

NEW DELHI: It looks like acche din are already here for the markets. Benchmark indices have witnessed their best period in the past 100 days after the NDA government took charge on 26 May, 2014.

Both the Sensex and the [Nifty](#) have managed to hit fresh record highs almost on a daily basis. The Sensex conquered the fresh peak of 27,000, while the Nifty breached 8,100 levels in trade on Tuesday.

Tuesday marked the 100th day since Narendra Modi was sworn in as India's 14th Prime Minister. The S&P [BSE Sensex](#) has rallied nearly 9 per cent since then.

Most of the stocks, which have rallied so far in the year 2014, are from economy-linked sectors. So, stocks in auto, consumer durable and capital goods sector have seen major heavy weight buying.

Considering the fact that most of the stocks have already rallied so far in the year 2014, are there any multi-bagger opportunities left in the market? Yes, say analysts.

First, let's discuss what are multi-baggers. A multi-bagger is a stock where one's investment appreciates by multiple times. This is the term mostly used to describe those stocks which have the potential to report explosive growth over a period of time.

"Multi-baggers are stocks which give you returns which are multiples of your investment amount. This is a terminology derived from baseball where each base covered is a bag," said Dr. Vikas Gupta, Executive Vice President, Arthveda Fund Management Pvt Ltd.

"It is something like a 'run' in cricket terminology. A home run with 4 bases is equivalent to a 'sixer'. This was a term coined by Peter Lynch, one of the most amazing fund managers and a big baseball fan," he added.

What should investors look in a company to know that it could be a multi-bagger in the coming future? According to analysts, investors should avoid taking exposure in penny stocks and companies with inconsistent track record.

Look for companies with stable business models which can generate strong cash flow even in a downturn and should have the potential to perform really well under

good economic conditions that one can expect in the next 3-5 years, say analysts.

In general, stocks, which had fundamental issues in the past, could be the potential multi-baggers.

"These kind of stocks could have lower than industry price multiples such as price/earnings, price/sales, etc. PEG ratio could also be a better idea in picking a value based multi-bagger," said Tushar Pendharkar, Equity Strategist, Right Horizons Financial Services.

"A fundamentally sound under-priced stock would always reflect less than 1.0 PEG ratio, because of continued rise in EPS and slow growth in price. The lower the PEG ratio, the more the stock might be undervalued given its bottom-line performance," he added.

**We spoke to various analysts and here's the list of their stocks which could become multi-baggers in the coming years:**

Analyst Name	Brokerage	Muti-bagger Stock Idea
Kiran Kumar	WealthRays Securities	Cox & Kings
Raamdeo Agrawal	MOFSL	Infosys, TCS, Sun Pharma, Bharti Airtel
Dr. Vikas Gupta	Arthveda Fund Management	NMDC, CIL, Bajaj Auto, Wipro, HCL Technologies, Tata Motors, Hero MotoCorp
Tushar Pendharkar	Right Horizons	Apollo Tyres, Redington India, L&T Finance Holdings, Idea Cellular
Avinnash Gorakssakar	Mintdirect.com	Indoco Remedies
Dilip Bhat	Prabhudas Lilladher	Voltas, Federal Bank, L G Balakrishnan

### **Kiran Kumar Kavikondala, Director & CEO, WealthRays Securities**

**Cox & Kings** provides a multi-bagger opportunity for long-term investors as the Budget 2014 contained significant announcements for the tourism sector as the government looked set to promote the tourism industry as indicated in its election manifesto.

For instance, e-visas facility will be introduced at 9 major airports, 5 tourist circuits on specific themes will be set up, there would be development of more airports under the PPP mode in tier-II and tier-III cities, there is a Rs 1000-crore outlay for improvement of rail connectivity in North-East, among others.

**Raamdeo Agrawal, MD & Co-Founder, MOFSL**

Where you have global advantage, it could be either pharma or it could be tech again. So we are bullish on companies like **Infosys and TCS**. May be **Sun Pharma**, may be some other company, may be even a telecom company, a **Bharti** kind of company can become very large in the next 10 years.

**Dr. Vikas Gupta, Executive Vice President, Arthveda Fund Management Pvt Ltd**

We think currently **NMDC, Coal India, Baja Auto, Infosys, Wipro, HCL Technologies, Tata Motors, Hero** etc. are some of the multi-baggers. Tata Motors might have high debt but that is in low-interest rate foreign currency and adequately supported by foreign currency earnings. Others are all zero-debt and some are sitting on large amounts of cash, that can be invested in growth opportunities, both organic and inorganic.

**Tushar Pendharkar, Equity Strategist, Right Horizons Financial Services**

There are certain stocks which have the potential to become multi-baggers, such as **Apollo Tyres, Redington India, L&T Finance Holdings, Idea Cellular**, etc.

**Ambareesh Baliga, Market Expert**

Shipping is one sector where we could see a multi-bagger going ahead and when I say a multi-bagger, it could take possibly two to three years; but, that is one space where I think one should look at buying.

Very clearly, if you see the last results, **SCI** was a clear turnaround story and it is quoting at a discount to its book value. The book value is close to 110.

So this is a stock which one can look at buying at Rs 60. At least in the medium term, we could see levels of about Rs 85 to Rs 88, but then again if you are able to hold on for the next three to four years, it should more than double.

**Avinnash Gorakssakar, Head of Research, Mintdirect.com**

In the midcap pharma space, we like Indoco Remedies. They had very strong numbers in Q1, plus the kind of visibility the company is talking, they are saying that

possibly in the next 12 to 18 months, they should be targeting a top line of close to Rs 1500 crore, which is very-very significant.

My sense is even from the current levels both from the earnings traction point of view and the kind of events, they are working on some molecules. My guess is probably a price target of Rs 325-350 over the next one year.

**Dilip Bhat, Joint MD, Prabhudas Lilladher**

**Voltas** is one stock which has run up. Over the next three to four years, this stock can certainly be a multibagger from the current levels.

**Federal Bank** is a stock which probably in three to four years can go up two or three times.

**L G Balakrishnan** is another stock which is really doing pretty well and though it has had a good run up, it still has sufficient scope to give above average returns.