



# Motilal Oswal Nifty India Defence Index Fund & ETF

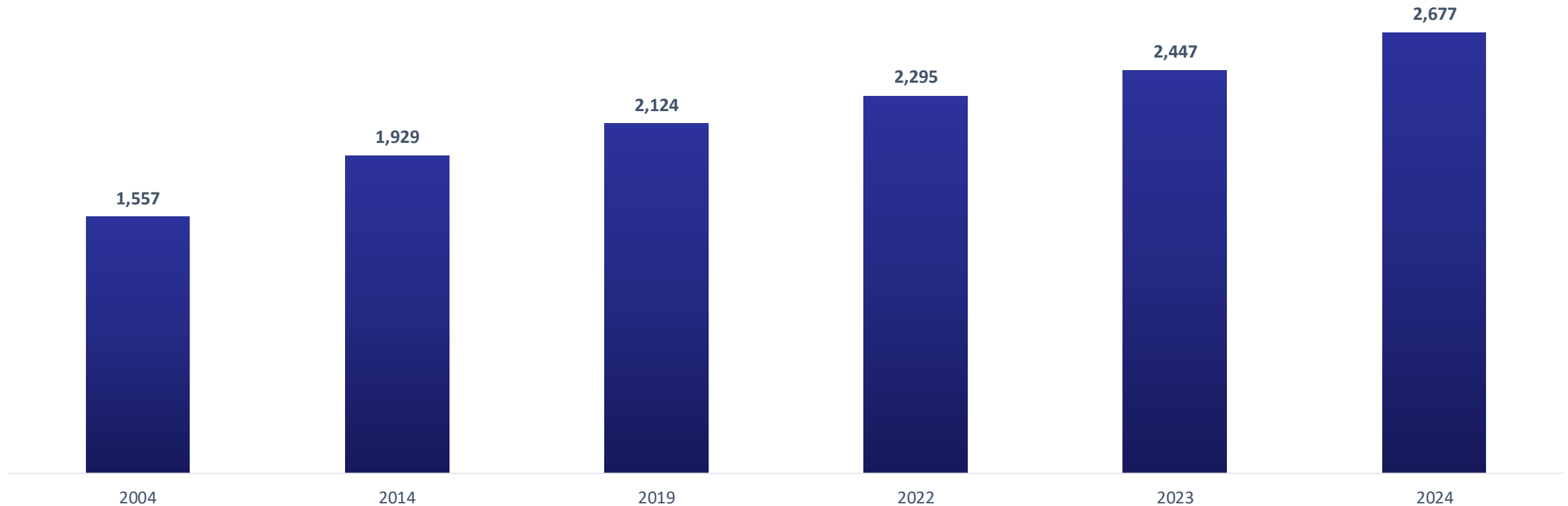
Jan-2026

# Defence Sector by the numbers

# Global Military Expenditure on the Rise

Global military spending has been rising steadily, reaching around **USD 2,677 Bn** in **2024**. Over the past 10 years, spending has grown at a **3.3% CAGR**.

Global Military Expenditure (USD Bn)



# Reason for **Rise** in Global Defence Spending

Large portion of increase during **CY 2024** can be attributed to **geo-political tensions** such as Russia-Ukraine War, conflicts in the Middle East region



Maintaining  
**Peace** In the  
region

**Increase in  
Conflict**

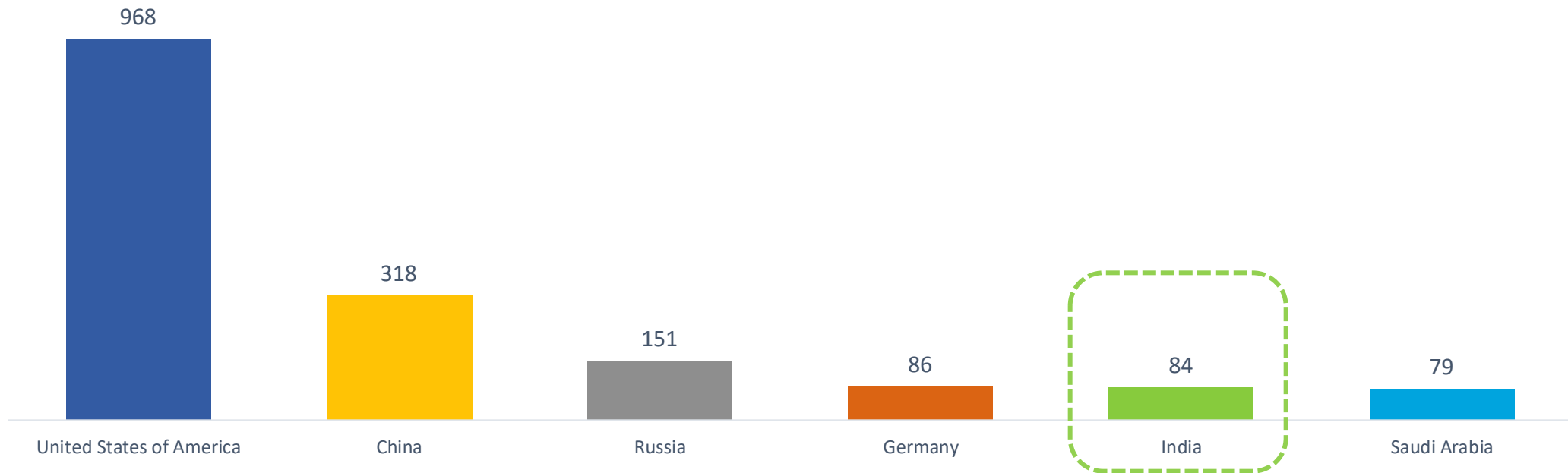


**Increase in  
Geopolitical  
Tension.**

# World's Largest defence Spenders

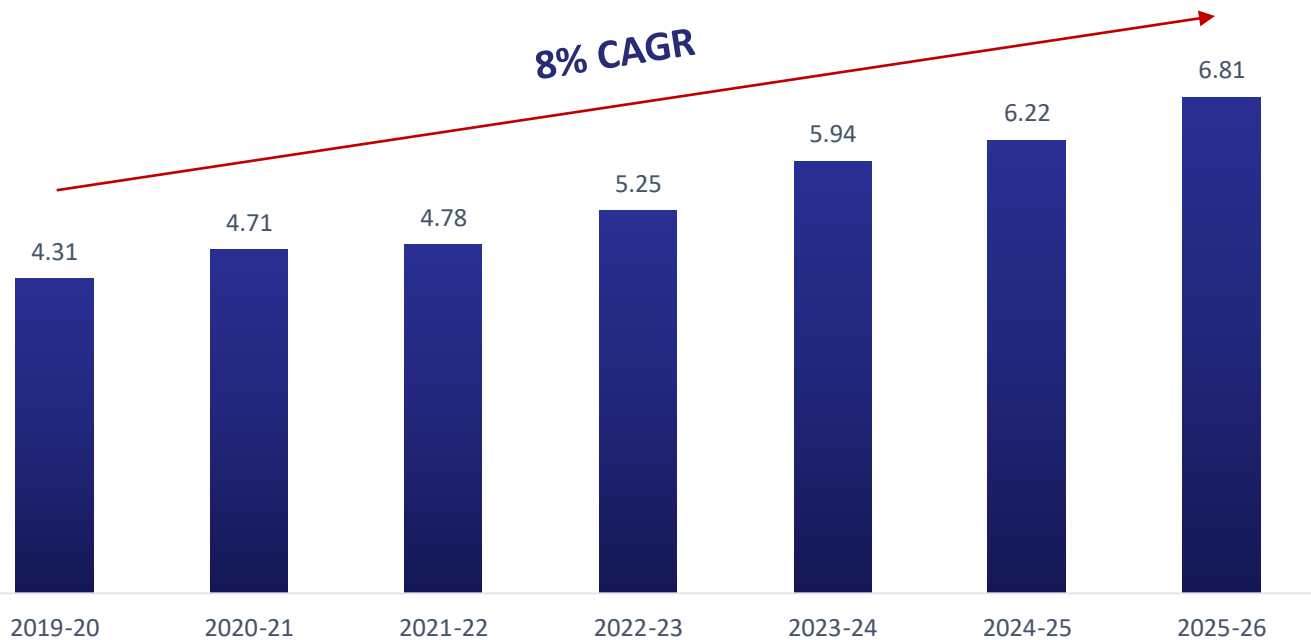
USA heads global defense spending at USD 968 Bn, while **India** holds **5th place** with **USD 84 Bn**.

Military Expenditure by Country in 2024 (USD Bn)



Budget Allocation (₹ lakh crores)

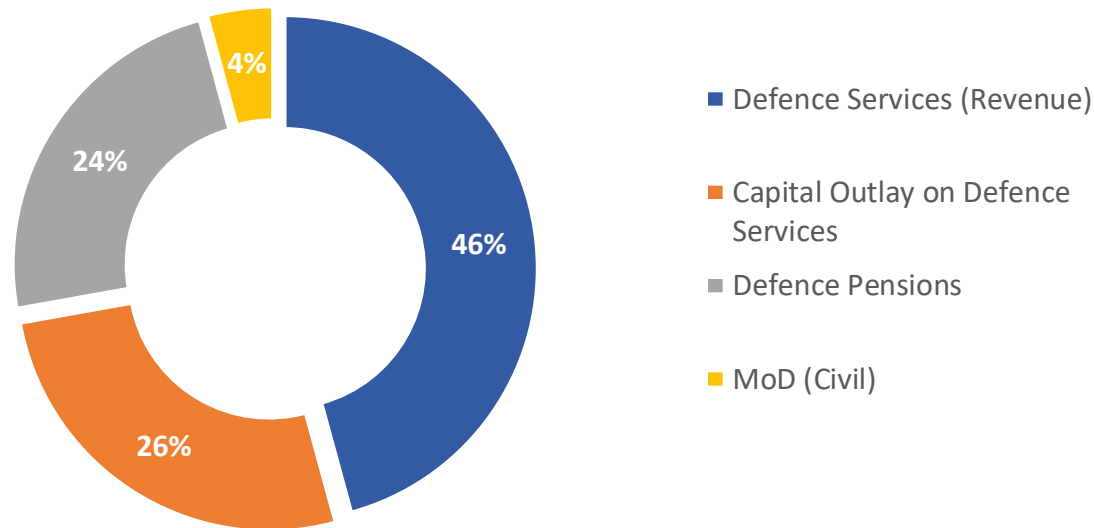
8% CAGR



## India's Defence Budget on the Rise

- Defence budget allocation has grown at an **8% CAGR**, now accounts for **~13%** of the total budgeted expenditure
- Defence budget allocation has been in the range of **1.7% -1.9%** of the country's annual GDP
- Government policies are encouraging the industry to work towards **indigenization of defense production.**

Breakdown of fund allocation in Defence Industry as per the Union Budget 2025-26 (%)



- Ministry of Defence (MoD) was allocated a total Budget of ₹6.81 lakh crore, which is **9.5% YoY increase from 2024-25 budget**
- Of this, ₹1.80 lakh crore was allocated towards capital expenditure, including the purchase of new **weapons, aircraft, warships, and other military equipment**
- An outlay of ₹7,146 crore was announced towards the **capital expenditures of the Border Roads Organization (BRO)**

# India's Major Import Partner

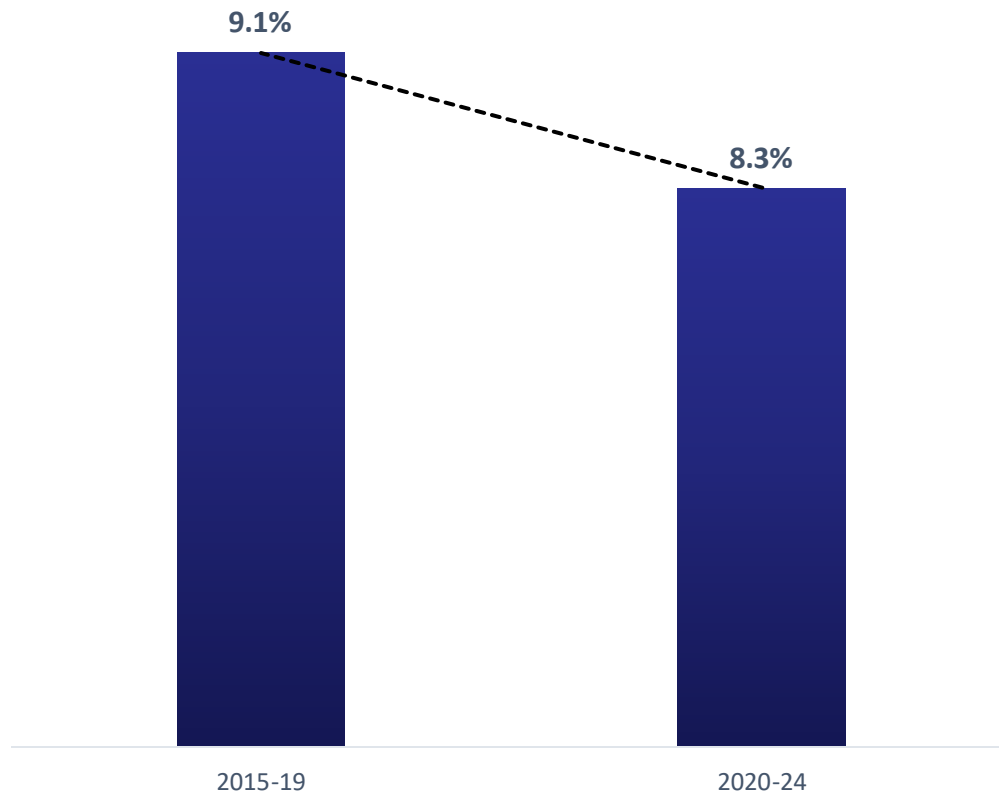
India was the world's **2<sup>nd</sup> largest** arms importer, accounting for **8.3%** of global arm imports between **2020-24**



India has actively **diversified its arms suppliers** to reduce overdependence and enhance **strategic autonomy**

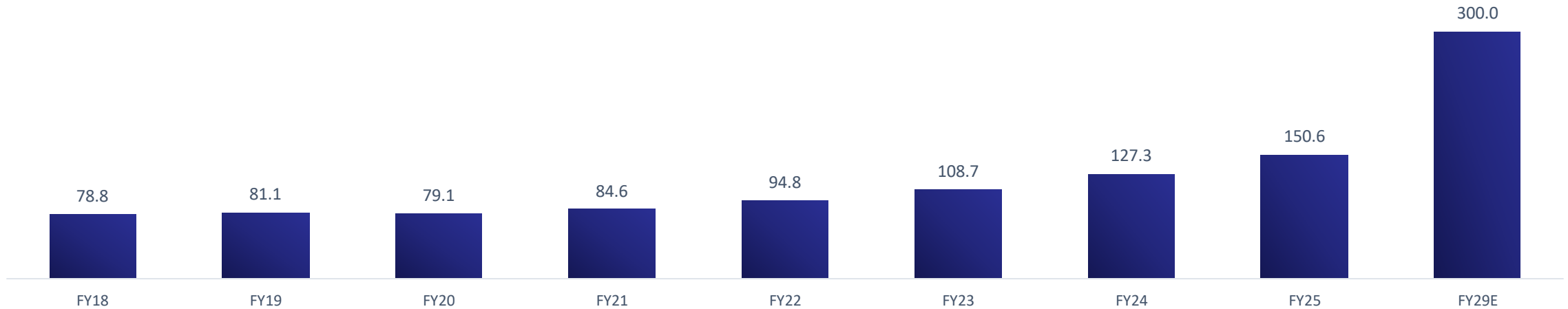
Country	Import Share between 2020-24 (%)
Russia	36%
France	33%
Israel	13%
US	13%
South Africa	11%
South Korea	7%

India's Share of Global arms Imports (%)



- Now, **65%** of defence equipment is **manufactured domestically**, compared to 65-70% earlier being imported.
- Strong policy push through "**MAKE-IN-INDIA**" and "**ATMANIRBHARTA**" initiatives, driving local manufacturing and self-reliance
- Improved **domestic capability** to design and produce advanced weapons, reducing dependence on foreign suppliers.

Defence Production (₹ 000' crores)

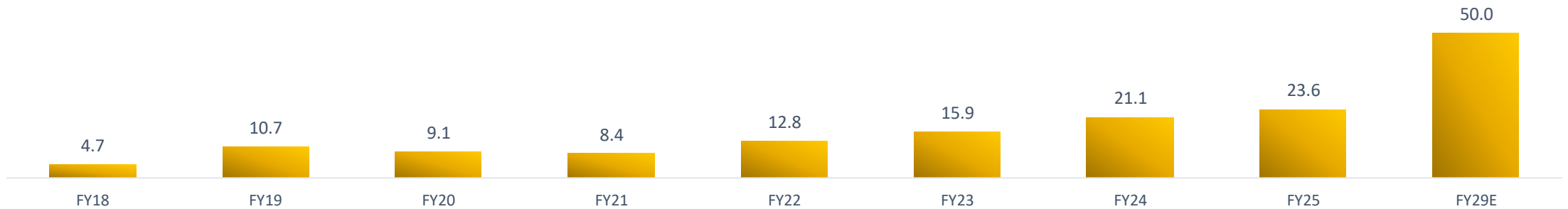


- ❑ Ministry of Defence (MoD) achieved record-high indigenous Defence production of around ₹1,50,000 crore in FY25, marking 18% growth over last year
- ❑ DPSUs/PSUs contributed 79%, while the private sector share rose to 21%, showing steady growth across the board
- ❑ India is targeting ₹3 lakh crore in Defence production by 2029

# Addressable Opportunity for Indian Defence Players

India's Defence exports hit a **record high** in **FY25**, with the **private sector** contributing about **60%**. Exports grew by **260%** over the last **5 years** and now reach more than **100 countries**.

Defence Exports (₹ 000' crores)



## Key Defence Equipment's Exported From India

Dornier 228 utility aircraft



Advanced Towed Artillery Guns

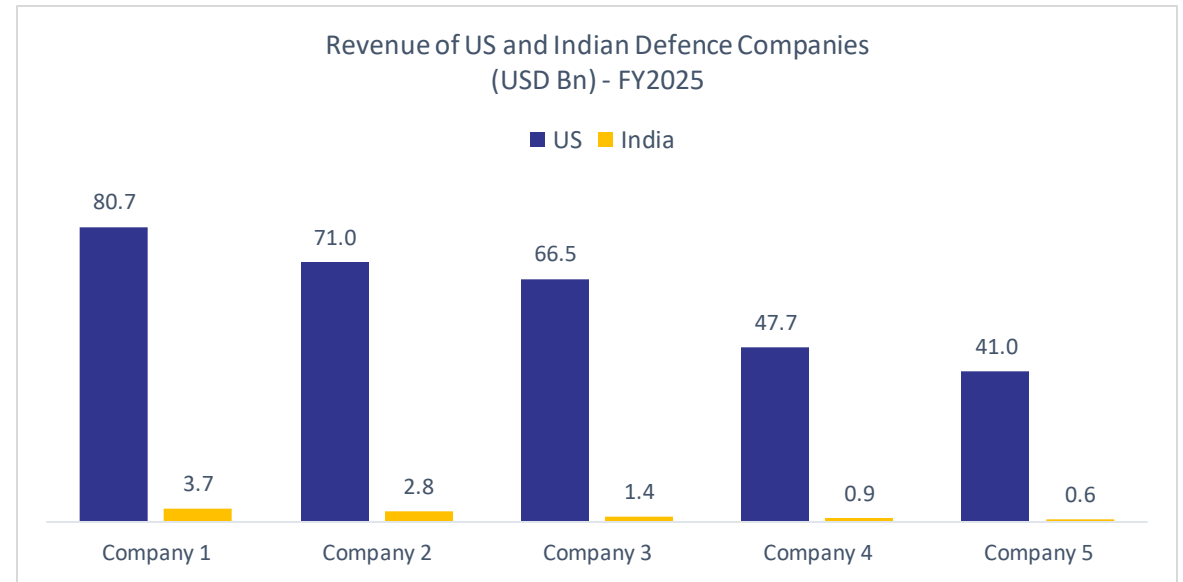
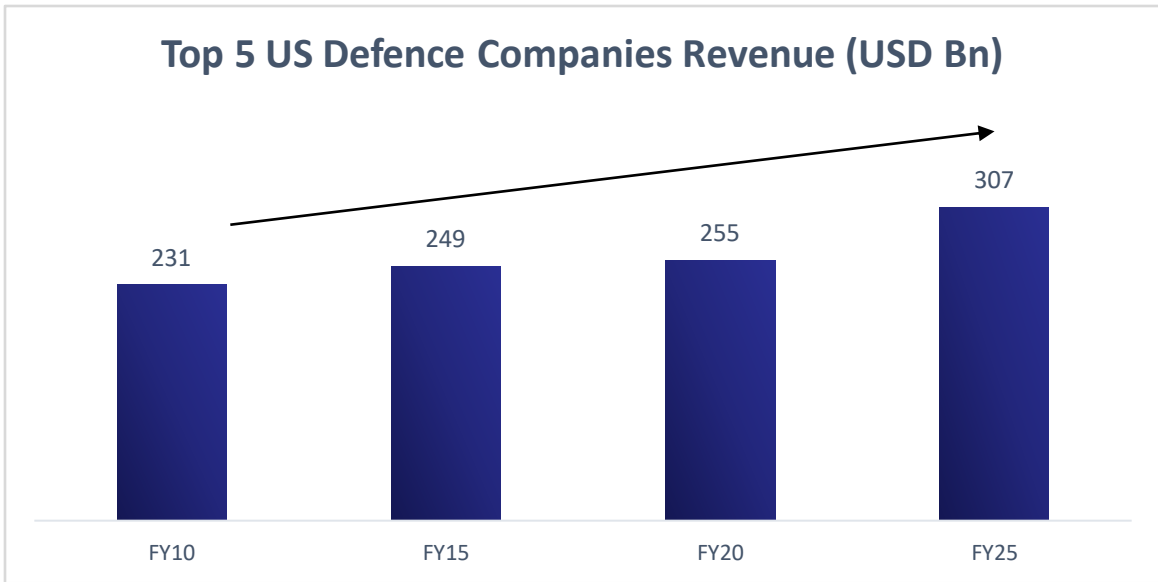


Brahmos Missiles



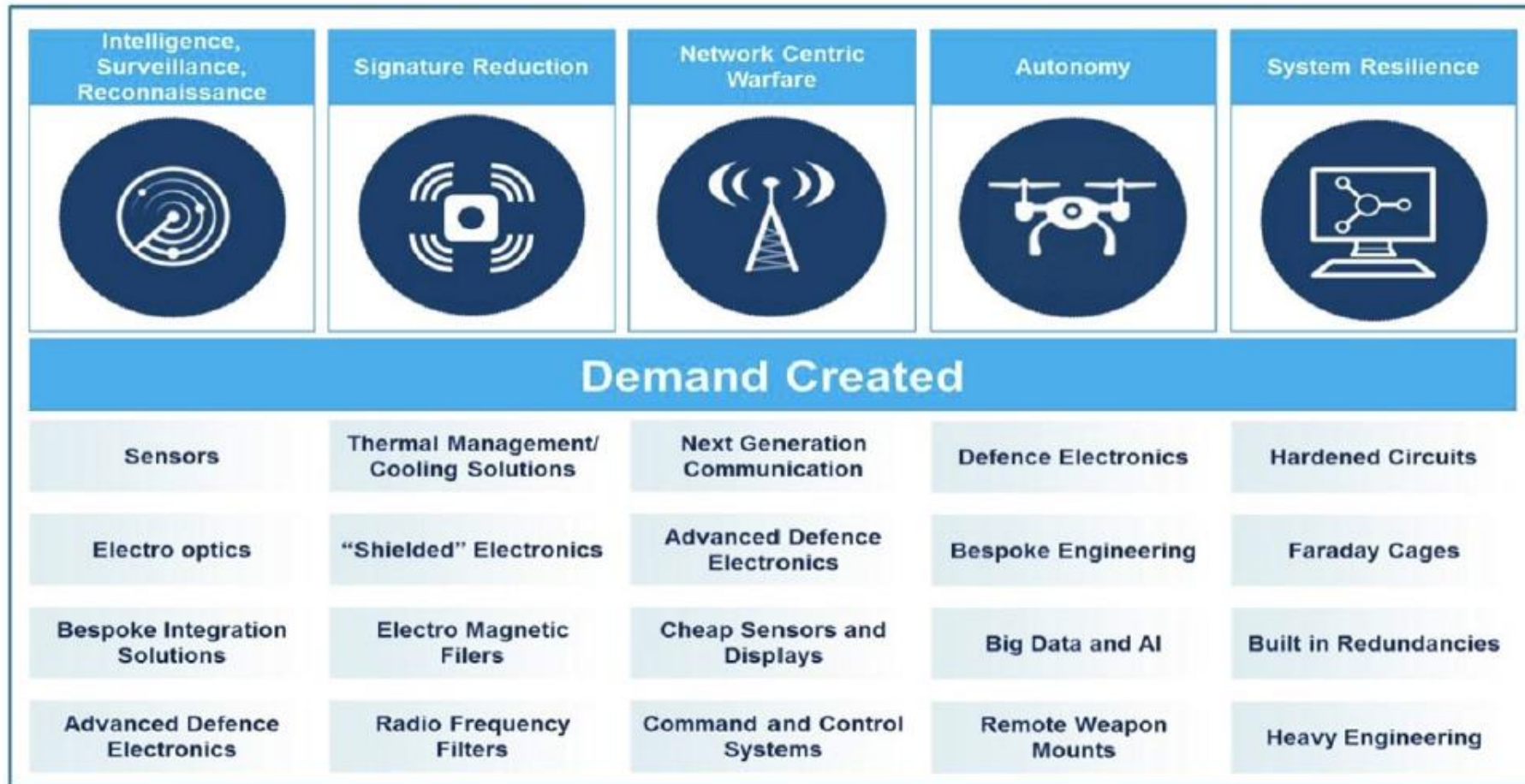
# Long Runway for growth

**Top 5 U.S Largest Defence companies have grown at a CAGR of 4% over past 5 years showing the head room growth for Indian Defence Players**

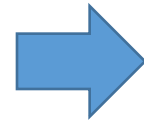


# Emerging Trend in Defence Space

Countries are moving to rapid expansion of **Intelligence, Surveillance, and Reconnaissance (ISR) solutions** as there are shift from the traditional warfare



Defence Companies and some of the indigenous products that are manufactured by them



Hindustan Aeronautics LTD

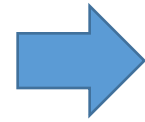
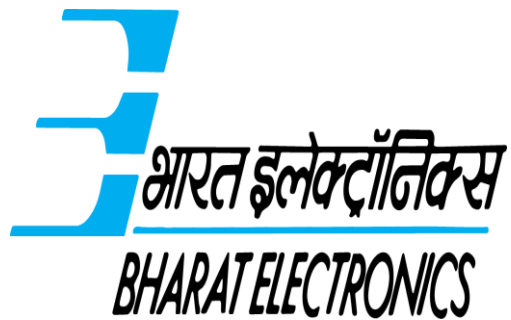
Tejas



Chetak



Dhruv



Bharat Electronic LTD

ATULYA



Lightweight laser target designator



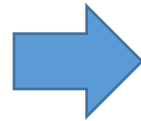
Drone Detection Radar



Defence Companies and some of the indigenous products that are manufactured by them



**Mazgaon Dock Shipbuilder**



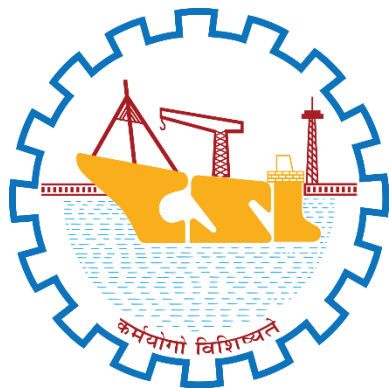
Submarines



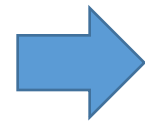
Destroyer



Missile boats



**Cochin Shipyard**



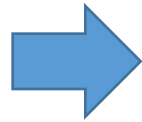
Maintenance of Aircraft Carrier



Maintenance of Tanks



Defence Companies and some of the indigenous products that are manufactured by them



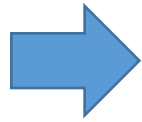
Helicopter Hosuing



Dalia Actuators-LCA Tejas



**MITAR Technologies LTD**



Radar System



Low Level Tracking Radar "Ashwini"



**Data Pattern (India) LTD**

# India Defence Challenges: Geopolitical and Security

Large land and  
coastline to  
safeguard

Border Issues  
with Neighboring  
countries

Ongoing  
Terrorism issues

Delays in  
Modernization  
due to  
Bureaucracy

## Defence procurement procedure

- Streamlining the procurement process, reduce bureaucratic hurdles, and create a more conducive environment for indigenous defence production

## Defence Offsets

- Defence offsets require foreign defence suppliers to invest a certain % age of the contract value back into India's defence industry
- Helps to stimulate domestic manufacturing and transfer of technology

## Equal Field for Private Companies

- Initiatives such as '**Make in India**' and '**Strategic Partnership Model**' aim to enhance private sector involvement in defence production and encourage competition and innovation

## Atmanirbhar Provisions

- Initiative aims to promote indigenous manufacturing across various sectors, including defence
- Embargo on importing 4600+ items by end of Dec 2027

## Increased protectionism

- Trend of protectionism in defence seen in various countries is spreading globally. Govt prioritizing domestic manufacturing and job creation

## Economic impact

- Governments aim to leverage defence spending to stimulate their economies while bolstering domestic industries

## Indigenization (Atmanirbhar)

- Developing domestic capabilities and reducing reliance on foreign suppliers

## Saving forex

- Reducing defence import bills, Govt helping to preserve Forex Reserve, which is very essential for any developing country

# Nifty India Defence Total Return Index

# About: Nifty India Defence Total Return Index

**Index Objective:** The Nifty India Defence Index aims to track the performance of a portfolio of stocks that broadly represent the Defence theme

## Index Methodology Snapshot:

### Eligible Universe

- Should be part of Nifty Total Market Index

### Stocks Selection

- Should be part of SIDM (Society of Indian Defence Manufacturers) at review date & at least 10% of revenue from defence segment
- Stocks Forming part of Basic Industries

### Rebalancing and Reconstitution

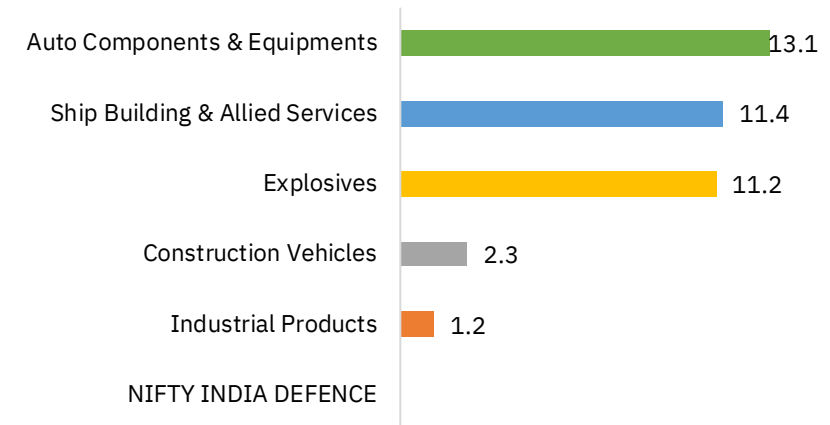
- Semi-Annual (Mar-Sep)
- Weight = Free Float Mcap
- Stock Weight Cap 20%

# Nifty India Defence Index Snapshot

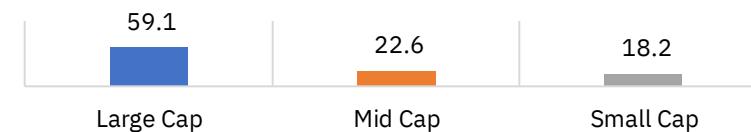
## Top 10 Constituents

Company Name	Weights
Bharat Electronics Ltd.	21.4%
Hindustan Aeronautics Ltd.	19.9%
Bharat Forge Ltd.	13.1%
Solar Industries India Ltd.	11.2%
Mazagoan Dock Shipbuilders Ltd.	6.6%
Bharat Dynamics Ltd.	4.8%
Cochin Shipyard Ltd.	4.8%
Astra Microwave Products Ltd.	2.8%
Garden Reach Shipbuilders & Engineers Ltd.	2.8%
Data Patterns (India) Ltd.	2.7%
<b>Total</b>	<b>90.0%</b>

## Basic Industry (AMFI): Nifty India Defence

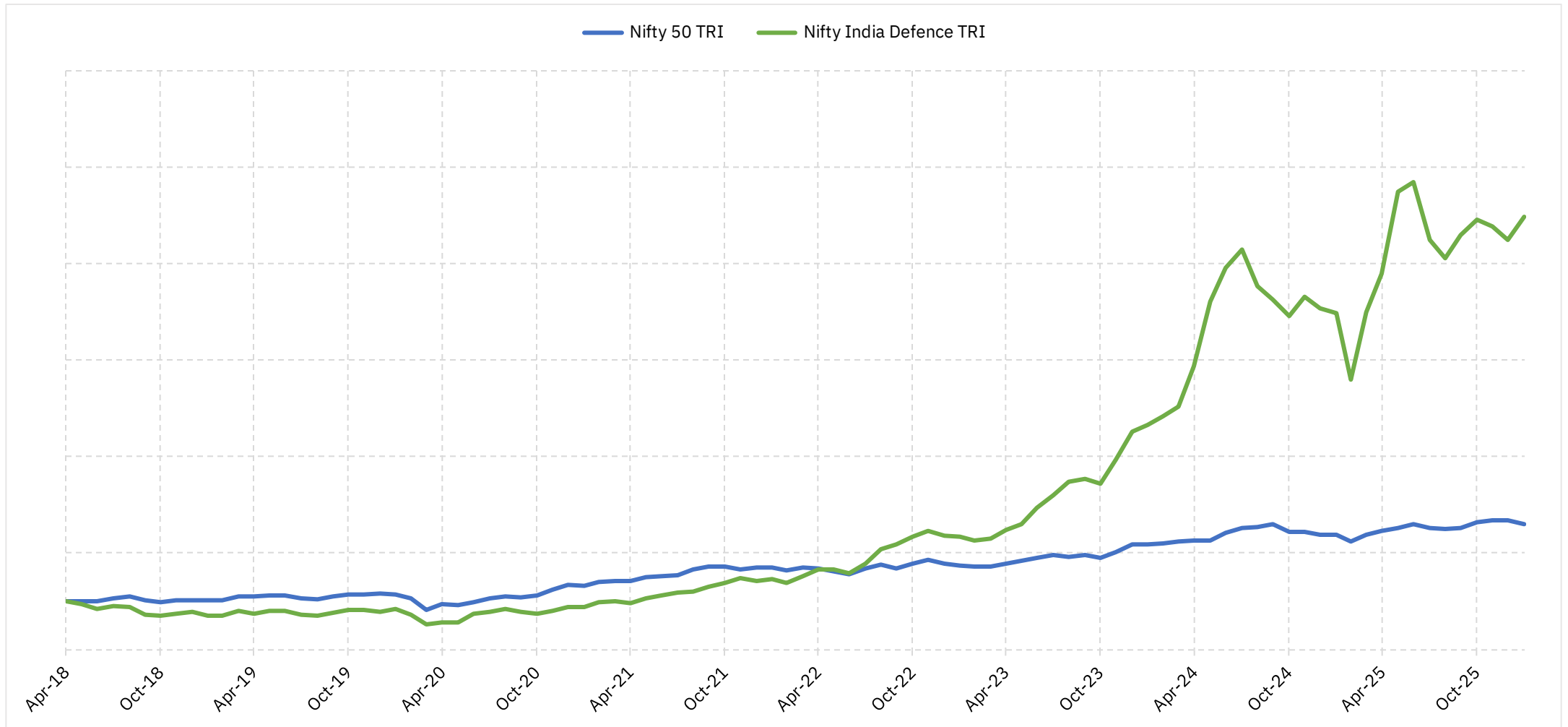


## Size Coverage



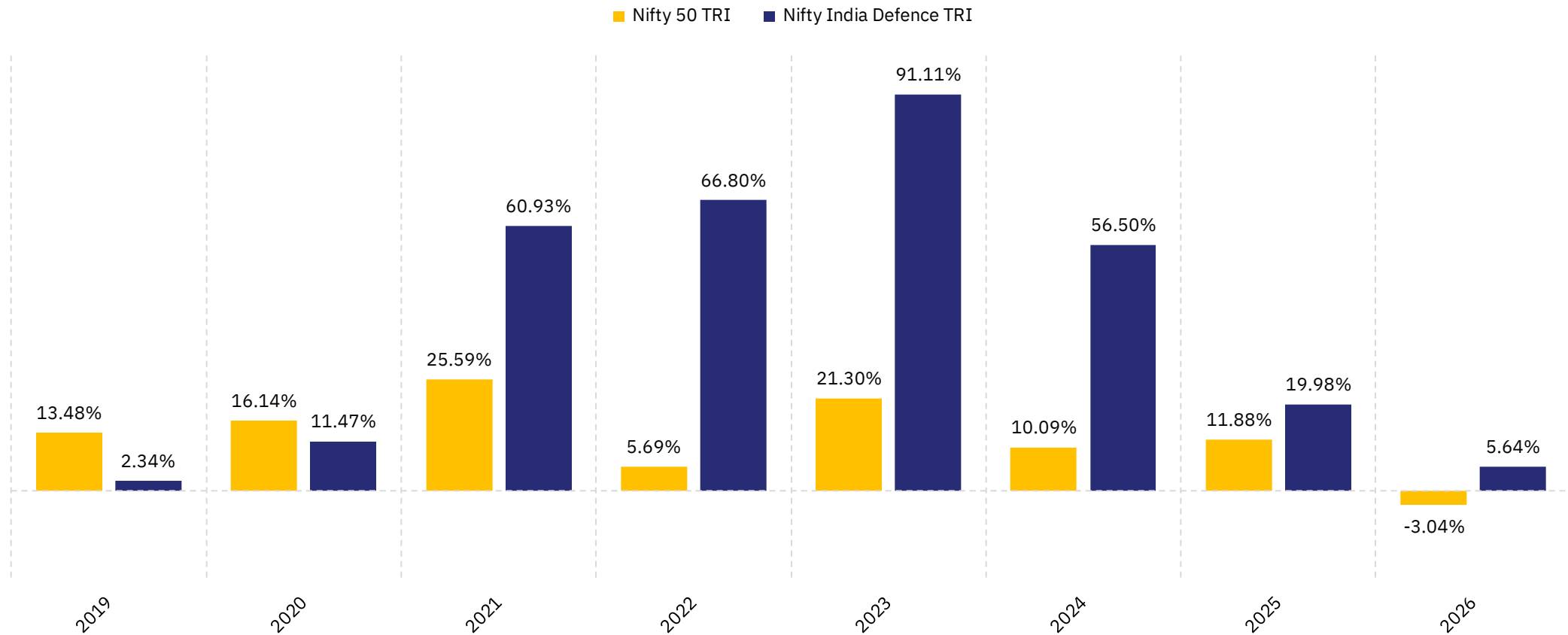
# Long term historical performance

Nifty India Defence TRI has been outperforming Nifty 50 TRI since the Covid era led by the shift in government policies



# Calendar Year Performance

Nifty India Defence TRI has outperformed Nifty 50 TRI **4 times** in **last 6 calendar years**



# Risk-Return Profile

Nifty India Defence TRI has significantly outperformed Nifty 50 TRI across all the periods.

Data Label		1 year	3 year	5 year	7 year
<b>Nifty India Defence TRI</b>	<b>CAGR</b>	<b>28.81%</b>	<b>56.68%</b>	<b>58.96%</b>	<b>43.69%</b>
Nifty 50 TRI		9.00%	14.08%	14.52%	14.24%
<b>Nifty India Defence TRI</b>	<b>Annualised Volatility</b>	<b>27.86%</b>	<b>29.10%</b>	<b>27.20%</b>	<b>27.42%</b>
Nifty 50 TRI		11.39%	11.87%	13.82%	17.47%
<b>Nifty India Defence TRI</b>	<b>Risk Adjusted Returns</b>	<b>1.034</b>	<b>1.948</b>	<b>2.168</b>	<b>1.593</b>
Nifty 50 TRI		0.790	1.186	1.051	0.815

# Index Systematic Investment Plan (SIP) Returns

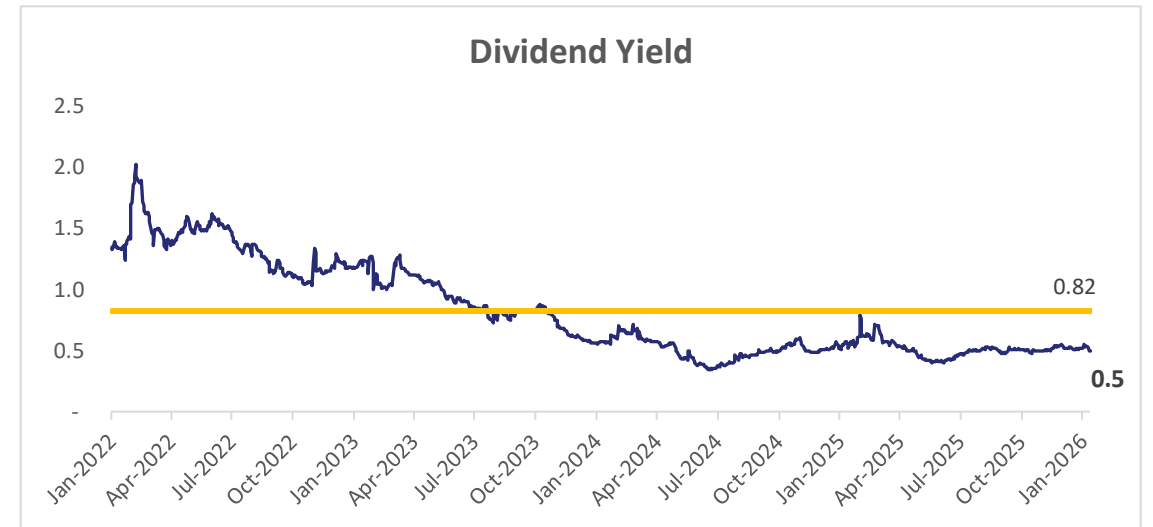
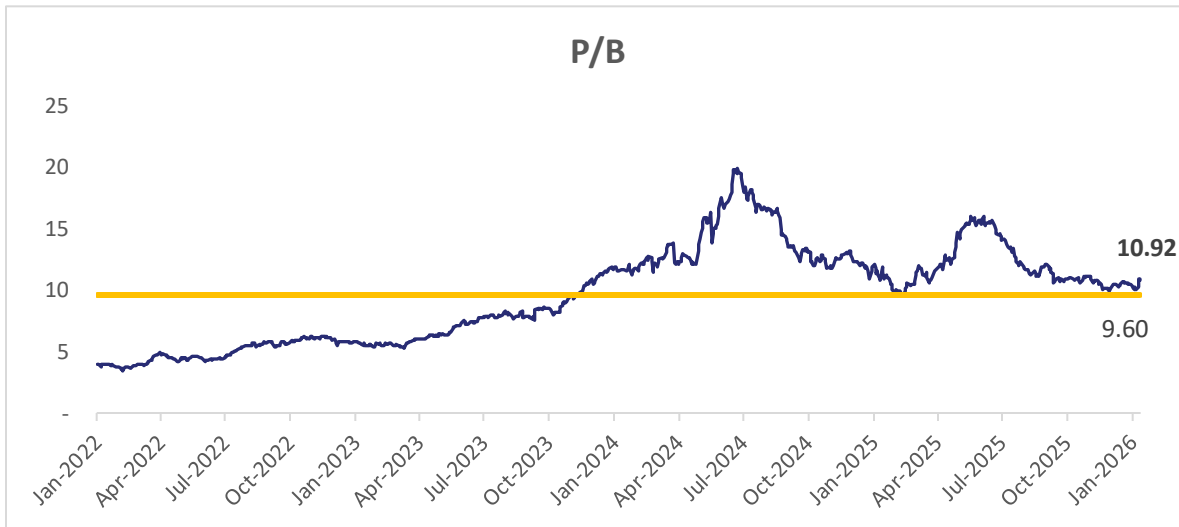
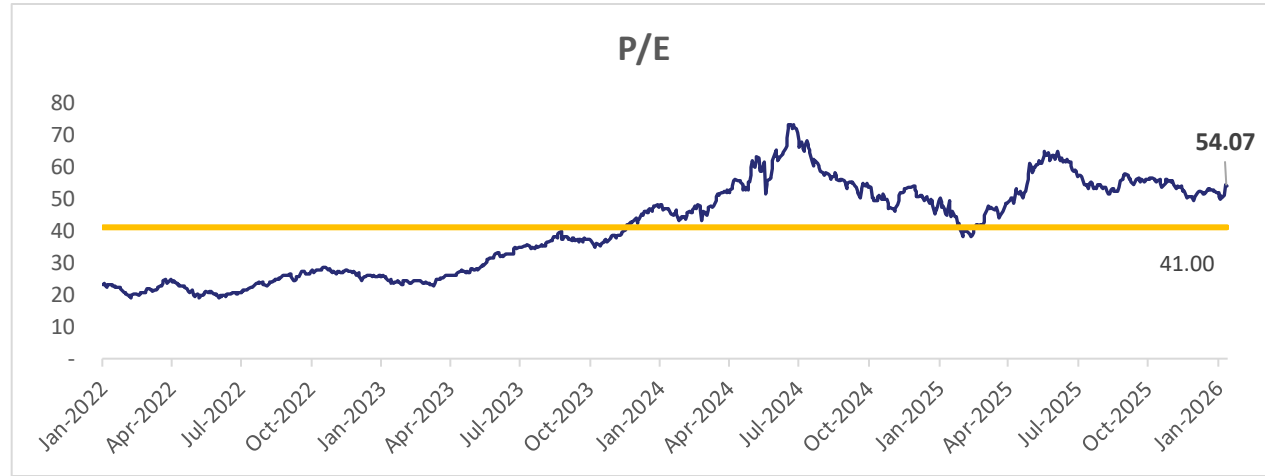
<b>Nifty India Defence TRI</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>7 Year</b>
<b>Returns</b>	23.87%	44.43%	54.76%	51.76%
<b>Amount Invested</b>	1,20,000	3,60,000	6,00,000	8,40,000
<b>Market Value</b>	<b>1,34,920</b>	<b>6,66,653</b>	<b>22,03,423</b>	<b>51,35,005</b>

<b>Nifty 50 TRI</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>7 Year</b>
<b>Returns</b>	6.89%	10.36%	11.65%	14.07%
<b>Amount Invested</b>	1,20,000	3,60,000	6,00,000	8,40,000
<b>Market Value</b>	<b>1,24,409</b>	<b>4,20,533</b>	<b>8,03,929</b>	<b>13,86,597</b>

Data as of close of Jan 31, 2026 For SIP returns, monthly investment of INR 10,000/- invested on the first business day of every month has been considered. Performance is calculated using Total Return Index, with zero cost/expenses. Past performance may or may not be sustained in the future

Source/Disclaimer: niftyindices: Performance as of close of 01-Apr-18 to 31-Jan-26. Performance results have many inherent limitations and no representation is being made that any investor will, or is likely to achieve. Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy. The SIP amount, tenure of SIP, expected rate of return are assumed figures for the purpose of explaining the concept of advantages of SIP investments.. The actual result may vary from depicted results depending on scheme selected. It should not be construed to be indicative of scheme performance in any manner. The above are not scheme SIP returns, but simulation of index SIP returns. Past performance may or may not be sustained in future.

# Valuation Metrics



# Scheme Performance

# Scheme Performance – Regular Plan

## Lumpsum Performance

	1 Year		3 Year		5 Year		7 Year		Since Inception	
	Simple annualized (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000
Motilal Oswal Nifty India Defence Index Fund - Regular	27.5	12,737	-	-	-	-	-	-	3.7	10,593
Nifty India Defence TRI <sup>^</sup>	28.8	12,872	-	-	-	-	-	-	3.7	10,591
Nifty 50 TRI <sup>^^</sup>	9.0	10,897	-	-	-	-	-	-	3.8	10,610
NAV (Rs.) Per Unit as on: (30-Jan-2026) 10.5932	8.3170		-		-		-		10.0000	
Date of Inception: 03-July-2024										

## SIP Performance

	1 Year			3 Year			5 Year			Since Inception		
	Scheme	Nifty India Defence Index TRI	Nifty 50 TRI	Scheme	Nifty India Defence Index TRI	Nifty 50 TRI	Scheme	Nifty India Defence Index TRI	Nifty 50 TRI	Scheme	Nifty India Defence Index TRI	Nifty 50 TRI
Invested amount (₹)	1,20,000	1,20,000	1,20,000	-	-	-	-	-	-	1,90,000	1,90,000	1,90,000
Market value (₹)	1,34,784	1,35,627	1,24,466	-	-	-	-	-	-	2,17,616	2,19,525	1,97,558
Returns (CAGR %)	23.65%	25.04%	6.98%	-	-	-	-	-	-	17.39%	18.58%	4.78%

<sup>^</sup>Scheme Benchmark  
<sup>^^</sup>Additional Benchmark

Source/Disclaimer: MOAMC. Data as on 31-Jan-26 The NAV per unit shown in the table is as on the start date of the said period. Past performance may or may not be sustained in the future. Performance is for Regular Plan Growth Option & Direct Plan Growth Option. Different plans have different expense structure. For SIP returns, monthly investment of INR 10,000/- invested on the first business day of every month has been considered. Mr. Swapnil Mayekar is the Fund Manager for equity component since inception. Mr. Dishant Mehta is the Associate Fund Manager for equity component since 15-Oct-2024. Mr. Rakesh Shetty is the Fund Manager for debt component since 20-Dec-2024

# Scheme Performance – Direct Plan

## Lumpsum Performance

	1 Year		3 Year		5 Year		7 Year		Since Inception	
	Simple annualized (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000
Motilal Oswal Nifty India Defence Index Fund - Direct	28.3	12,825	-	-	-	-	-	-	4.5	10,715
Nifty India Defence TRI <sup>^</sup>	28.8	12,872	-	-	-	-	-	-	3.7	10,591
Nifty 50 TRI <sup>^^</sup>	9.0	10,897	-	-	-	-	-	-	3.8	10,610
NAV (Rs.) Per Unit as on: (30-Jan-2026) 10.7149	8.3547		-		-		-		10.0000	
Date of Inception: 03-July-2024										

## SIP Performance

	1 Year			3 Year			5 Year			Since Inception		
	Scheme	Nifty India Defence Index TRI	Nifty 50 TRI	Scheme	Nifty India Defence Index TRI	Nifty 50 TRI	Scheme	Nifty India Defence Index TRI	Nifty 50 TRI	Scheme	Nifty India Defence Index TRI	Nifty 50 TRI
Invested amount (₹)	1,20,000	1,20,000	1,20,000	-	-	-	-	-	-	1,90,000	1,90,000	1,90,000
Market value (₹)	1,35,297	1,35,627	1,24,466	-	-	-	-	-	-	2,18,909	2,19,525	1,97,558
Returns (CAGR %)	24.49%	25.04%	6.98%	-	-	-	-	-	-	18.20%	18.58%	4.78%

<sup>^</sup>Scheme Benchmark  
<sup>^^</sup>Additional Benchmark

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See other Schemes Managed by Fund Manager [Passive Factsheet](#) : [Active Factsheet](#)

# Scheme Performance – ETF

## Lumpsum Performance

	1 Year		3 Year		5 Year		7 Year		Since Inception	
	Simple annualized (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000	CAGR (%)	Current Value of Investment of Rs. 10,000
Motilal Oswal Nifty India Defence ETF	28.3	12,819	-	-	-	-	-	-	10.8	11,603
Nifty India Defence TRI <sup>^</sup>	28.8	12,872	-	-	-	-	-	-	11.5	11,699
Nifty 50 TRI <sup>^^</sup>	9.0	10,897	-	-	-	-	-	-	2.6	10,373
NAV (Rs.) Per Unit as on: (30-Jan-2026) 61.2569	69.9732		-		-		-		77.3037	
Date of Inception: 21-Aug-2024										

<sup>^</sup>Scheme Benchmark

<sup>^^</sup>Additional Benchmark

Source/Disclaimer: MOAMC. Data as on 31-Jan-26 The NAV per unit shown in the table is as on the start date of the said period. Past performance may or may not be sustained in the future. Performance is for Regular Plan Growth Option & Direct Plan Growth Option. Different plans have different expense structure. For SIP returns, monthly investment of INR 10,000/- invested on the first business day of every month has been considered. Mr. Swapnil Mayekar is the Fund Manager for equity component since inception. Mr. Dishant Mehta is the Associate Fund Manager for equity component since 15-Oct-2024. Mr. Rakesh Shetty is the Fund Manager for debt component since 20-Dec-2024

# About Motilal Oswal Nifty India Defence Index Fund & Motilal Oswal Nifty India Defence ETF

# Motilal Oswal Nifty India Defence Index Fund



## Type of Scheme

An open-ended fund replicating/tracking the Nifty India Defence Total Return Index



## Investment Objective

The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by Nifty India Defence Total Return Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved



## Minimum Application Amount-

Rs 500/- and in multiples of Re 1/ thereafter



## Exit Load

1% if redeemed before 15 days of allotment, nil thereafter



## Inception Date

03-July-2024



## Fund Manager

Mr. Swapnil Mayekar  
Mr. Dishant Mehta (Associate Fund Manager)  
Mr. Rakesh Shetty (for Debt Component)



## Benchmark

Nifty India Defence Total Return Index



## Total Expense Ratio

Direct – 0.54% , Regular – 1.13%



## Type of Scheme

An open-ended fund replicating/tracking Nifty India Defence Total Return Index



## Minimum Application lot size

**On Exchange** – Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereafter. (NSE : MODEFENCE)

**Directly with Mutual Fund** – Buy/sell units of the Scheme where the subscription/redemption amount is in excess of INR 25 cr.



## Inception Date

21-Aug-2024



## Benchmark

Nifty India Defence Total Return Index



## Investment Objective

The investment objective of the scheme is to provide returns that, before expenses, correspond to the total returns of the securities as represented by Nifty India Defence Total Return Index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved



## Exit Load

Nil



## Fund Manager

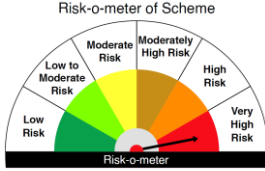
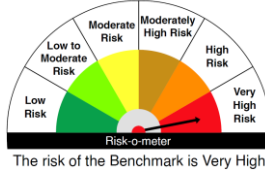
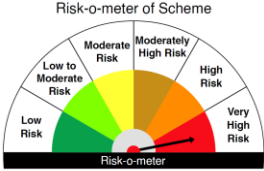
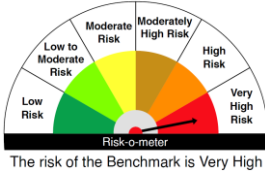
Mr. Swapnil Mayekar  
Mr. Dishant Mehta (Associate Fund Manager)  
Mr. Rakesh Shetty (for Debt Component)



## Total Expense Ratio

Regular – 0.41%

# Product Suitability

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer	Benchmark Riskometer
<p><b>Motilal Oswal Nifty India Defence ETF</b> (An open-ended fund replicating/tracking the Nifty India Defence Total Return Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds to the returns of the Nifty India Defence Total Return Index, subject to tracking error</li> <li>Long term capital growth</li> </ul>	<p>Risk-o-meter of Scheme</p>  <p>The risk of the scheme is Very High</p>	<p>Nifty India Defence Total Return Index</p> <p>Risk-o-meter of Benchmark</p>  <p>The risk of the Benchmark is Very High</p>
<p><b>Motilal Oswal Nifty India Defence Index Fund</b> (An open ended scheme replicating / tracking Nifty India Defence Total Return Index)</p>	<ul style="list-style-type: none"> <li>Return that corresponds to the performance of Nifty India Defence Total Return Index subject to tracking error.</li> <li>Long term capital growth.</li> </ul>	<p>Risk-o-meter of Scheme</p>  <p>The risk of the scheme is Very High</p>	<p>Nifty India Defence Total Return Index</p> <p>Risk-o-meter of Benchmark</p>  <p>The risk of the Benchmark is Very High</p>

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*The Scheme being an index scheme follows a passive investment technique and shall only invest in Securities comprising one selected index as per investment objective of the Scheme. The Fund Manager would invest in the Securities comprising the underlying index irrespective of the market conditions. If the Securities market declines, the value of the investment held by the Scheme shall decrease.*

*The Scheme is not actively managed. Since the Scheme is linked to index, it may be affected by a general decline in the Indian markets relating to its underlying index. The Scheme as per its investment objective invests in Securities which are constituents of its underlying index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.*

*The Motilal Oswal Nifty India Defence Index Fund and ETF carries sector concentration risk, as it focuses solely on the defence industry, making it vulnerable to sector-specific volatility. Being a passive fund, it also faces tracking error risk, meaning its returns may slightly deviate from the Nifty India Defence Index due to factors like liquidity and expenses. Additionally, market fluctuations, economic conditions, regulatory changes and liquidity constraints may impact the fund's performance, making it suitable for investors with a high-risk appetite and long-term investment horizon.*

**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**