



How Sectors Responded to the Previous Two Pay Commissions

Setting the Context as India Approaches the 8th Pay Commission

6th Pay Commission	Index	1M	3M	6M	12M	24M	36M
Returns	Sep-08	Oct-08	Dec-08	Mar-09	Sep-09	Sep-10	Sep-11
Capital Goods	10,581	-34%	-35%	-39%	30%	51%	2%
Consumer Durables	2,929	-29%	-35%	-45%	20%	115%	117%
FMCG	2,161	-17%	-8%	-6%	19%	72%	81%
Auto	3,675	-27%	-33%	-17%	81%	159%	131%
Realty	3,509	-44%	-35%	-56%	29%	6%	-50%

7th Pay Commission	Index	1M	3M	6M	12M	24M	36M
Returns	Aug-16	Sep-16	Nov-16	Feb-17	Aug-17	Aug-18	Aug-19
Capital Goods	15,212	-4.1%	-7.7%	0.8%	14%	25%	11%
Consumer Durables	12,485	0.5%	-9.7%	10%	42%	74%	88%
FMCG	8,822	-4.1%	-8.5%	-0.3%	15%	45%	26%
Auto	22,008	1.0%	-8.5%	-2.4%	7.6%	12%	-28%
Realty	1,542	-1.9%	-17%	-3.1%	39%	39%	33%

Past performance may or may not be sustained in future.

Consumer durables delivered strong and sustained gains after both the 6th and 7th Pay Commissions, with robust 12M returns and continued compounding over 24–36M, indicating multi-year strength rather than a short-lived post-policy rally.

FMCG showed defensive resilience, with smaller drawdowns initially and consistent 12M–24M gains across both commissions, supported by rising disposable incomes and relatively steady long-term performance.

Realty saw only short-term boosts, with sharp 12M gains post the 7th Pay Commission but fading returns over 36M and similarly weak long-term outcomes post the 6th Pay Commission, signaling a lack of sustained sectoral upcycles.

Auto posted a sharp uptick after the 6th Pay Commission but underperformed after the 7th, ending with negative 3Y returns, showing that income hikes alone are not enough to support a durable rally in the sector.

Please note that the reference to any industry/sector/stock is provided for illustrative purposes only. This should not be construed as a research report or a recommendation to buy or sell any security or sector. Source: Avendus Spark Report as published on 29th October 2025. M in the table above stands for Months.

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