex return for the corresponding period.

FO/NFO. To compare the performance of Family-Owned (FO) and Non-Family-Owned (NFO) companies, we classified the 550 companies in our sample as follows: Companies with >35% promoter holding (excluding government-owned companies and subsidiaries of foreign companies) classified as family-owned companies -- the remaining companies in sample all classified as non-family-owned.

Sources

We used the following sources in our analysis: S&P Capital IQ; BCG ValueScience® Center; NSE, BSE.

Note: Market capitalization is shown as of 30 June 2025. Dividend yield includes cash and special dividends, spinoff proceeds, extraordinary payouts and adjustments for share splits or bonus shares. TSR disaggregation is multiplicative but presented as additive, with remainders allocated to margin and multiple change. TSRs use company reporting currency. Figures may not sum due to rounding. Share change refers to changes in outstanding shares, not price.

Disclaimer

About the Authors

Kanchan Samtani
Managing Director and Senior Partner, Mumbai
Samtani.Kanchan@bcg.com

Akshay Kohli
Managing Director and Partner, Mumbai
Kohli.Akshay@bcg.com

Sambhav Jain
Managing Director and Partner, New Delhi
Jain.Sambhav@bcg.com

Vinayak Jain
Associate Director, New Delhi
Jain.Vinayak@bcg.com

Nikhil Khaitan,
Manager, BCG ValueScience® Center, New Delhi
Khaitan.Nikhil@bcg.com

Kanishak Gilotra
Senior Analyst, BCG ValueScience® Center, New Delhi
Gilotra.Kanishak@bcg.com

For Further Contact

If you would like to discuss this report, please contact the authors.

Acknowledgements

The authors are grateful to several colleagues whose contributions were instrumental in the development of this report. We extend our sincere thanks to the BCG ValueScience® Center for their deep analytical support, methodological guidance, and continued thought leadership on the TSR topic.

We also thank Saad Arshad for his contributions throughout the process. Special appreciation goes to our design and production teams, as well as the marketing team, for their collaboration and support.

We would also like to thank Abheek Singhi, Ruchin Goyal, Amit Gandhi and Yashraj Erande for their thought leadership and valuable guidance in helping the author team shape this report.