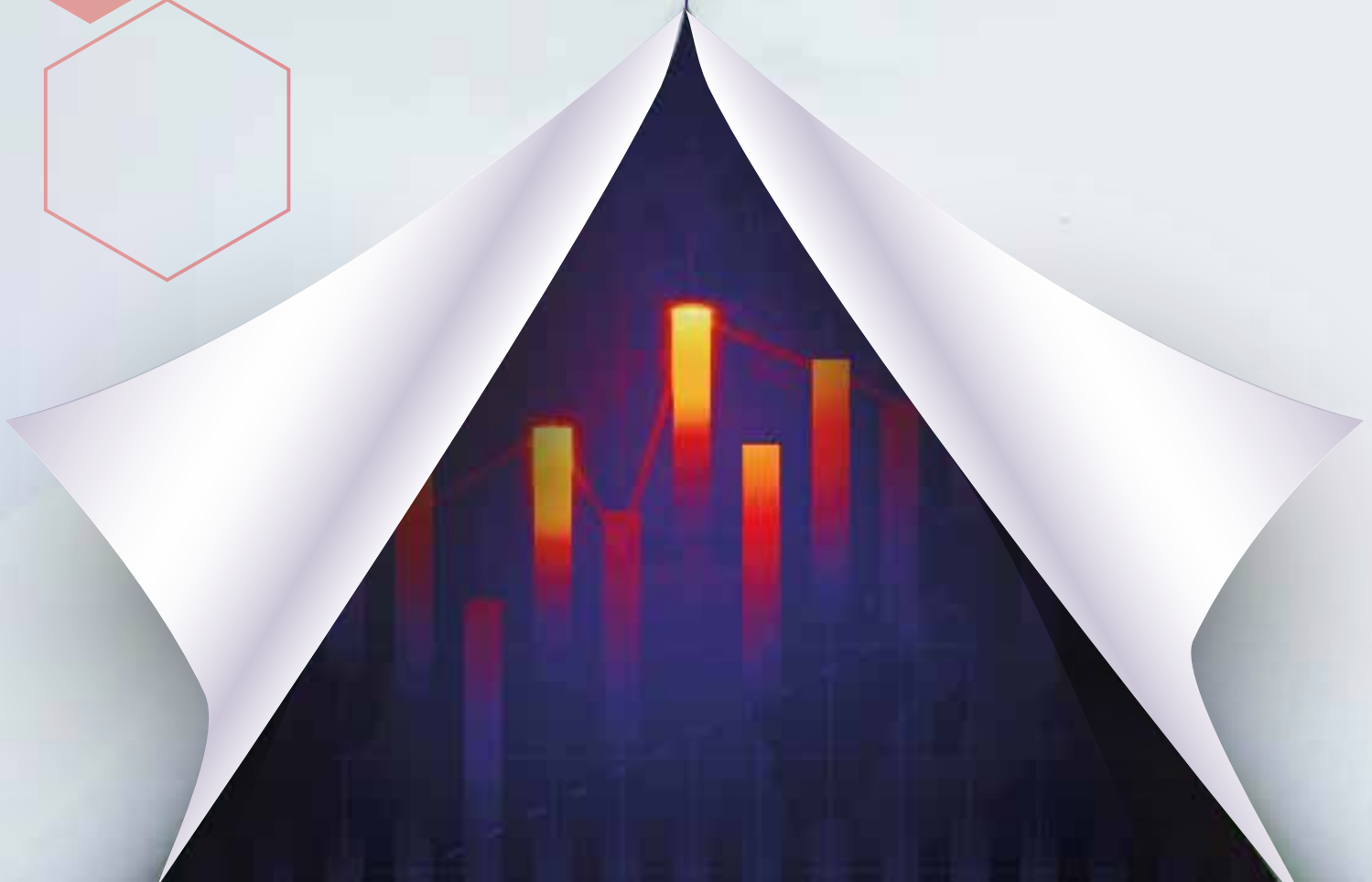


Tracks the performance of tourism stocks

September 2024



Introduction

“Atithi Devo Bhava” – a Sanskrit phrase meaning, ‘The guest is equivalent to God’, encapsulates the ethos of Indian hospitality and significantly influences the tourism industry in India. By embracing this, India aims to provide a warm and welcoming environment for tourists, thereby strengthening its position as a preferred travel destination. Tourism and Hospitality, being one of India’s largest service industries, plays an extraordinary role in driving the nation’s growth and prosperity. It helps promote and preserve India’s rich cultural heritage, traditions and historical sites. The growth of tourism stimulates the development of infrastructure such as transportation, accommodation, and recreational facilities. India proudly showcases a rich tapestry of geographical diversity, featuring breathtaking world heritage sites and unique tourism

offerings such as captivating cruise tourism, thrilling adventure tourism, spiritual tourism and enchanting eco-tourism. These unique offerings have resulted in an exponential increase in tourist arrivals, opening up vast employment opportunities. A thriving tourism industry enhances India’s global image, fostering international goodwill and cultural exchange, and promoting the country as a vibrant and diverse travel destination. Travel and tourism are two of the largest industries in India, with a total contribution of about US\$ 199.6 billion to the country’s GDP (Source: IBEF). Recognizing the importance of this sector’s contribution to the growth of the nation, the Nifty India Tourism index has been developed to provide investors a vehicle to invest in this theme.

About Nifty India Tourism

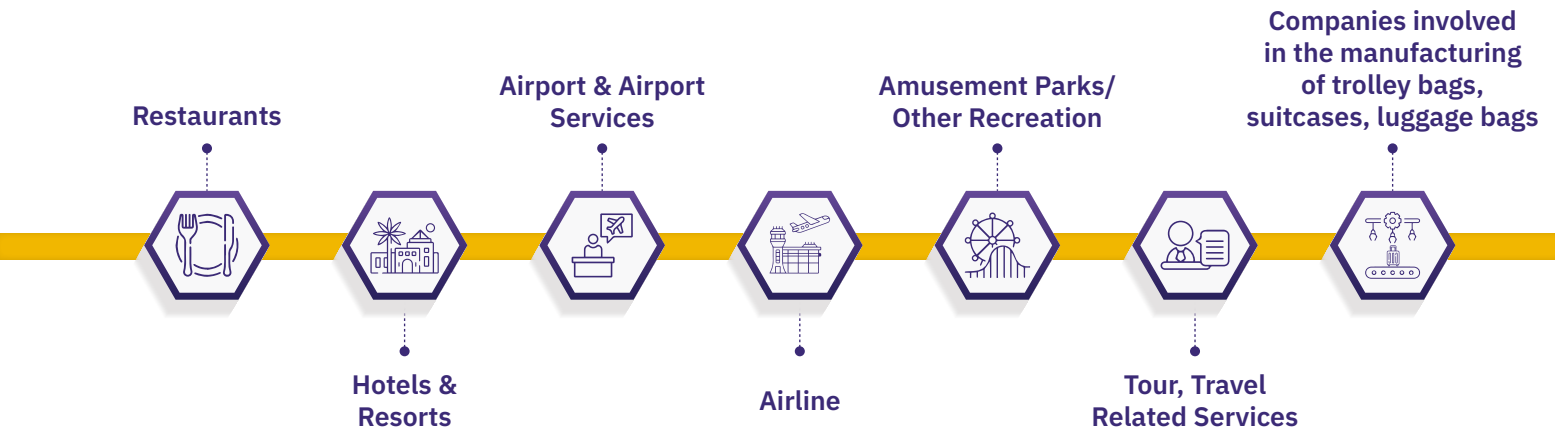
Nifty India Tourism index aims to track the performance of stocks from the Nifty 500 index which represent the travel and tourism theme. The largest 30 stocks from eligible basic industries are selected based on 6-month average free-float market capitalization. The weight of

each stock in the index is based on free-float market capitalization subject to a stock cap of 20%. Reconstitution of the index constituents is done semi-annually while rebalancing is carried out quarterly.

Exhibit 1: Nifty India Tourism Index Methodology



Exhibit 2: List of Eligible basic industries



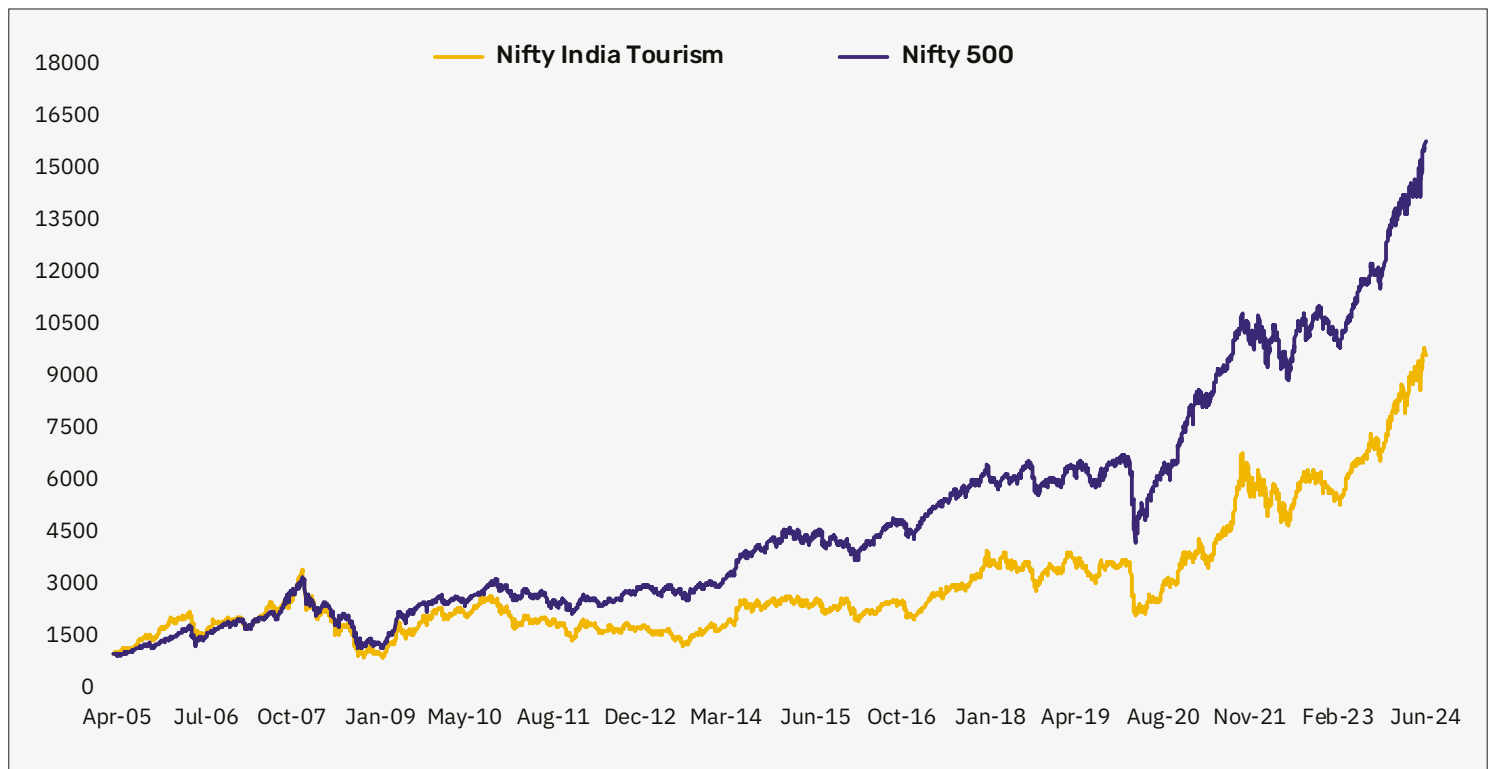
Source: NSE Indices

The exhibit above shows the list of eligible basic industries for Nifty India Tourism Index. These basic industries are meant to broadly represent the travel and

tourism theme. The list of eligible basic industries identified so far may evolve and hence change in the future due to changes in market dynamics.

Nifty India Tourism index has outperformed the Nifty 500 index in 1, 3, 5, and 7 year horizon however has underperformed in longer term horizon of 10 and 15 years

Exhibit 3: Nifty India Tourism Index performance



Source: NSE Indices. Data as on June 28, 2024 | Data based on Total Return (TR) index values

Exhibit 4: Annualized Return and volatility profile of the Nifty India Tourism Index

Annualised Return and Annualised Volatility profile of Nifty India Tourism (As on June 28, 2024)

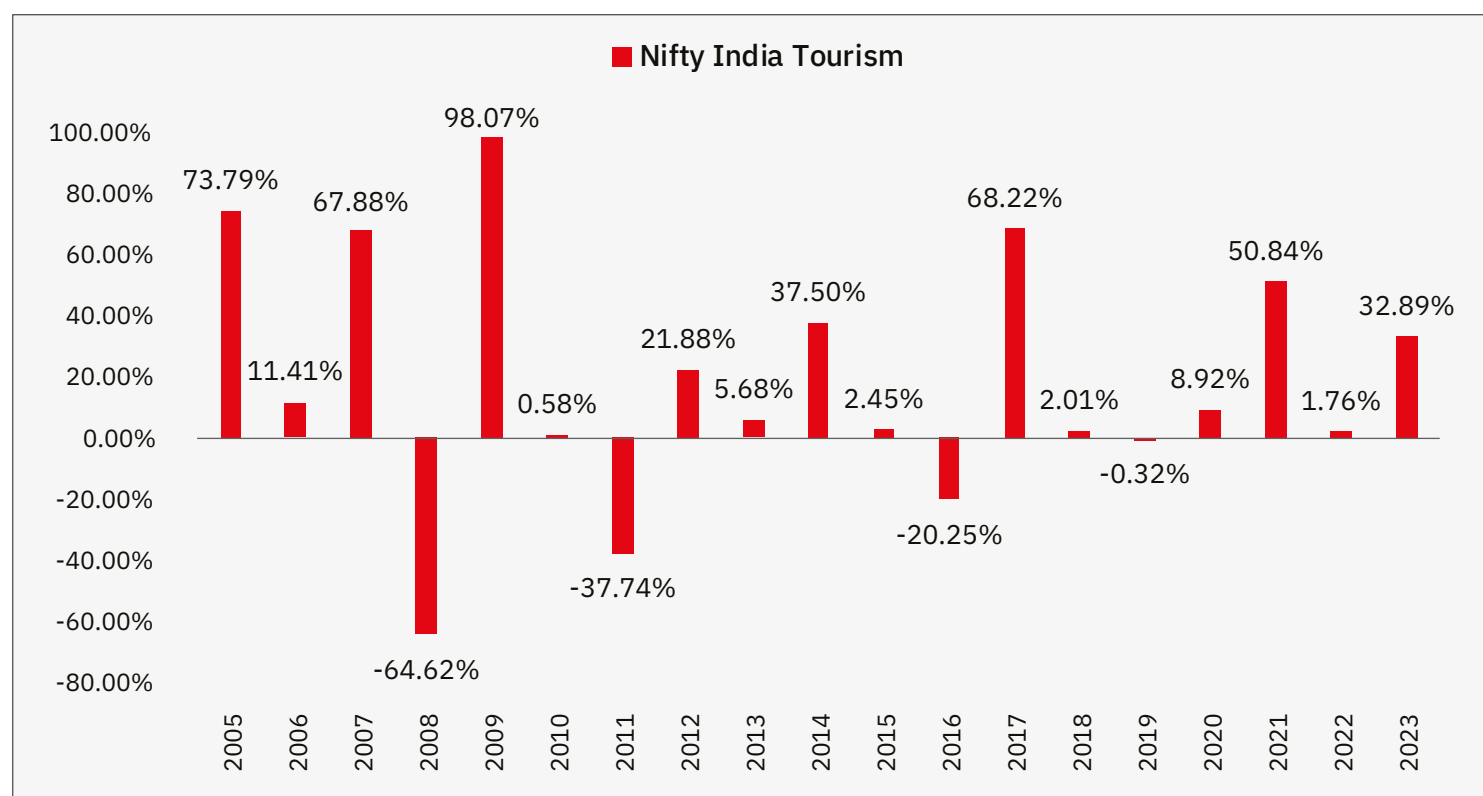
Period	Annualised Returns		Annualised Volatility		Return to Risk	
	Nifty India Tourism	Nifty 500	Nifty India Tourism	Nifty 500	Nifty India Tourism	Nifty 500
Since Inception (April 01, 2005)	12.48%	15.42%	26.55%	20.72%	0.47	0.74
15 years	12.72%	14.58%	23.44%	16.66%	0.54	0.87
10 years	14.36%	15.12%	22.62%	16.40%	0.63	0.92
7 years	18.95%	16.58%	23.34%	17.13%	0.81	0.97
5 years	22.25%	19.78%	24.86%	18.69%	0.90	1.06
3 years	30.26%	19.99%	22.20%	14.36%	1.36	1.39
1 year	45.75%	38.67%	19.26%	13.61%	2.38	2.84

*Returns are calculated based on TR index values. Returns greater than one year are annualized, the returns up to one year are absolute returns

Since April 01, 2005, the Nifty India Tourism index has delivered annualized returns of 12.48% with an annualized volatility of 26.55% while the Nifty 500 TR Index has delivered annualized returns of 15.42% with an annualized volatility of 20.72%. In the one-year investment horizon, the Nifty India Tourism index has delivered a return of 45.75%, outperforming the Nifty

500 TR index, which delivered a return of 38.67%. Similarly, as can be observed from the table above, in the 3-year, 5-year, and 7-year investment horizon, the Nifty India Tourism index has outperformed the Nifty 500 TR index. The return to risk ratio of the Nifty India Tourism index is 1.36 in the 3-year investment horizon and 2.38 in the 1-year investment horizon.

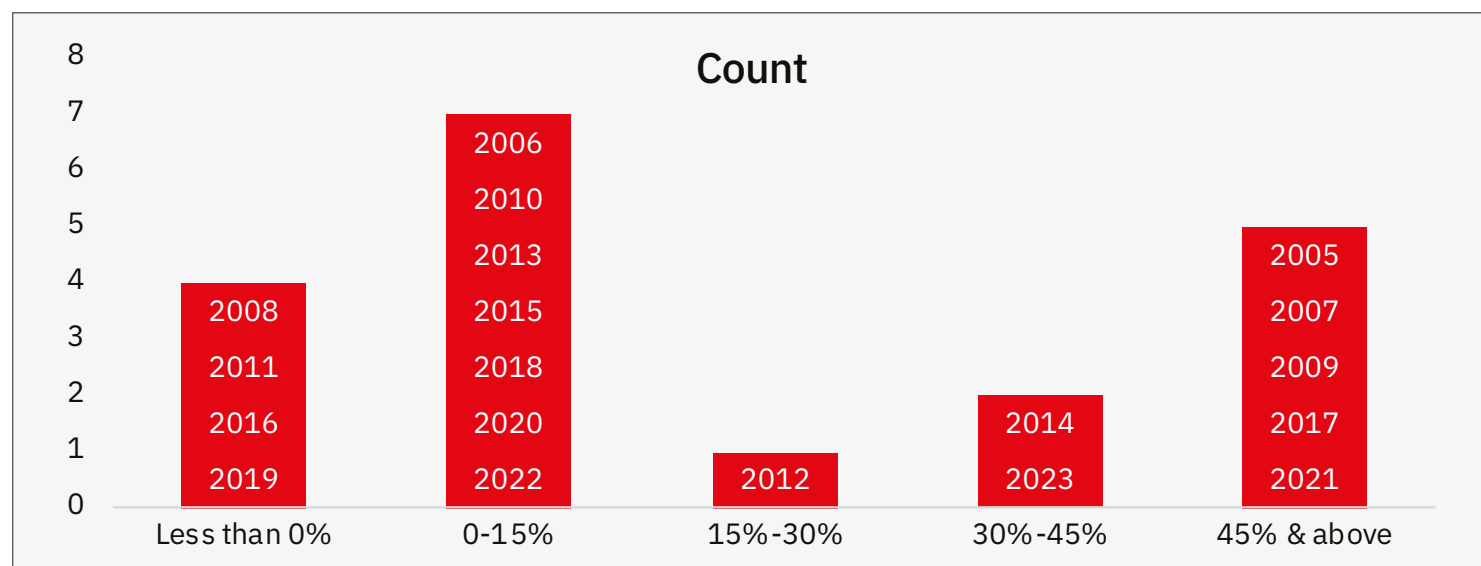
Exhibit 5: Performance of the Nifty India Tourism by calendar year



Source: NSE Indices. Data as of June 28, 2024. Return for CY 2005 has been calculated from April 01, 2005. | Data based on TR index values

The Nifty India Tourism index has delivered positive returns in 15 out of 19 calendar years.

Exhibit 6: Calendar Year Returns Range of Nifty India Tourism



Returns were between 0%-15% in 7 out of 19 calendar years, between 15%-30% in 1 out of 19 calendar years and above 30% in 7 out of 19 calendar years. Out of the 7 years where the Nifty India Tourism index delivered

more than 30% returns, there were 5 years where the Nifty India Tourism index delivered returns greater than 45%. The Nifty India Tourism index delivered negative returns in 4 out of 19 calendar years.

Rolling returns for Nifty India Tourism index

Exhibit 7: Daily Rolling Return Analysis of the Nifty India Tourism Index

Analysis based on daily rolling returns										
Investment Horizon	Percentage of total instances						Return Analysis			
	Negative returns	Positive returns					Return Attributes			
	<0% CAGR	>=0% CAGR	0-5% CAGR	5-10% CAGR	10-15% CAGR	>15% CAGR	Min CAGR	Max CAGR	Median CAGR	Average CAGR
10 years	0.39%	99.61%	37%	25%	26%	11%	-0.42%	18.72%	7.10%	7.89%
7 years	14.54%	85.46%	22%	22%	30%	12%	-4.68%	21.36%	8.84%	7.62%
5 years	18.98%	81.02%	17%	21%	23%	20%	-12.11%	25.77%	8.07%	7.75%
3 years	24.29%	75.71%	12%	16%	20%	28%	-23.39%	42.34%	9.42%	8.59%
2 years	30.49%	69.51%	10%	9%	6%	44%	-33.73%	64.92%	9.83%	10.33%
1 year	38.70%	61.30%	7%	5%	4%	44%	-69.33%	146.80%	8.62%	15.18%

Source: NSE Indices. Analysis period is from April 01, 2005 to June 28, 2024; Data based on TR index values

The Nifty India Tourism TR index has delivered positive returns approximately 85% of the times over 7-year horizon, based on daily rolling return analysis. As the investment horizon increases to 10 years, the frequency of positive returns was greater than 99%. The average CAGR has been in the range of 7.62% to 7.89% across long term horizons of 5, 7 and 10 years. For the 3-year

investment horizon, the index delivered positive returns 75%+ of the time. For the one-year investment horizon, the index has delivered negative returns 38.70% of the times. The returns were in the range of -69.33% to 146.80% for various 1-year horizons. The average return for the 3 – year horizon is 8.59%, for the 2-year horizon is 10.33% and for the 1-year horizon is 15.18%.

Portfolio composition of the Nifty India Tourism index

Exhibit 8: Portfolio composition of the Nifty India Tourism index as on June 28, 2024

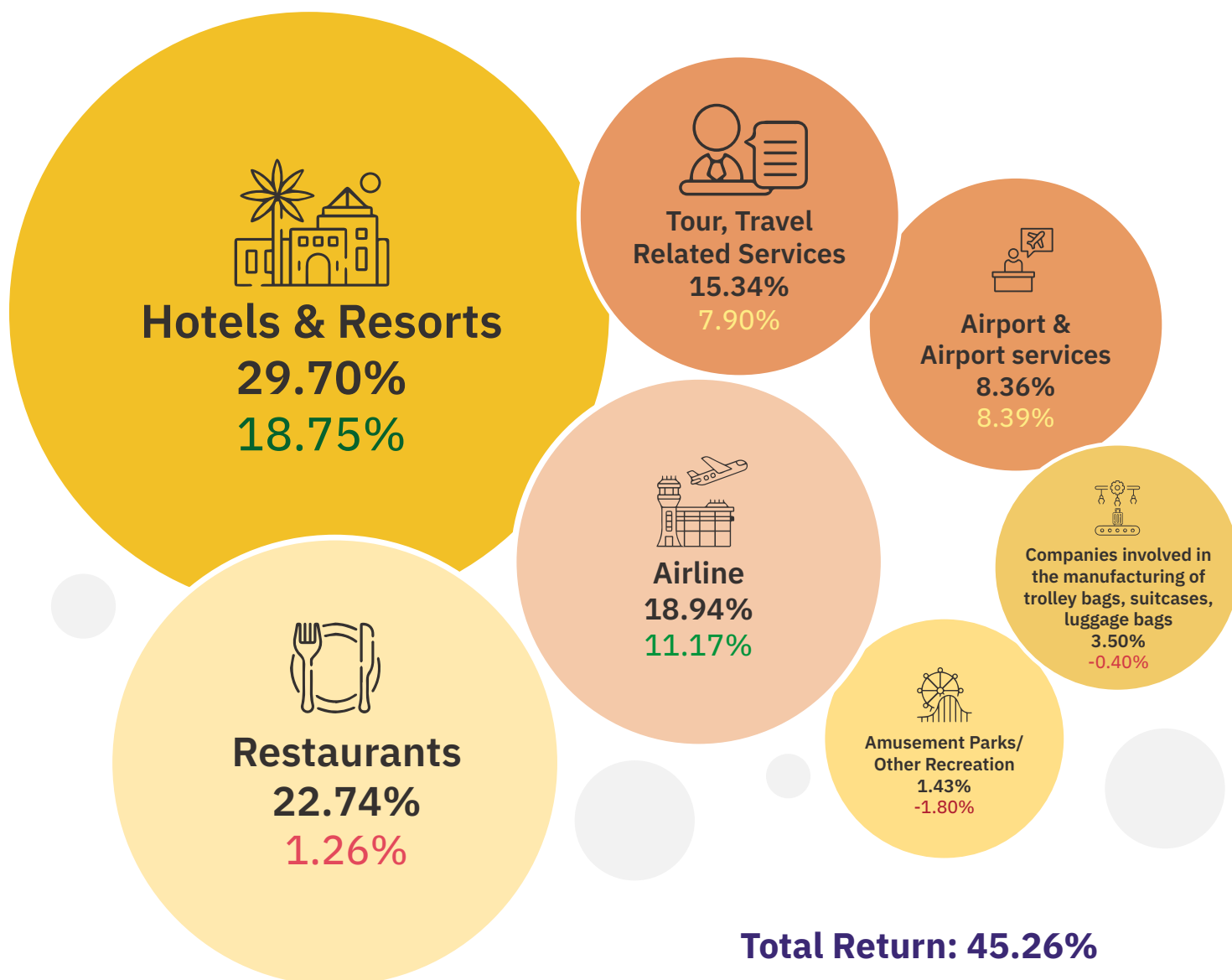
Portfolio as on June 28, 2024	
Basic Industry/Company Name	Weights
 Hotels & Resorts	30.25
Indian Hotels Co. Ltd.	19.26
EIH Ltd.	4.04
Lemon Tree Hotels Ltd.	3.13
Chalet Hotels Ltd.	2.48
Mahindra Holidays & Resorts India Ltd.	1.34
 Airline	20.31
InterGlobe Aviation Ltd.	20.31
 Restaurants	19.51
Jubilant Foodworks Ltd.	9.54
Sapphire Foods India Ltd.	3.01
Devyani International Ltd.	2.9
Westlife Foodworld Ltd.	2.49
Restaurant Brands Asia Ltd.	1.57
 Tour, Travel Related Services	16.17
Indian Railway Catering And Tourism Corporation Ltd.	13.31
BLS International Services Ltd.	1.79
Easy Trip Planners Ltd.	1.07
 Airport & Airport services	10.57
GMR Airports Infrastructure Ltd.	10.57
 Companies involved in the manufacturing of trolley bags, suitcases, luggage bags	3.19
Safari Industries (India) Ltd.	1.76
V.I.P. Industries Ltd.	1.43

As on 28th June 2024, the basic industry – Hotels & Resorts holds the highest weight in the index i.e. 30.25%, followed by Airline basic industry with a weight of 20.31%. Companies involved in the manufacturing of trolley bags, suitcases and luggage bags; and Airport & Airport services are the basic industries holding the lowest weight in index with 3.19% and 10.57% weight respectively. As mentioned in Exhibit 1, the weights of stocks in the index are based on free float market

capitalization of the stock. Interglobe Aviation Ltd and Indian Hotels Co. Ltd are the companies with the highest free float market capitalization in the index as on 28th June 2024, with weights of 20.31% and 19.26% respectively. Similarly, Easy Trip Planners Ltd and Mahindra Holidays & Resorts India Ltd are the companies with lowest free float market capitalization in the index with weights of 1.07% and 1.34% respectively.

Hotel & Resorts, Airline and Airport & Airport services were the top 3 contributors to the return generated by Nifty India Tourism during one year ended June 2024

Exhibit 9: Basic Industry – Wise Contribution to the Total Return (June'23 to June'24)



* Source: NSE FixedIn Attribution Tool

In the last one year, the index has delivered a total return of ~45%. The top 3 contributors to the index return are Hotels & Resorts (18.75%), Airline (11.17%) and Airport & Airport Services (8.39%) basic industries.

Two basic industries – Amusement Parks/ Other Recreation and Companies involved in the manufacturing of trolley bags, suitcases, luggage bags have contributed negatively to the index return.

Signing off.....



The Nifty India Tourism index aims to track the performance of the companies that represent the tourism theme in India



Since its inception on April 01, 2005 to June 28, 2024, the index has delivered a CAGR of 12.48%



The Nifty India Tourism TR Index has delivered positive returns greater than 99% of the times based on daily rolling return analysis in the 10-year investment horizon



The index has delivered positive returns in 15 out of 19 calendar years



The Nifty India Tourism TR Index is currently overweight in the Hotel & Resorts and Airline Basic Industries



As on 28th June 2024, InterGlobe Aviation Ltd (20.31%) holds the highest weight in the index, while Easy Trip Planners Ltd. (1.07%) holds the lowest weight in the index

For more information on the Index methodology and factsheet, please visit us at www.nseindia.com

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NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the Nifty brand of NSE, including the flagship index, the Nifty 50. Nifty equity indices comprise of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. NSE Indices Limited also maintains

fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on Nifty indices have been developed within India and abroad. These include index based derivatives traded on NSE and NSE International Exchange IFSC Limited (NSE IX) and a number of index funds and exchange traded funds. The flagship 'Nifty 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

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