

Aim to *Grow* with  
India's Consumer Story.

**HDFC Nifty  
India Consumption  
— INDEX FUND —**

**NFO period: 4<sup>th</sup> Feb to 13<sup>th</sup> Feb 2026**

# Factors driving India's consumption in the coming decades



## India's consumption at an inflection point

For example, countries like China saw a sharp acceleration in consumption after crossing the US\$2,000 mark in per capita income



## Demographic Dividend

India has the largest and one of the youngest populations in the world with declining dependency ratio



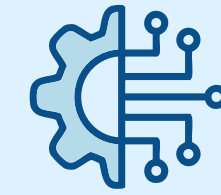
## Premiumization

Changing income pyramid and higher disposable income leading to premiumization



## Formalization

Shift from unorganized to organized at a faster pace on account of factors like Demonetization, GST, Corporate tax cuts and higher digitization



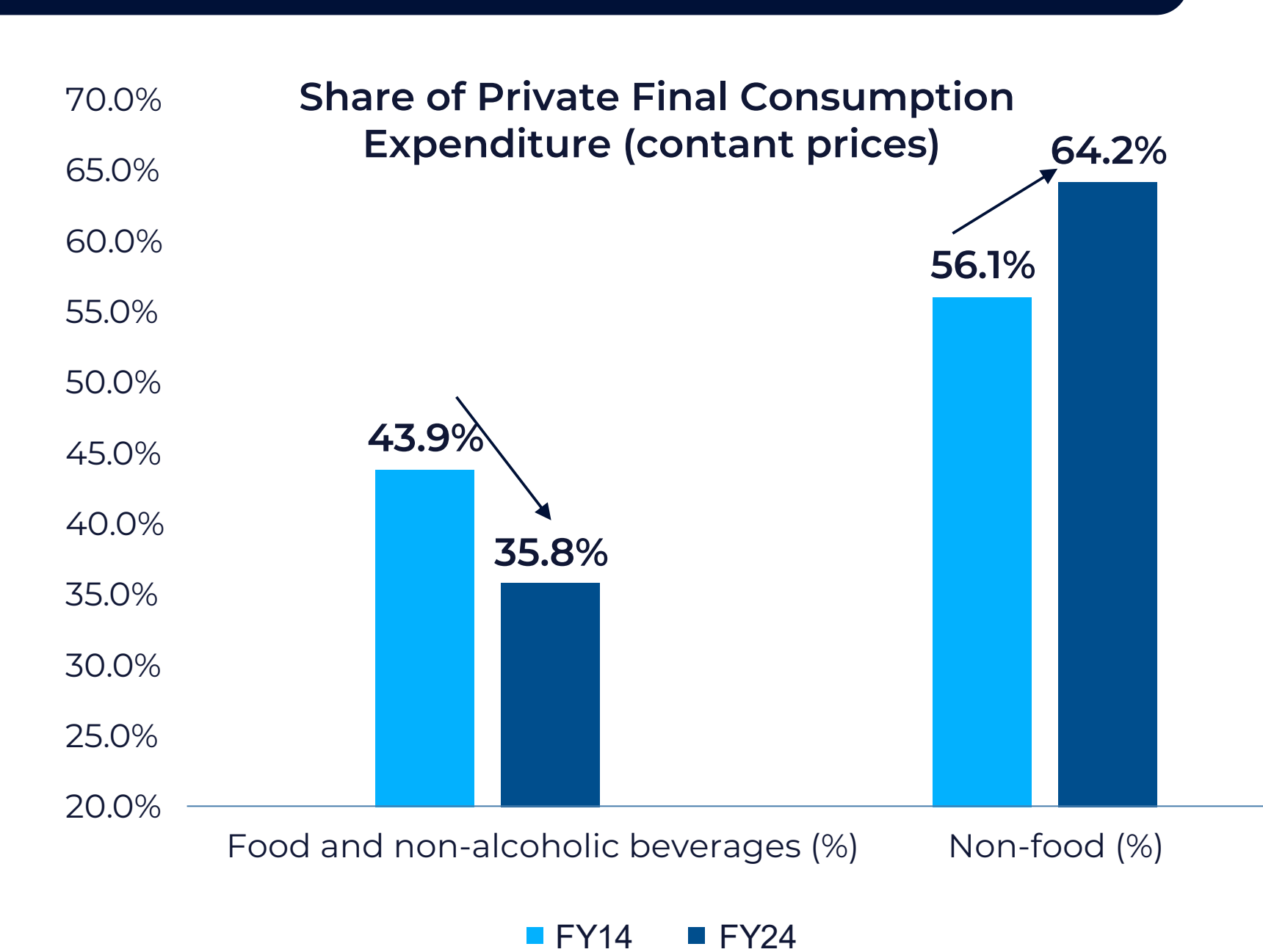
## Digitization

Changing consumption landscape - improving access to products and services



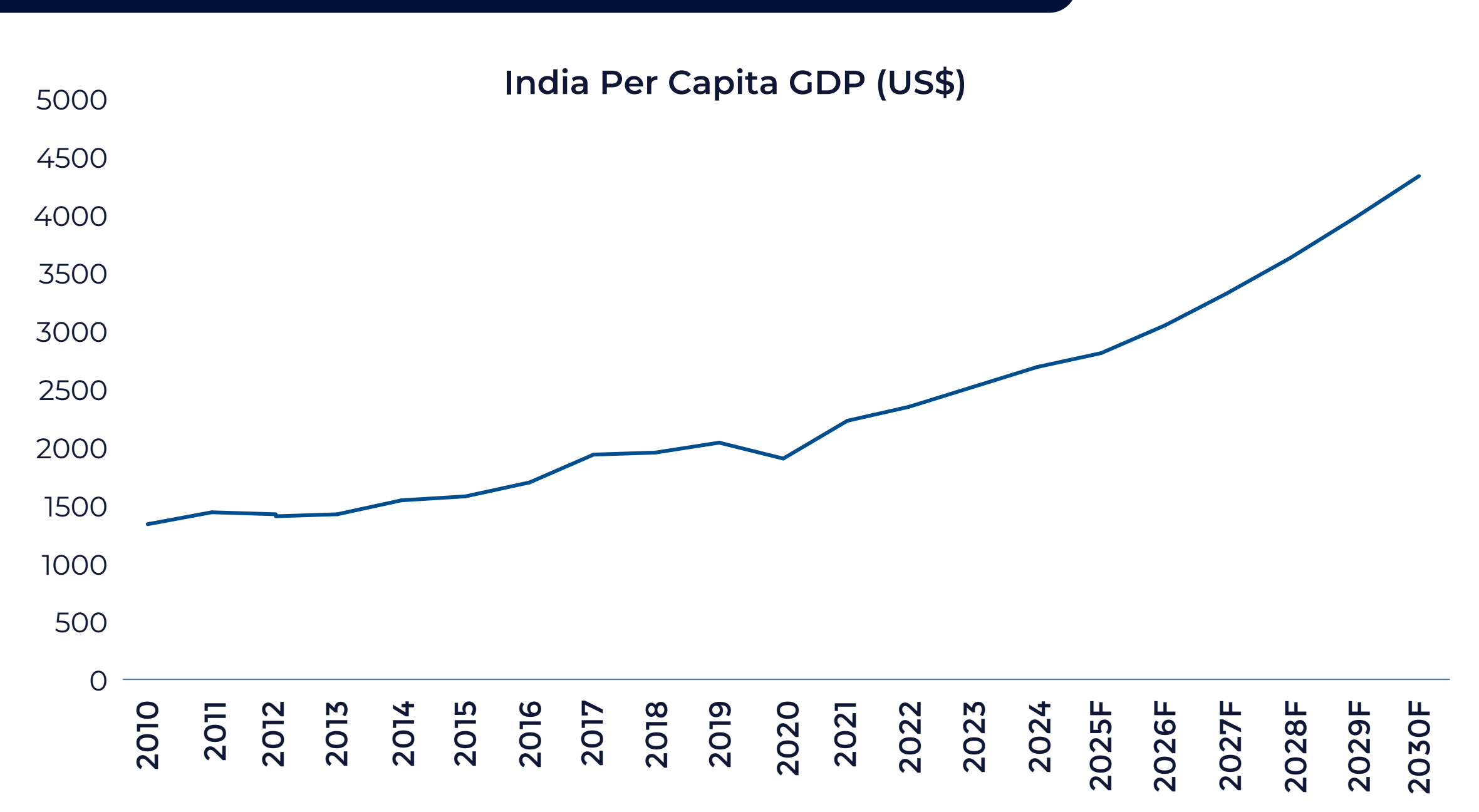
# Rising per capita income has facilitated broad-based consumption

## Share of non-food consumption has risen...



Source: MOSPI

## ...thanks to steadily rising per capita incomes

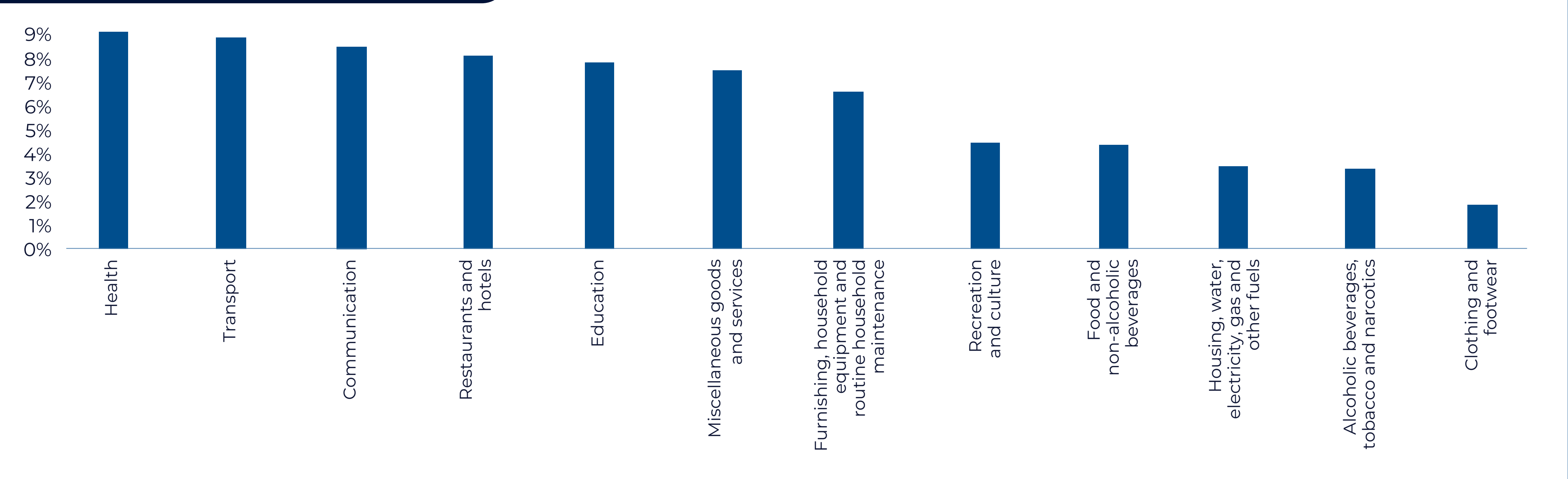


Source: IMF. F = forecast

Further rise in per capita income can lead to increasing wallet share on discretionary spending.

# Spending has grown across several categories in a broad-based manner

CAGR over FY14-24 (constant prices)



Source: MOSPI

Increased spending across several categories means numerous listed companies across sectors could benefit from the long-term potential of the consumption theme.

# Several factors may drive the next consumption wave!

Income tax relief to  
boost disposable  
income



GST rate  
rationalization to  
reduce cost of  
essential goods



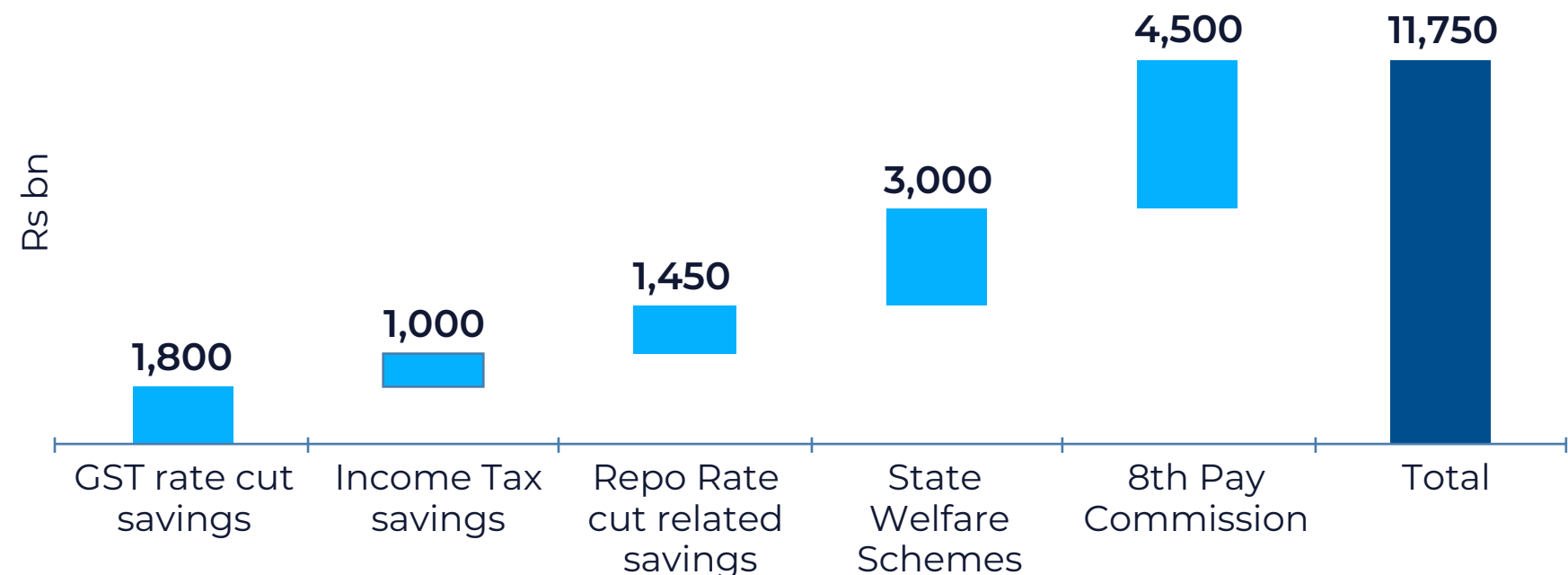
RBI rate cuts make  
loans cheaper



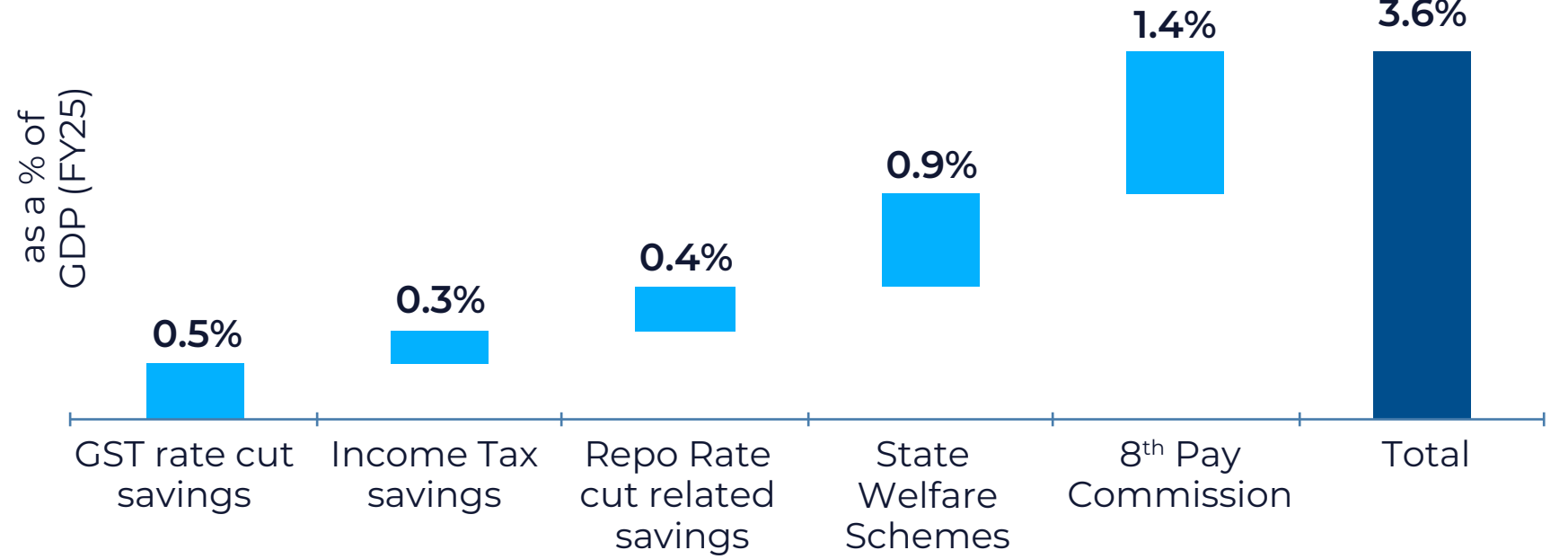
Good monsoon  
and low inflation  
boost consumers'  
purchasing power



Consumption Stimulus – Aggregating to ~₹11.7 lakh crore (trillion)



Consumption Stimulus – as % of GDP



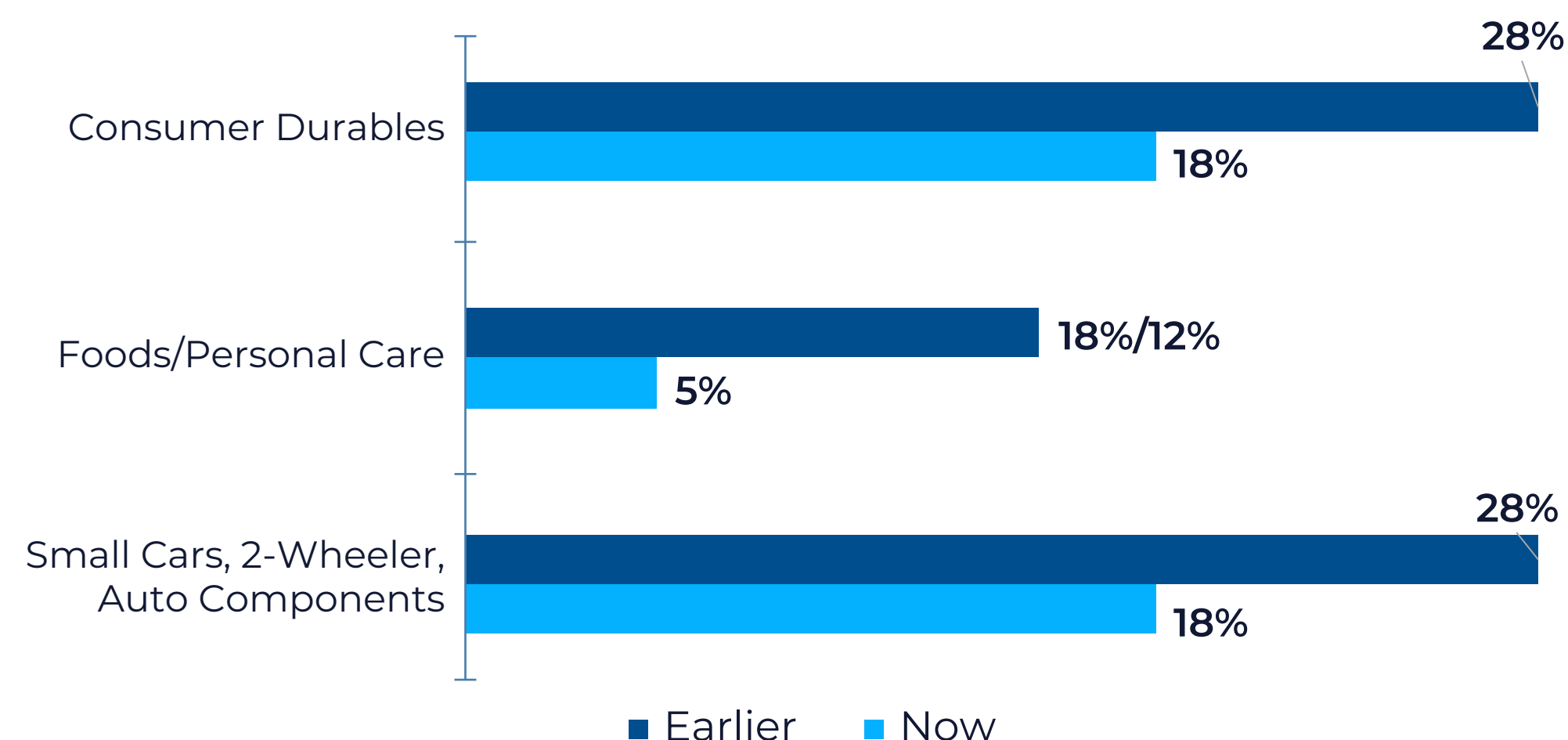
**Strong policy push set to benefit the consumption theme amid uncertain external environment.**

# GST Rationalization – A major push for consumption

## GST Rate Rationalization

- Discontinuation of 12% and 28% slabs
- 2 primary rates of 5% and 18%, plus 40% for sin/demerit goods
- Benefit for multiple consumption sectors including Automobiles, FMCG and Consumer Durables
- Total GST Forgone: ₹1.8 lakh crore (0.5% of GDP) for the Government

## GST Rate Rationalization



## Key Sector Implications



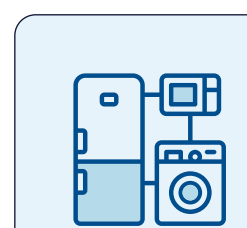
### Autos

- Small Cars and 2-wheelers: GST rate down from 28% to 18%
- Tractors: GST rate down from 12% to 5%
- Most Auto Components: Moved from 28% to 18% GST rate



### Consumer Staples

GST rates on almost all food items and select essential personal care categories rationalized from 12%/18% to 5%



### Consumer Durables

GST rate on room ACs, TVs (>32 inches) and dishwashers cut from 28% to 18%, bringing them at par with other home appliances



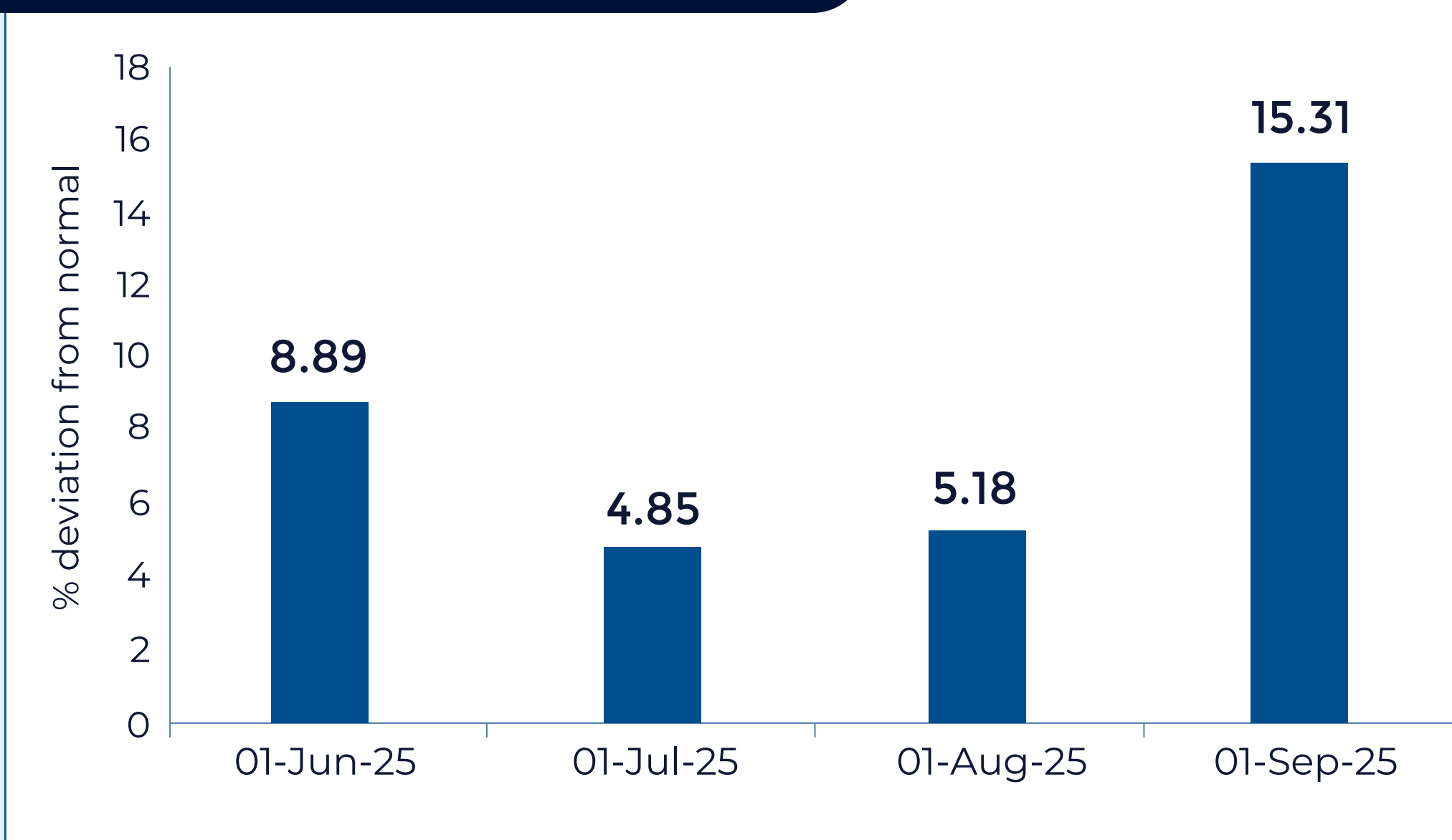
### Footwear/Apparel

GST rate on products priced below the threshold level of ₹2,500 in footwear and apparel revised down to 5% from 12%

# Low inflation and good monsoon to uplift consumption outlook

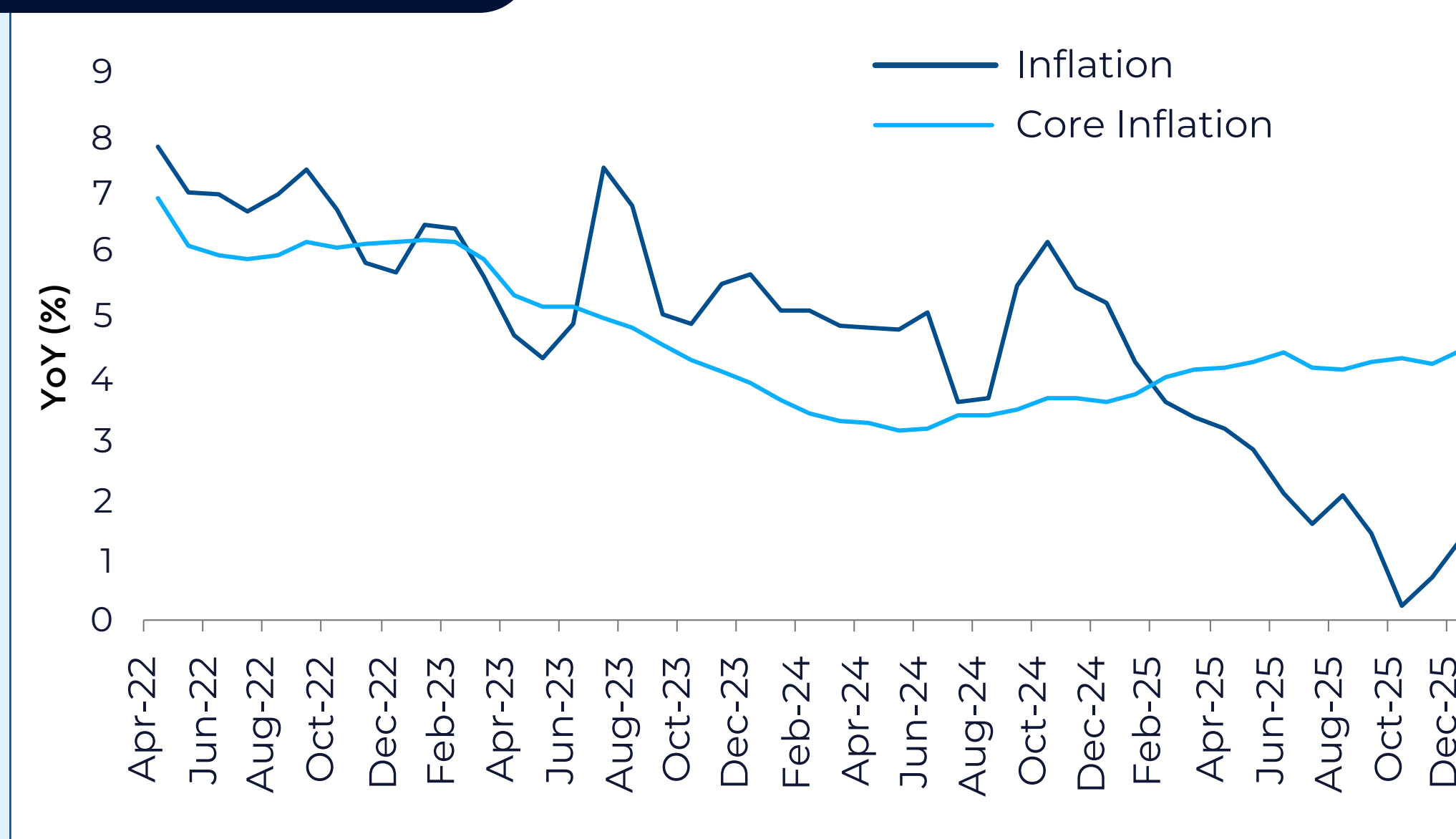
- ✓ High inflation has historically led to lower consumption growth
- ✓ The rise in inflation post the pandemic has now slowed down, with CPI Inflation reporting 1.33% YoY for December 2025
- ✓ Monsoon 2025 was above normal, another potential boost to mass consumption

## 2025 monsoon was above normal



Source: CMIE

## Inflation is slowing





## **Nifty India Consumption Index (TRI)**

*Offering comprehensive exposure to  
India's consumption theme*



# Nifty India Consumption Index tracks the pulse of India’s consumption story



## Passively managed strategy

Parameter	Nifty India Consumption Index
Universe / Parent Index	Nifty 500 Index
Stock selection	<p>Companies with domestic operating revenue of more than 50% are considered eligible for inclusion in the index</p> <p>Stocks are selected from sectors like Consumer Non-durables, Healthcare, Auto, Telecom Services, Pharmaceuticals, Hotels, Media &amp; Entertainment etc.*</p>
Number of stocks	30
Weights	<p>Free float based</p> <p>Stocks capped at 10%</p>
Weight rebalancing	Quarterly (March, June, September and December)
Portfolio Review	Semi-annual (March and September)

Source: NSE Indices Ltd. \*For detailed methodology and list of eligible basic industries, please visit [www.niftyindices.com](http://www.niftyindices.com)

# Diversified exposure to consumption oriented sectors

Sector	Nifty India Consumption (%)	Nifty 50 (%)	Difference vs. Nifty 50 (%)
Fast Moving Consumer Goods	27.3	6.4	20.8
Automobile and Auto Components	26.2	7.0	19.3
Consumer Services	13.4	2.5	10.9
Consumer Durables	10.8	2.5	8.4
Telecommunication	10.0	4.9	5.0
Power	3.4	0.0	3.4
Services	3.3	1.8	1.5
Realty	1.3	0.0	1.3
Healthcare	4.3	4.2	0.1
Capital Goods	0.0	1.2	-1.2
Construction Materials	0.0	2.1	-2.1
Metals & Mining	0.0	3.7	-3.7
Construction	0.0	4.0	-4.0
Information Technology	0.0	10.4	-10.4
Oil, Gas & Consumable Fuels	0.0	10.4	-10.4
Financial Services	0.0	36.6	-36.6

**The Nifty India Consumption Index is overweight FMCG and Auto sectors; underweight Financial Services and Oil & Gas relative to Nifty 50 Index**

Source: NSE Indices Ltd., internal calculations. As of Dec 31, 2025.

Refer disclaimer on page 21

# Exposure to leading companies driving the consumption theme

Higher valuations supported by higher quality of companies  
viz. high Return on Equity (ROE)

	Nifty India Consumption Index	Nifty 50 Index
Price Earnings Ratio (P/E)	40.78	22.75
Price Book Ratio (P/B)	8.3	3.55
Dividend yield	1.05	1.28
Return On Equity (RoE) <sup>^</sup>	21.80%	16.39%

Top 10 constituents spread across several sectors

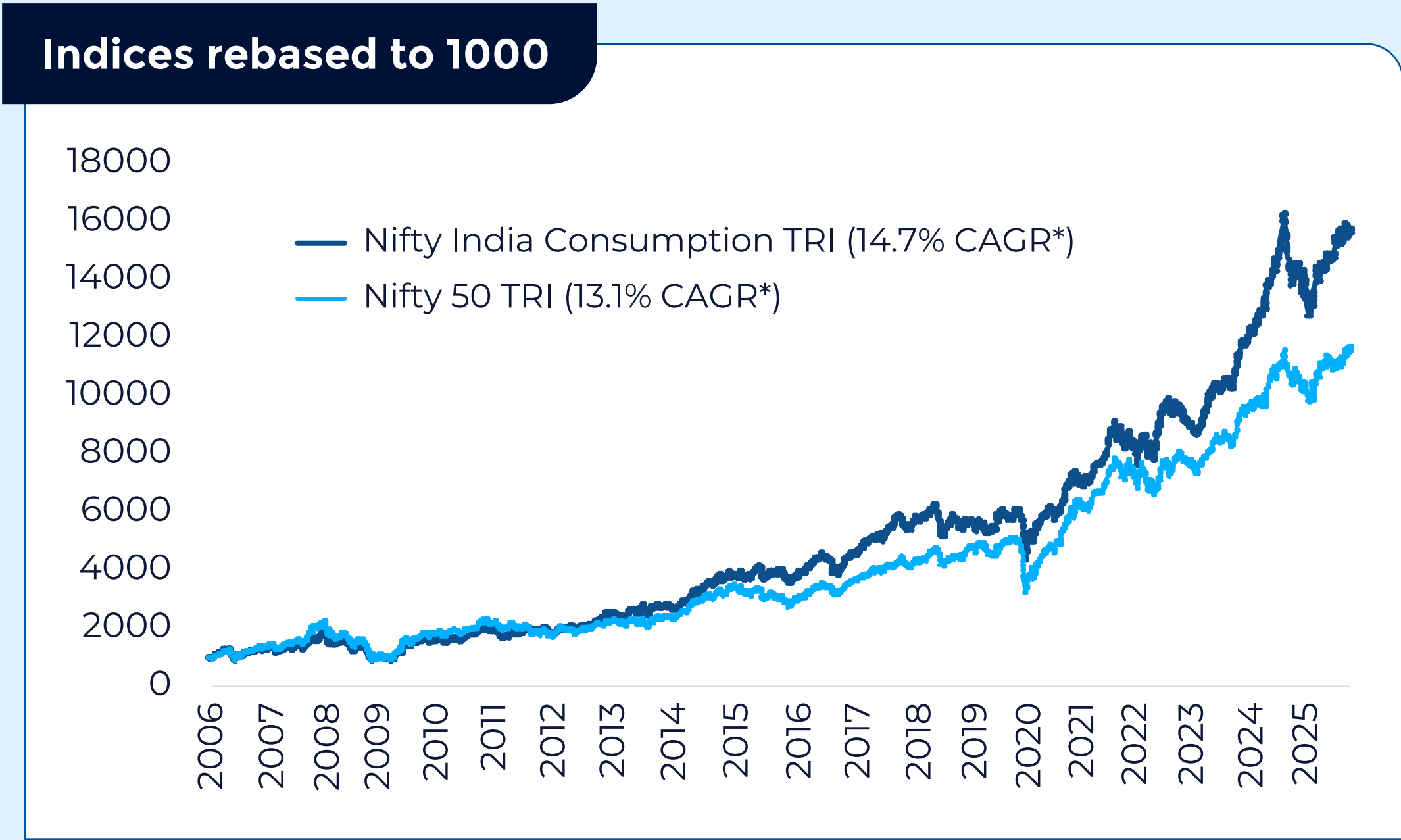
Company Name	Weightage (%)
Bharti Airtel Ltd.	9.95
ITC Ltd.	9.92
Mahindra & Mahindra Ltd.	9.48
Maruti Suzuki India Ltd.	6.27
Hindustan Unilever Ltd.	5.88
Eternal Ltd.	5.72
Titan Company Ltd.	4.79
Asian Paints Ltd.	3.58
InterGlobe Aviation Ltd.	3.27
Bajaj Auto Ltd.	2.96
Total of Top 10 constituents	61.83

Source: NSE Indices Ltd., Bloomberg and internal calculations. As of Dec 31, 2025. <sup>^</sup> Data as of Jan 13, 2026



# Nifty India Consumption has outperformed or fallen less than Nifty 50 in majority of FYs

Return Periods	CAGR* as on Dec 31, 2025	
	Nifty India Consumption TRI	Nifty 50 TRI
1 year	9.2%	11.9%
3 year	18.7%	14.3%
5 year	17.0%	14.7%
7 year	15.0%	14.7%
10 year	14.3%	14.0%
15 year	14.5%	11.5%
Since inception^	14.7%	13.1%



The Nifty India Consumption TRI has outperformed the Nifty 50 TRI over 3, 5 and 10 year horizons

Heatmap Key

Rank 1

Rank 2

Source: NSE Indices Ltd. and internal calculations. As on Dec 31, 2025. ^Jan 02, 2006 is the inception date for the Nifty India Consumption TRI. **Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.** \*CAGR: Compounded Annual Growth Rate

# Nifty India Consumption has outperformed the Nifty 50 over long time horizons

FY	Nifty India Consumption TRI	Nifty 50 TRI
FY06	25.9%	20.2%
FY07	3.5%	14.3%
FY08	18.5%	25.1%
FY09	-30.2%	-35.4%
FY10	56.1%	75.3%
FY11	10.6%	12.4%
FY12	10.9%	-8.2%
FY13	16.0%	8.7%
FY14	23.1%	19.5%
FY15	29.8%	28.2%
FY16	1.0%	-7.8%
FY17	18.6%	20.2%
FY18	19.9%	11.8%
FY19	3.7%	16.4%
FY20	-14.9%	-25.0%
FY21	47.8%	72.5%
FY22	16.0%	20.3%
FY23	6.1%	0.6%
FY24	42.7%	30.1%
FY25	6.9%	6.7%
FY26FYTD	15.5%	12.2%

Heatmap Key

Rank 1

Rank 2

	Nifty India Consumption TRI
Number of Financial Years*	20
Years of outperformance / falling less than Nifty 50 TRI	12 (60.0%)

Source: NSE Indices Ltd. and internal calculations. FY is Financial Year FYTD: Financial Year To Date. \*Does not include data of FY26FYTD. **Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns**

The Nifty India Consumption TRI has either outperformed or fallen less than the Nifty 50 TRI in 12 out of 20 FYs since FY06

# Historically better rolling returns and risk-adjusted returns for Nifty India Consumption TRI



Return Periods	Average Rolling Returns		Std. Deviation of Rolling Returns		Return-Risk Ratio	
	Nifty India Consumption TRI	Nifty 50 TRI	Nifty India Consumption TRI	Nifty 50 TRI	Nifty India Consumption TRI	Nifty 50 TRI
1 year	15.7%	14.8%	17.5%	22.2%	0.90	0.67
3 year	14.3%	12.1%	6.1%	6.0%	2.32	2.03
5 year	14.4%	12.2%	4.4%	4.5%	3.25	2.71
10 year	14.4%	11.9%	1.6%	2.3%	9.01	5.08

Heatmap Key



The Nifty India Consumption TRI has generated higher average rolling returns over 1, 3, 5 and 10 year horizons compared to the Nifty 50 TRI.

Source: NSE Indices Ltd. and internal calculations. Based on daily rolling returns of Nifty India Consumption TRI and Nifty 50 TRI. Return Period: Jan 02, 2006 to Dec 31, 2025 for the abovementioned indices, since Nifty India Consumption Index has TRI values from Jan 2, 2006 onwards. Return Risk Ratio = Average Rolling Returns/Std. Deviation of Rolling Returns. **Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.**

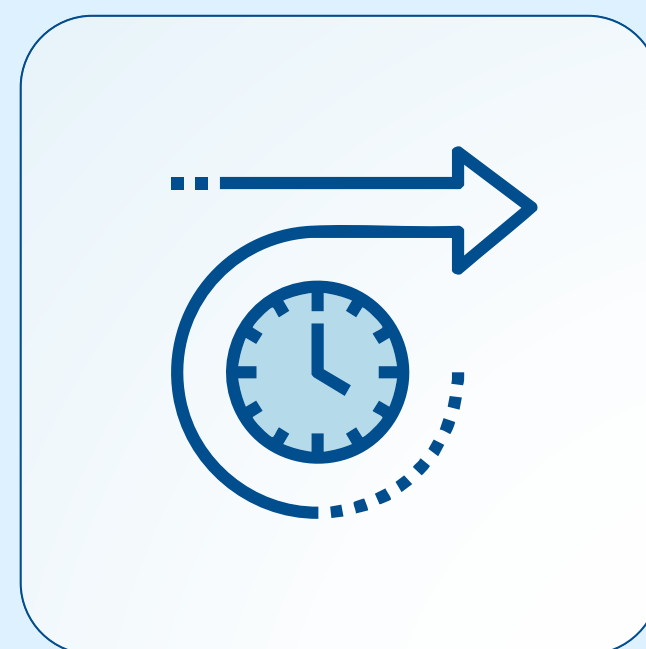


*Presenting*

# HDFC Nifty India Consumption Index Fund

# Why invest in HDFC Nifty India Consumption Index Fund?

Demographics,  
premiumization and  
digitization to support long-  
term consumption growth



Strong policy push set to  
benefit the consumption  
theme among uncertain  
external environment



Exposure to leading  
companies driving the  
consumption theme



Historical long-term  
outperformance of Nifty India  
Consumption TRI vs. Nifty 50  
TRI





## Managing Index Solutions for over 20 years

HDFC AMC has been managing Index Solutions for 20+ years

## Wide Product Range

19 ETFs, 27 Index Funds & 3 FoFs including:

- Market-cap based – 7 ETFs & 9 Index Funds
- Sector/ Theme based – 4 ETFs & 3 Index Funds
- Smart Beta based – 5 ETFs & 6 Index Funds
- Commodities – 2 ETFs & 2 Fund of Funds
- Debt – 9 Index Funds & 1 ETF  
International – 1 Fund of Fund

## One of the largest funds across certain categories

- Market-cap based Index Funds
- Commodity ETFs with over 15+ years of history
- Smallcap ETF category



	HDFC Nifty India Consumption Index Fund
Investment Objective	<p>Passive investment in equity and equity related securities replicating the composition of the Nifty India Consumption Index (TRI), subject to tracking errors.</p> <p><b>There is no assurance that the investment objective of the Scheme will be achieved.</b></p>
Fund Managers	Ms. Nandita Menezes and Mr. Arun Agarwal
Benchmark (Total Return Index)	Nifty India Consumption Index (TRI)
Entry / Exit Load	Nil
Min. Investment Amount	<p><b>During NFO Period and continuous offer period (after scheme re-opens for repurchase and sale):</b></p> <p>Purchase and additional purchase: Rs. 100 and any amount thereafter</p> <p>Note: Allotment of units will be done after deduction of applicable stamp duty, if any.</p>

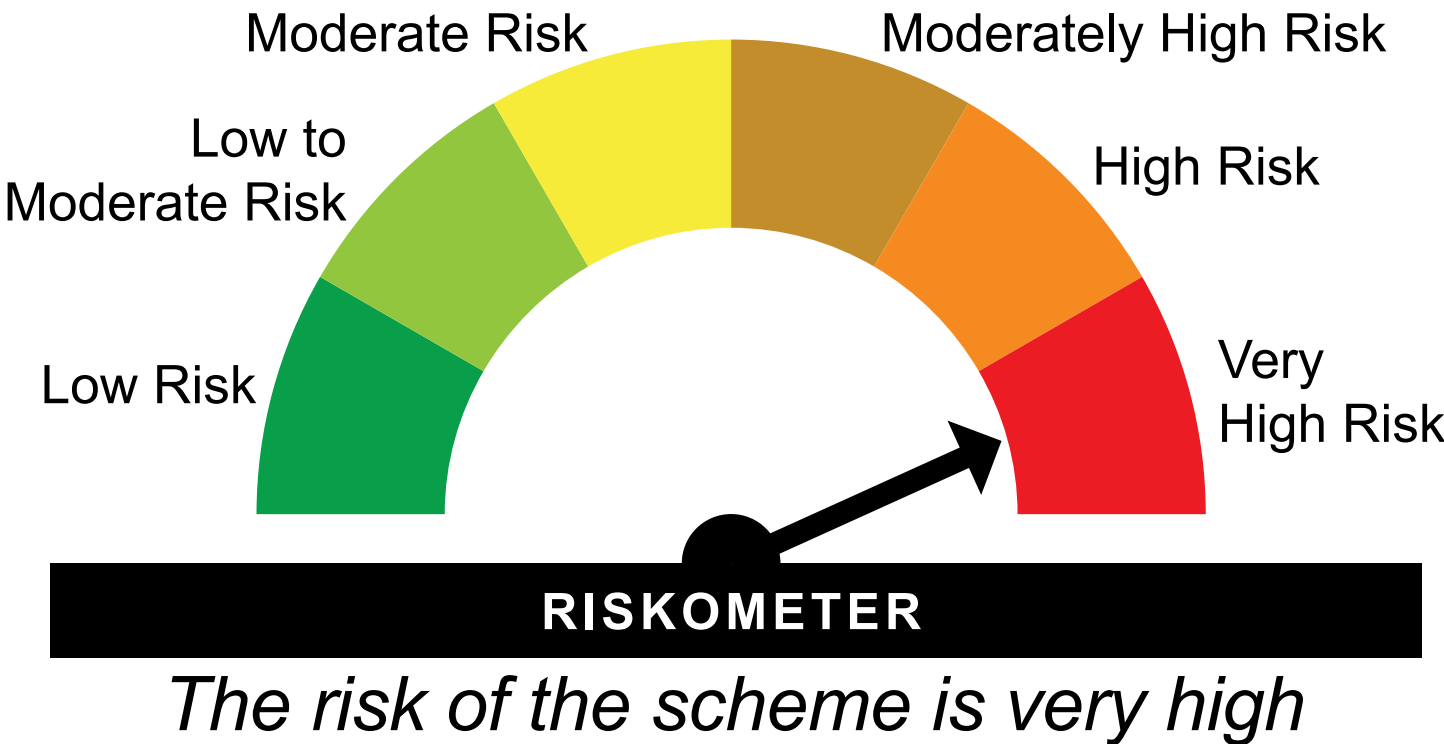
# How will the Scheme allocate its assets?

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Constituents of Nifty India Consumption Index (TRI)	95	100
Plain Vanilla Debt Securities, Government Securities, T-Bills and Money Market Instruments, Repo on Government Securities, Units of Liquid and Overnight schemes of Mutual Fund	0	5

## HDFC Nifty India Consumption Index Fund:

- Passive investment in equity and equity related securities replicating the composition of the Nifty India Consumption Index (TRI), subject to tracking errors.
- There is no assurance that the investment objective of the Scheme will be achieved.

## Scheme Risk-o-meter#



Investors should consult their financial advisers, if in doubt about whether the product is suitable for them.

#The product labeling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made. For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. [www.hdfcfund.com](http://www.hdfcfund.com)



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Mission: To be the wealth creator for every Indian

Vision: To be the most respected asset manager in the world

# Thank You