

Q2FY26 Earnings Review: Mid-caps drive earnings rebound; upward revisions resume

Nifty 50 net sales (ex-Tata Motors) grew 7% YoY in Q2FY26—the fastest in four quarters—with sequential growth turning positive, even though H1 topline expansion eased to a multi-year low. Festive-season demand and firmer traction in commodity-linked sectors supported the rebound. The broader Nifty 500 (ex-Nifty 50)¹ showed a similar improvement, with mid- and small-cap firms recording their strongest revenue momentum in a year. Operating profits grew at a faster pace, benefiting from lower input costs, with EBITDA for Nifty 50 non-financials rising by 13.7% YoY in Q2FY26. Mid- and small-cap companies posted an even sharper improvement in operating profits, with EBITDA growth for Nifty 500 (ex-Nifty 50) touching a seven-quarter high and margins expanding to an eight-quarter peak, led by Energy and Materials. PAT trends were mixed: Nifty 50 profits rose 7.9% YoY but fell QoQ as Industrials and Financials weighed on margins, even as Materials, Communications, Energy and IT supported overall earnings. In contrast, Nifty 500 (ex-Nifty 50) PAT surged 30.7% YoY—its strongest in seven quarters—with margins improving 167bps YoY/32bps QoQ to 8.9%. Median YoY PAT growth for the Nifty 500 stood at 12.2%, while mid-caps outperforming at 15.8%.

A recovery in corporate revenues and profitability in Q2FY26, alongside expectations of firmer post-GST demand, easing input-cost pressures, and a still-resilient investment cycle, has driven modest upward revisions to earnings estimates in recent months. Consensus forecasts (LSEG Workspace) for FY26 and FY27 for the top 200 well-covered companies have been raised by 0.6% and 0.4% since end-September, implying an earnings CAGR of 13.3% over FY25–27. Consistent with these trends, the Earnings Revision Indicator² (ERI) has also improved gradually, though it remains in negative territory—signalling that downgrades still outnumber upgrades, but at a slowing pace, suggesting the downgrade cycle may be nearing an inflection point. Complementing this, our HHI-based concentration analysis across the Nifty 50, Nifty 500, and Nifty 500 ex-Nifty 50 universes shows a clear bifurcation: earnings are becoming incrementally more concentrated among large-cap leaders within the Nifty 50, while the mid- and small-cap segments continue to underpin a broader, more distributed profit base.

Looking ahead, the macro backdrop remains supportive of a steady earnings trajectory, aided by lower rates, improving consumption, softer input costs, sustained public capex and a gradual recovery in private investment. Key risks include global demand weakness—especially for IT and export-oriented sectors—commodity price volatility, rural softness, and external uncertainties from geopolitical tensions and US tariff policy.

- **Topline growth improved in Q2FY26 amid a gradually firming demand environment:** Net sales of Nifty 50 companies (ex-Tata Motors) rose 7% YoY/0.8% QoQ in Q2FY26 (vs. 6.8% YoY/-2.6% QoQ in Q1) to Rs 17.5 lakh crore, signalling a gradual improvement in demand aided by the festive season. Even so, H1FY26 revenue growth eased to a five-year low of 7% YoY. For the broader Nifty 500 universe, topline growth improved to a four/six quarter high of 6.6% YoY/0.9% QoQ, with the overall median revenue growth for the cohort rising to 10% in Q2 (vs. 9.2% in Q1). Sector-wise, Consumer Discretionary and Materials accounted for the bulk of the incremental growth in Q2, offsetting weak trends in Financials and IT.
- **Operating profit growth improved, aided by a low base:** EBITDA for non-financial Nifty 50 companies (ex-Tata Motors) increased 13.7% YoY in Q2FY26 to Rs 3.04 lakh crore, aided in part by low base, even as it fell 2.9% sequentially. Operating margins widened by 83 bps YoY, reflecting improved demand and lower input costs. The trend was broad-based, with 34 of 38 firms reporting YoY growth and H1FY26 EBITDA up 14.6% YoY, lifting margins to 17.7%. Sector-wise, Materials, Energy and Communications were the key drivers of operating profit growth, with

Nifty 50 and Nifty 500 companies reported YoY/QoQ increases of 7%/6.6% and 0.8%/0.9%, respectively—up from 6.3%/6.1% YoY and -2.6%/-24% QoQ in Q1.

EBITDA growth outpaced revenue growth for both Nifty 50 (13.7% YoY) and Nifty 500 (18.3% YoY) in Q4, with margins rising to multi-quarter highs.

¹ 497 companies in the Nifty 500 index reported earnings data for Q2FY26 as on November 21st, 2025. Tata Motors Ltd. has been excluded in the Sep-25 quarter, as the company underwent a demerger on October 1st, 2025.

² Earnings Revision Indicator over a period is calculated as (no of upgrades – no of downgrades)/(total number of upgrades and downgrades). A value less than zero indicates downgrades outnumbering upgrades and vice versa.

Materials delivering a 15-quarter high YoY rise, Energy contributing the largest share of the increase, and Communications sustaining robust gains aided by tariff hikes. For the Nifty 500 (ex-Nifty 50) cohort, EBITDA growth and margins also strengthened, though large caps continued to exhibit superior margin performance.

- PAT growth moderated for large-caps but strengthened for mid-caps:** Net profit for Nifty 50 companies (ex-Tata Motors) rose 7.9% YoY in Q2FY26 but declined 8.1% QoQ, with PAT margins easing to 12% as Industrials and Financials posted notable profit declines. Utilities and Consumer Staples also registered weaker prints, while Materials, Communications, Energy and IT remained the key positive contributors. Profit breadth softened, with 36 companies reporting YoY growth and only 23 recording sequential gains. In contrast, profit performance for the Nifty 500 (ex-Nifty 50) universe strengthened sharply, with adjusted PAT surging 30.7% YoY to Rs 3.9 lakh crore—its fastest pace in seven quarters—driven largely by midcaps, which contributed nearly 70% of the increase. PAT margins improved to 8.9%, supported by better demand and moderate cost pressures, while Energy and Financials (led by NBFCs) accounted for over 60% of the YoY uplift. Median PAT growth for the broader universe stood at 12.2%, with mid-caps outperforming.
- Rising concentration at the top, sustained broadening in the mid- and small-cap universe:** Earnings concentration across sales, EBITDA and PAT shows a clear post-pandemic bifurcation. Within the Nifty 50, concentration has risen again—most visibly in EBITDA and increasingly in sales and PAT—indicating that a small group of large firms continues to drive a disproportionate share of gains. In contrast, the Nifty 500 and especially the Nifty 500 ex-Nifty 50 exhibit a structurally broader and more diffused earnings base, with mid- and small-caps contributing more evenly to the recovery. Sector-wise, concentration has intensified in Communication Services, Energy and Financials, while Consumer Discretionary, Industrials, IT and Materials show a wider post-COVID dispersion. Overall, the trends point to a two-speed earnings cycle—renewed dominance at the top, alongside a deeper and more diversified recovery beyond the largest firms.
- Consensus aggregate PAT estimates upgraded marginally...:** A firmer consumption environment post-GST rationalisation, easing input costs, and resilient investment activity supported modest upgrades to profit estimates, marking a break from the prolonged downgrade cycle. FY26 and FY27 earnings for the top 200 companies were revised up by 0.6% and 0.4%, lifting the expected FY25–27 earnings CAGR to 13.3%. Upgrades were concentrated in Financials and Energy, with Materials also contributing meaningfully to the medium-term outlook. In contrast, Consumer Staples, Consumer Discretionary, and Utilities saw mild downgrades. Overall, Financials, Energy, and Materials are expected to drive nearly two-thirds of incremental earnings over the next two years.
- ...with the ERI mimicking the trend:** The ERI has begun to recover after a prolonged period in deep negative territory, reflecting a moderation in earnings downgrades even though upgrades have yet to dominate. The improvement is consistent with modest upgrades seen in consensus estimates since September-end. Sector-wise, the recovery is led by upgrades in Energy and Materials, with Industrials and Consumer Discretionary also showing better revision momentum. Overall, the ERI points to a stabilising earnings environment, with the downgrade cycle appearing to be bottoming out.

PAT growth for Nifty 50 moderated, for expanded by a strong 20.7% for the Nifty 500 ex Nifty 50 companies in Q4FY25.

Aggregate earnings growth of top 200 companies is pegged at 12.0% and 14.7% in FY26 and FY27 respectively, implying an earnings CAGR of 13.3% during FY25-27.

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Nifty 50 Q2FY26 results

Nifty50 topline growth in Q2FY26 matched the highest level in last four-quarters: Net sales of Nifty 50 companies (ex-Tata Motors) grew 7% YoY in Q2FY26 to Rs 17.5 lakh crore, edging past the 6.8% YoY print in Q1FY26 and matching the strongest pace of the last four quarters. On a sequential basis as well, momentum improved, with QoQ growth recovering to 0.8% in Q2FY26 after a 2.6% QoQ contraction in Q1FY26. Although topline growth has stayed in single digits for six consecutive quarters, the recent uptick points to a gradually improving demand environment, aided by the onset of the festive season. Even so, half-year revenue growth moderated to a five-year low of 7.0% YoY, with total net sales rising to Rs 34.9 lakh crore from Rs 32.6 lakh crore in H1FY25. Moreover, Q2FY26 topline growth is yet to fully converge with the pre-COVID trend, when September-quarter revenues grew by an average 10.6% YoY and 1.2% QoQ over 2015–2019, suggesting that the current recovery in demand, while improving, is still somewhat softer than in earlier cycles. The September quarter also saw consumers postpone purchases ahead of the GST rollout, as many chose to wait for expected price reductions.

Sector-wise, the YoY top-line expansion in Q2FY26 was driven primarily by three sectors: 1) Consumer discretionary delivered its strongest performance in nine quarters, with net sales rising 26.5% YoY and 12.6% QoQ, supported by a low base and a pickup in discretionary spending ahead of the festive season. 2) Materials sector recorded its strongest growth in 12 quarters, led by metals and cement, with steel companies alone accounting for nearly one-third of the YoY revenue increase. 3) Energy sector posted a marked recovery, with growth improving to 5.3% YoY in Q2 from a subdued 1.8% YoY in Q1 and 1.7% YoY in Q2FY25, largely on the back of Reliance Industries' revenue performance. Taken together, these three sectors, while comprising 47% of Nifty 50 revenues, accounted for nearly 71% of the YoY revenue expansion of the cohort in Q2FY26. Despite this concentration, the upturn was still broad-based, with 43 of 49 companies reporting YoY and 32 posting QoQ revenue growth.

After hitting a 12-quarter low in Q1, the Healthcare sector's revenue growth bounced back into double digits, supported by strong demand. Consumer staples sector had a subdued quarter as rural demand remained soft. Revenue growth for utilities remained modest, as electricity demand was subdued during the monsoon season. On the other hand, Financials - which comprise 1/4th of Nifty 50 revenues - saw revenues decline by 0.6% YoY and 4.4% QoQ. The downturn was driven largely by banks, as lower lending rates weighed on interest income, alongside muted treasury gains and softer fee income.

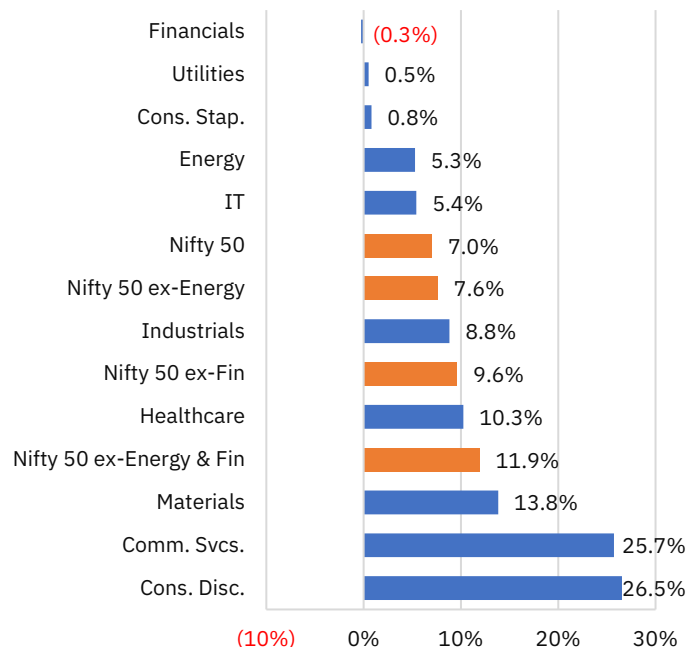
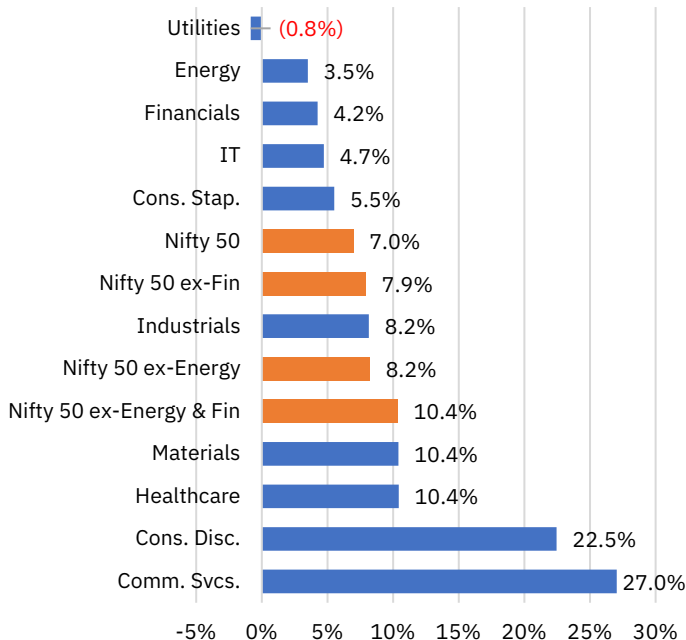
Table 1: Sector-wise net sales growth of Nifty 50 companies

Sector	QoQ growth			YoY growth			H1FY26	
	Sep-24	Jun-25	Sep-25	Sep-24	Jun-25	Sep-25	(Rs lakh crore)	Growth (%)
Communication Services	7.7	3.3	5.4	12.0	28.5	25.7	1.0	27.0
Consumer Discretionary	(0.4)	(4.3)	12.6	3.8	7.5	26.5	2.8	22.5
Consumer Staples	6.1	7.5	(3.2)	9.0	10.5	0.8	0.9	5.5
Energy	(3.3)	(5.8)	0.0	2.2	1.8	5.3	8.9	3.5
Financials	4.4	4.4	(4.4)	18.0	9.0	(0.3)	8.8	4.2
Health Care	6.0	4.3	5.6	11.6	10.6	10.3	0.8	10.4
Industrials	1.3	(15.2)	2.5	13.8	7.5	8.8	2.4	8.2
Information Technology	2.9	0.0	4.3	5.6	4.0	5.4	3.5	4.7
Materials	(3.1)	(4.4)	3.1	(0.1)	7.1	13.8	4.7	10.4
Utilities	(6.0)	(6.2)	(3.4)	(0.5)	(2.1)	0.5	1.1	-0.8
Nifty 50	0.4	(2.6)	0.9	7.2	6.3	7.0	34.9	7.0
Nifty 50 ex-Energy	1.6	(1.5)	1.2	8.9	7.8	7.6	26.0	8.2
Nifty 50 ex-Financials	(0.9)	(4.6)	2.7	4.1	5.5	9.6	26.1	7.9
Nifty 50 ex-energy ex-fin	0.3	(4.1)	4.2	5.0	7.3	11.9	17.3	10.4

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 50 index as on September 30th, 2025.

2. Data for Sep-25 quarter excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 1: Sector-wise net sales YoY growth of Nifty 50 companies in Q2FY26

Figure 2: Sector-wise net sales YoY growth of Nifty 50 companies in H1FY26


Source: CMIE Prowess, LSEG workspace, NSE EPR.

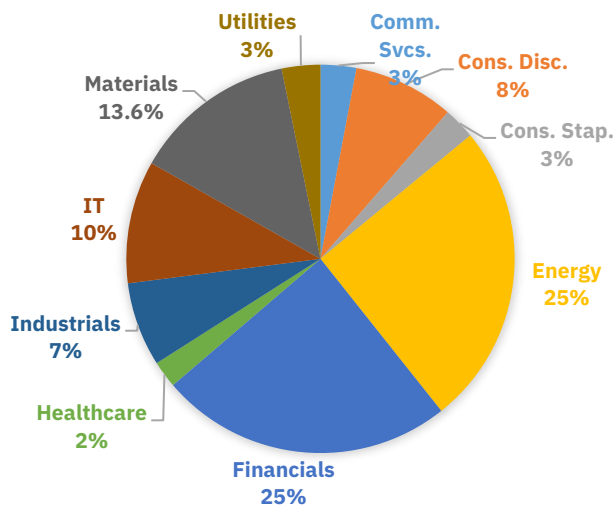
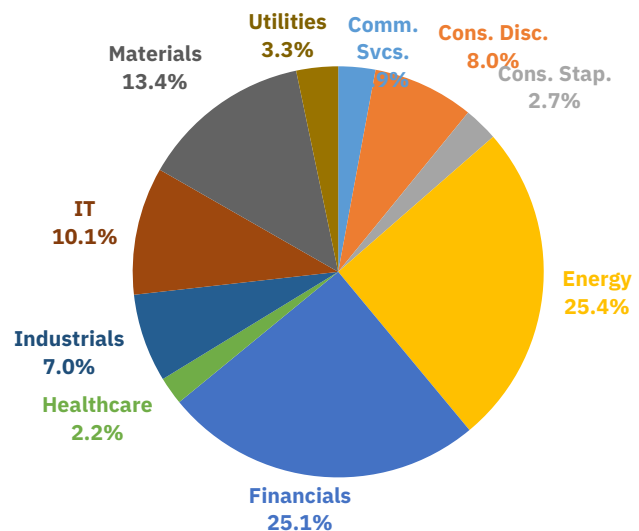
Note: 1. The above charts provide data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 2: Sector-wise contribution of Nifty 50 companies to net sales growth rate in Q2FY26

Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	52,145	(0.0)	0.7
Consumer Discretionary	1,47,269	0.9	1.9
Consumer Staples	46,352	0.0	0.0
Energy	4,42,721	(0.0)	1.4
Financials	4,27,705	0.2	(0.1)
Healthcare	39,335	(0.0)	0.2
Industrials	1,22,747	(0.0)	0.6
Information Technology	1,78,923	(0.1)	0.6
Materials	2,37,937	(0.1)	1.8
Utilities	56,262	0.0	0.0
Nifty 50	17,51,396	0.9	7.0
Nifty 50 ex-Energy	13,08,675	7.0	5.7
Nifty 50 ex-Financials	13,23,691	5.5	7.1
Nifty 50 ex-Energy ex-Financials	8,80,970	5.5	5.7

Source: CMIE Prowess, LSEG workspace, NSE EPR

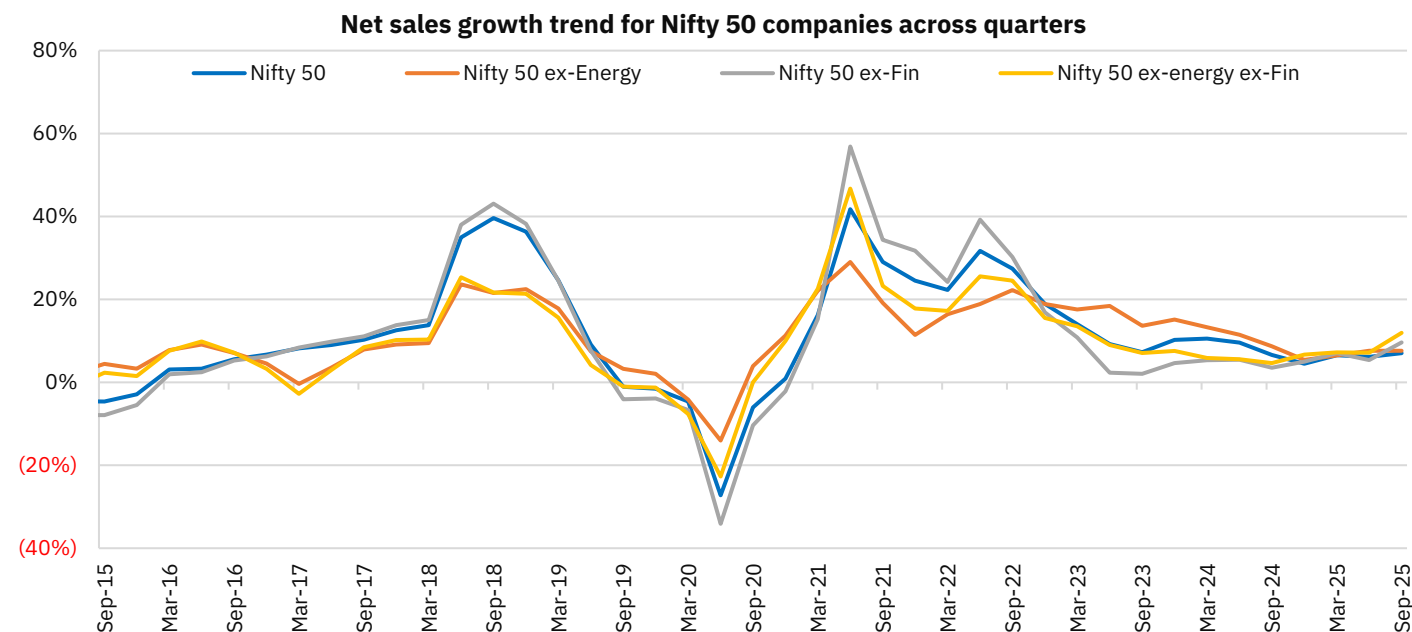
Note: 1. The above table provides data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 3: Sector-wise share in net sales of Nifty 50 companies in Q2FY26

Figure 4: Sector-wise share in net sales of Nifty 50 companies in H1FY26


Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 5: Quarterly trend of Nifty 50 revenue growth (YoY)

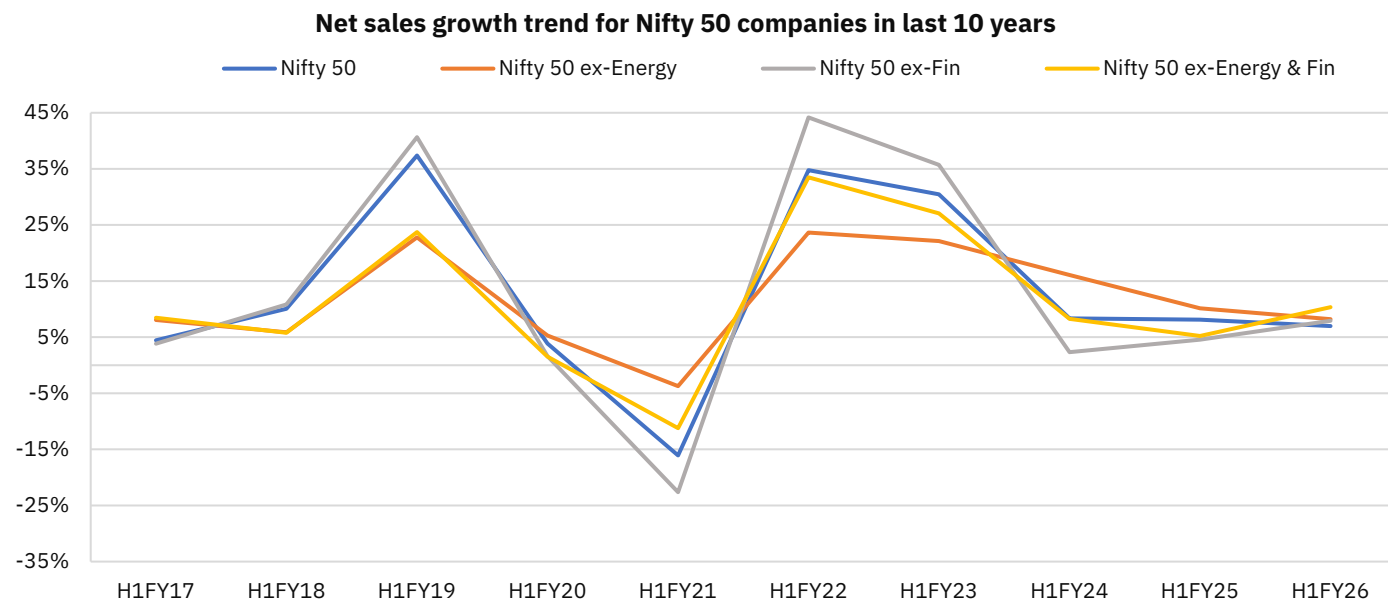


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

2. Nifty 50 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 6: H1 revenue growth trend for Nifty 50 over 10 Years (YoY)



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as at the end of September 30th of the respective fiscal years.

2. YoY growth is calculated based on interim financial data.

3. Nifty 50 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

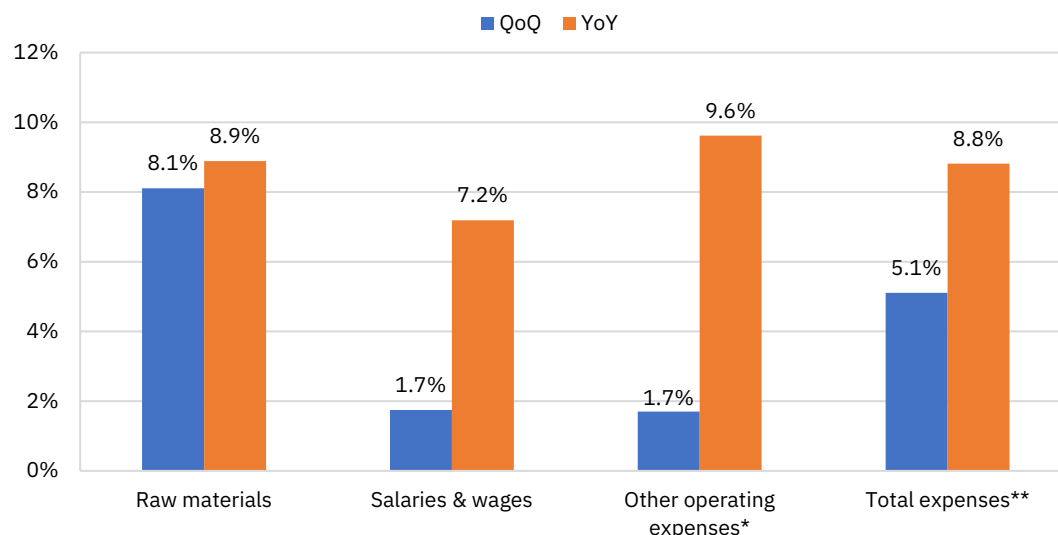
Nifty 50 companies' EBITDA growth rate moderated in Q2FY26: EBITDA for non-financial Nifty 50 companies (ex-Tata Motors) grew 13.7% YoY in Q2FY26, helped by a lower base, but fell 2.9% QoQ to Rs 3.04 lakh crore, moderating from a stronger 15.4% YoY and 2% QoQ expansion in Q1FY26. Raw material expenses increased by 8.9% YoY, slower than the net sales growth of 9.6% YoY, resulting in operating margins expanding 83 bps YoY in the September quarter. Margins narrowed 135 bps QoQ, as cost pressures picked up sequentially vis-à-vis revenue performance.

The growth in EBITDA was fairly broad-based: of the 38 non-financial Nifty 50 companies, 34 reported YoY EBITDA growth (up from 29 in Q1), while 27 also registered sequential gains. At a half-year level, EBITDA growth picked up to 14.6% YoY in H1FY26 to Rs 6.2 lakh crore after remaining flat during the corresponding period in the previous year, while EBITDA margins for the period climbed to a nine-year high of 17.7%, up 117 bps YoY.

Among sectors, Materials stood out with a 15-quarter high EBITDA growth of 24.7% YoY in Q2FY26, even though EBITDA slipped 1.6% QoQ. The sector accounted for about 21% of the YoY increase in Nifty 50 EBITDA, supported by stronger demand and slower rise in raw material costs, although its operating margin eased from 17.3% in the June quarter to 16.5% in the September quarter. The Energy sector was the largest single contributor to the YoY expansion in operating profits, accounting for around 28% of the increase. Its EBITDA growth, however, slowed to 13% YoY in the September quarter from a seven-quarter high of 19.8% in the June 2025 quarter. Excluding Energy, EBITDA growth of Nifty 50 non-financial companies was slightly higher at 14% YoY. Even so, margins for the sector were higher on a YoY basis supported by better refining margins, rising by 138 bps YoY, although they narrowed sequentially by 256 bps to 20.2%.

Communications sector also remained an important driver of earnings. Its YoY EBITDA growth, while moderating from a 23-quarter high of 35.5% in the June 2025 quarter to 31% in the September 2025 quarter, was still robust, helped by tariff hikes. Communications contributed 19.6% to the YoY expansion in operating profits of the Nifty 50 universe, with EBITDA margins improving to a three-quarter high of 58.2%. Within consumption-oriented sectors, consumer discretionary reported healthy YoY EBITDA growth, helped by firmer demand ahead of the festive season. In contrast, consumer staples saw EBITDA decline for the second straight quarter, as weak rural demand and deferred purchases weighed on performance.

Figure 7: Change in expenses for Nifty 50 companies in Q2FY26



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. *Other operating expenses include selling, general & administrative expenses, rental expenses, and other operating costs.

2. ** Total expenses exclude interest expenses and depreciation. 3. The above chart provides data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Table 3: Sector-wise EBITDA growth of Nifty 50 companies

Sector	QoQ growth			YoY growth			H1FY26	
	Sep-24	Jun-25	Sep-25	Sep-24	Jun-25	Sep-25	(Rs lakh crore)	Growth (%)
Communication Services	10.4	3.2	6.8	13.4	35.5	31.0	0.6	33.2
Consumer Discretionary	(8.7)	(11.1)	0.5	3.1	(5.2)	16.1	0.5	16.7
Consumer Staples	(0.2)	(0.2)	(0.3)	1.9	(0.5)	(0.6)	0.3	(0.5)
Energy	(5.9)	11.2	(11.2)	(8.6)	19.8	13.0	1.9	16.5
Financials	4.6	5.2	(3.8)	20.8	13.8	4.6	6.5	9.1
Health Care	7.2	5.7	4.1	15.8	12.6	9.4	0.2	10.9
Industrials	(7.2)	(11.7)	(4.3)	11.5	13.3	16.8	0.5	15.0
Information Technology	0.1	(0.9)	3.4	6.3	4.6	8.1	0.9	6.4
Materials	(4.2)	2.8	(1.6)	5.9	21.4	24.7	0.8	23.0
Utilities	3.4	(13.9)	(0.3)	6.8	3.7	0.1	0.5	1.9
Nifty 50	1.0	2.5	(3.4)	11.1	13.2	8.9	12.7	11.7
Nifty 50 ex-Energy	2.2	1.1	(1.9)	14.9	12.1	8.2	10.8	10.9
Nifty 50 ex-Financials	(2.7)	(0.0)	(2.9)	2.3	12.5	13.7	6.2	14.6
Nifty 50 ex-energy ex-fin	(1.3)	(4.3)	1.0	7.2	9.6	14.0	4.3	13.7

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 50 index as on September 30th, 2025.

2. Data for Sep-25 quarter excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 4: Sector-wise EBITDA margin of Nifty 50 companies in Q2FY26

Sector	EBITDA Margin	QoQ change (bps)	YoY change (bps)
Communication Services	58.2	76	236
Consumer Discretionary	16.8	(203)	(151)
Consumer Staples	28.4	82	(40)
Energy	20.2	(256)	138
Financials	74.4	47	349
Health Care	28.4	(40)	(22)
Industrials	21.4	(154)	146
Information Technology	25.2	(21)	62
Materials	16.5	(78)	143
Utilities	45.0	143	(19)
Nifty 50	35.6	(158)	61
Nifty 50 ex-Energy	40.8	(130)	22
Nifty 50 ex-Financials	23.0	(135)	83
Nifty 50 ex-energy ex-fin	24.4	(77)	44

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 8: Sector-wise EBITDA growth of Nifty 50 companies in Q2FY26

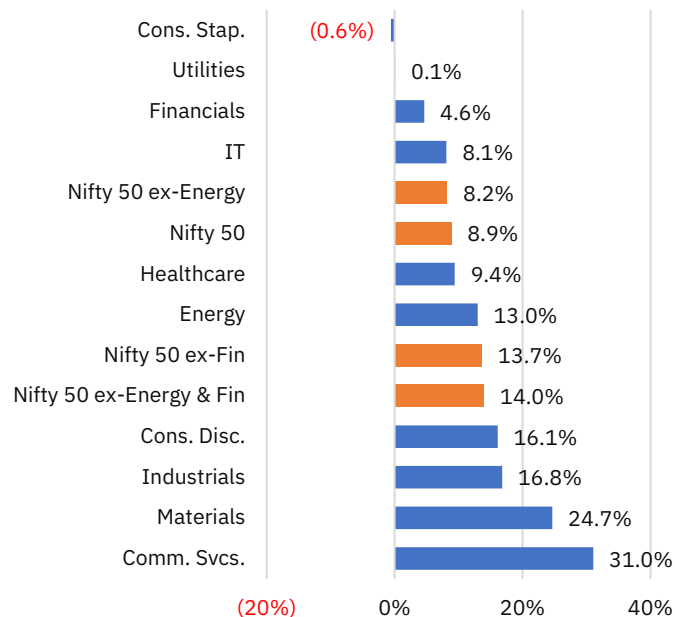
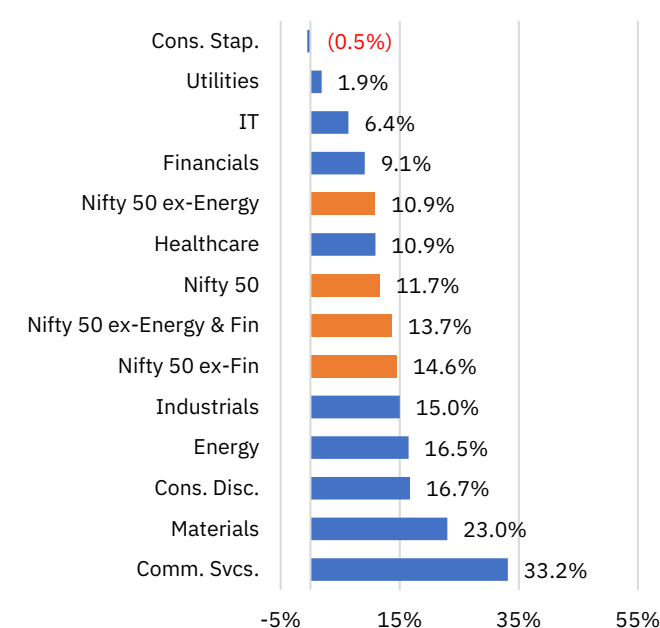


Figure 9: Sector-wise EBITDA growth of Nifty 50 companies in H1FY26



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 10: Sector-wise EBITDA margin of Nifty 50 companies in Q2FY26

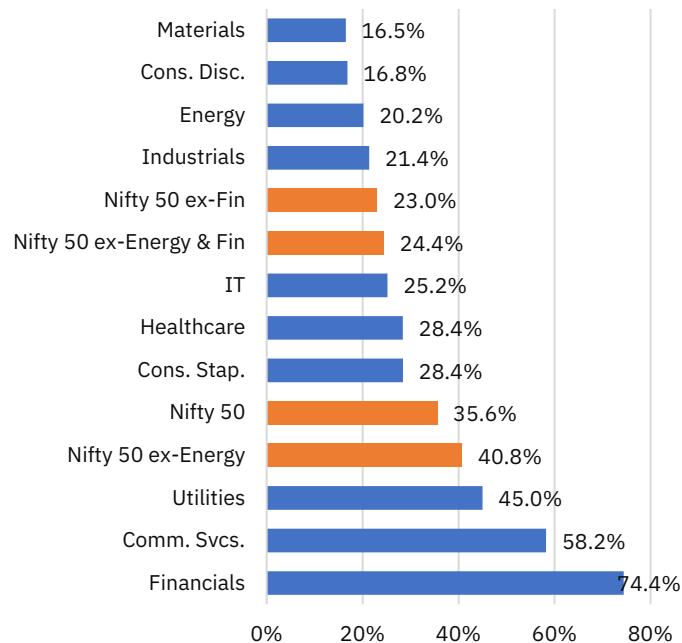
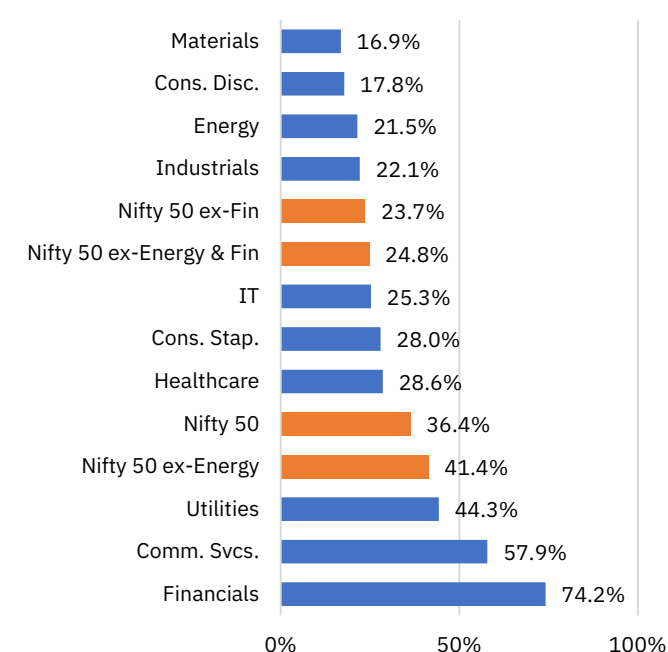


Figure 11: Sector-wise EBITDA margin of Nifty 50 companies in H1FY26



Source: CMIE Prowess, LSEG workspace, NSE EPR.

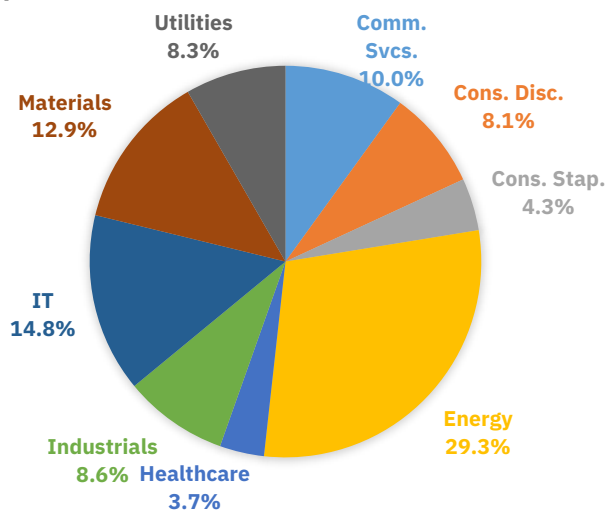
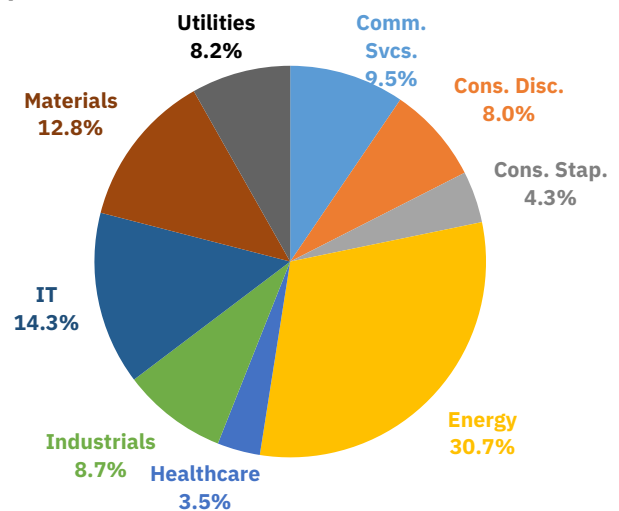
Note: 1. The above charts provide data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025..

Table 5: Sector-wise contribution of Nifty 50 companies (ex-Financials) to EBITDA growth rate in Q2FY26

Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	30,370	0.3	2.7
Consumer Discretionary	24,800	(1.6)	1.3
Consumer Staples	13,166	(0.0)	(0.0)
Energy	89,348	(1.6)	3.8
Health Care	11,166	0.1	0.4
Industrials	26,243	(0.2)	1.4
Information Technology	45,013	0.2	1.3
Materials	39,237	(0.1)	2.9
Utilities	25,316	(0.0)	0.0
Nifty 50 ex-Financials	3,04,659	(2.9)	13.7
Nifty 50 ex-energy ex-fin	2,15,312	(1.0)	4.6

Source: CMIE Prowess, LSEG Workspace, NSE EPR

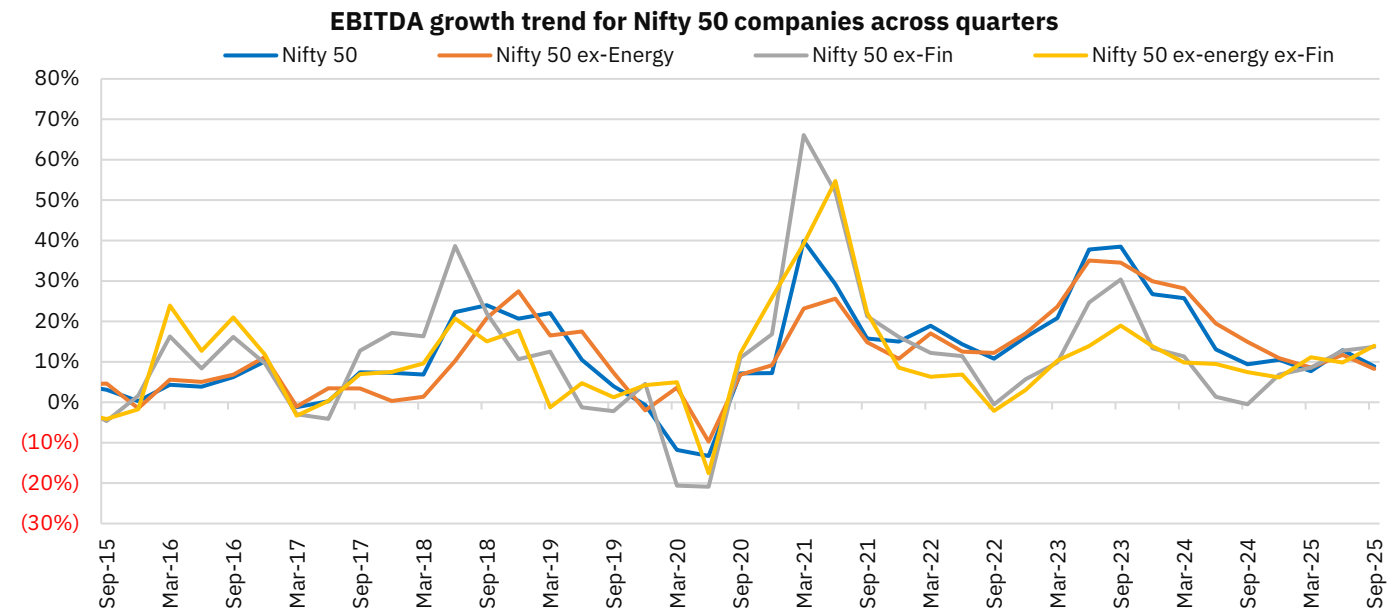
Note: The above table provides data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 12: Sector-wise share in EBITDA of Nifty 50 companies (ex-Financials) in Q2FY26

Figure 13: Sector-wise share in EBITDA of Nifty 50 companies (ex-Financials) in H1FY26


Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 14: Quarterly trend of Nifty 50 EBITDA growth (YoY)

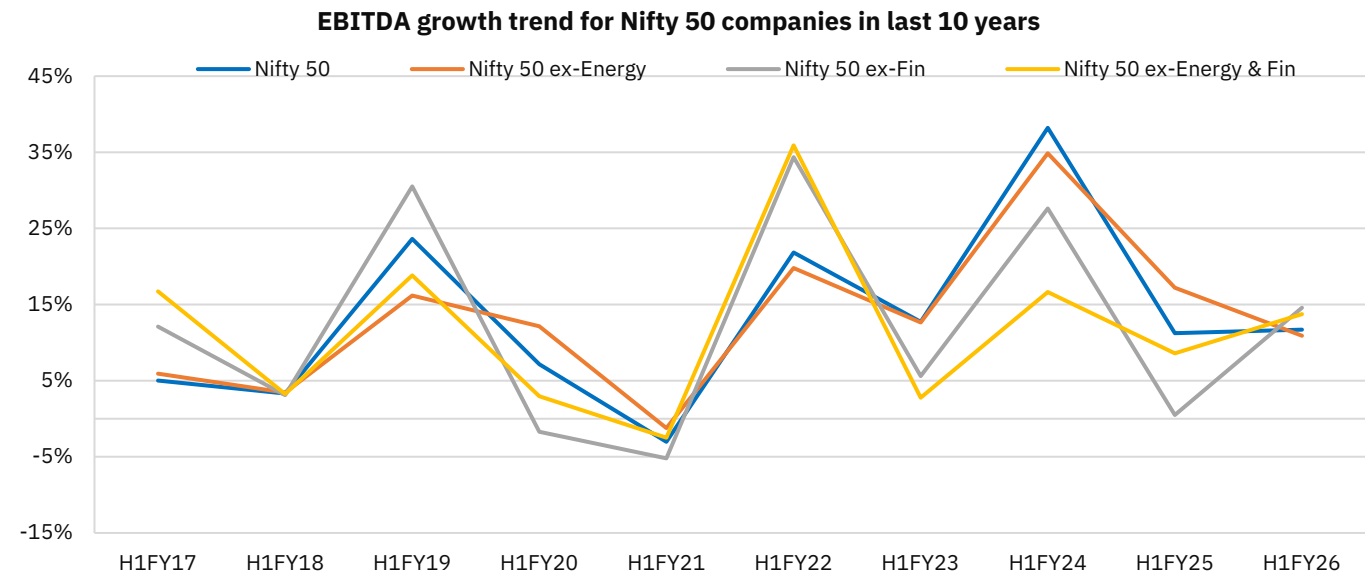


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

2. Nifty 50 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 15: H1 EBITDA growth trend for Nifty 50 over 10 Years (YoY)

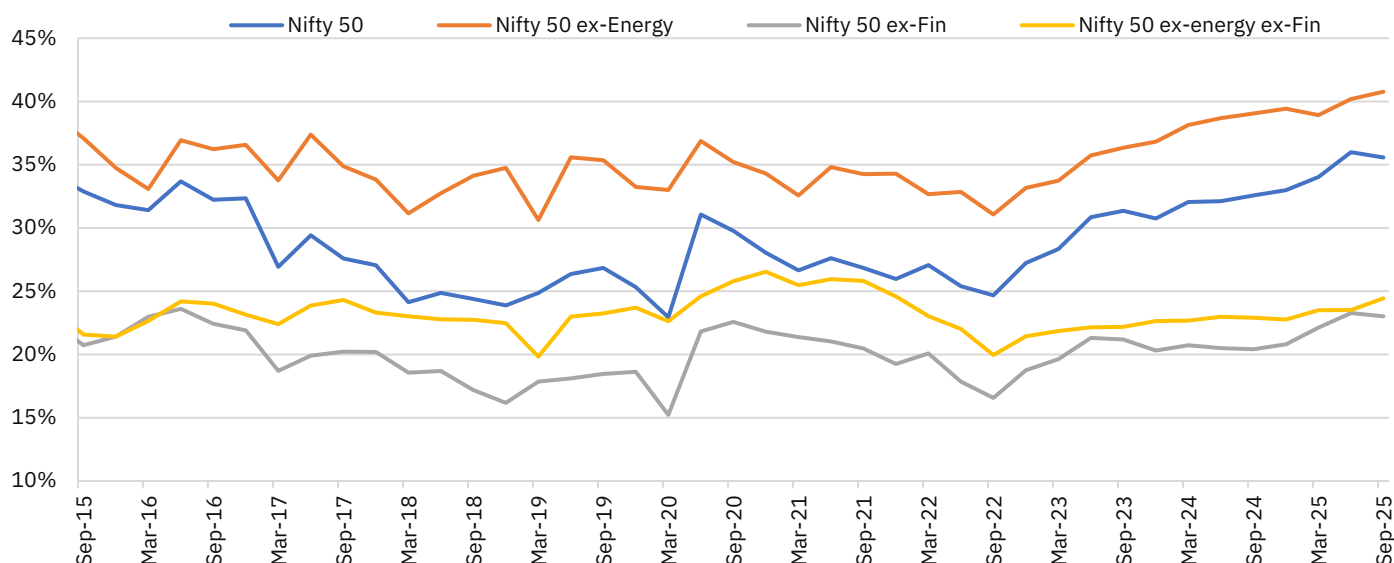


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as at the end of September 30th of the respective fiscal years.

2. YoY growth is calculated based on interim financial data.

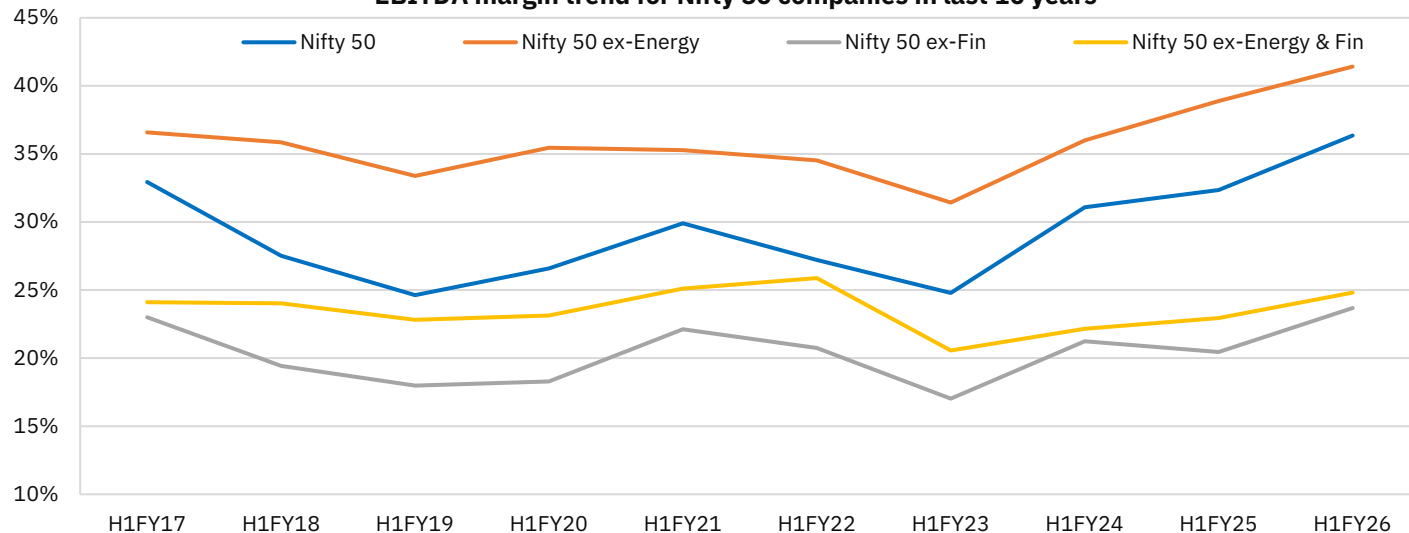
3. Nifty 50 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 16: Quarterly EBITDA margin trend of Nifty 50 companies
EBITDA margin trend for Nifty 50 companies across quarters


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

2. Nifty 50 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 17: H1 EBITDA margin trend for Nifty 50 over 10 Years (YoY)
EBITDA margin trend for Nifty 50 companies in last 10 years


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as at the end of September 30th of the respective fiscal years.

2. EBITDA margin is calculated based on interim financial data.

3. Nifty 50 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Nifty 50 net profit growth softened in Q2FY26, weighed down by Industrials and Financials:

In Q2FY26, aggregate profit after tax (PAT) for Nifty 50 companies (ex-Tata Motors) rose a modest 7.9% YoY to Rs 2.1 lakh crore – slightly above revenue growth for the same cohort – but below the 14.8% YoY expansion seen in Q1, and declined 8.1 sequentially. PAT margins also eased to a three-quarter low of 12%. Industrials saw PAT drop sharply by 26.4% YoY and 46.1% QoQ, as the benefits of the capex push were outweighed by rising costs, which eroded profitability. Financials, which account for about 36% of Nifty 50 earnings, registered a 0.4% YoY and 0.3% QoQ decline in PAT as a result

of softer revenues, higher funding costs and increased provisioning —placing a significant drag on overall earnings.

Utilities and Consumer staples likewise reported declines in net profits on both YoY and QoQ basis. The other sectors continued to support overall PAT growth despite cost pressures, with Materials (better demand), Communications (higher realisations), Energy (stronger refining margins), and IT (currency depreciation benefits) emerging as the major contributors.

Among Nifty 50 companies, 36 recorded YoY PAT growth, but only 23 posted sequential gains in Q2FY26, marking a weaker showing compared with the previous quarter. For H1FY26, however, PAT growth improved to 12.1% YoY, reaching Rs 4.4 lakh crore, marginally higher than the 11.2% increase recorded in the same period last year. Cost pressures remained elevated, with the PAT margin at 12%—slightly above the level a year ago but 118 bps lower than in Q1FY26.

Table 6: Sector-wise PAT growth of Nifty 50 companies

Sector	QoQ growth			YoY growth			FY26	
	Sep-24	Jun-25	Sep-25	Sep-24	Jun-25	Sep-25	(Rs lakh crore)	Growth (%)
Communication Services	36.5	10.7	16.6	13.4	143.8	108.3	0.2	123.3
Consumer Discretionary	(20.3)	(16.4)	(8.0)	(3.5)	(0.5)	17.2	0.3	15.0
Consumer Staples	(1.2)	2.5	(5.0)	(0.4)	3.8	(0.2)	0.2	1.8
Energy	(8.2)	23.9	(23.5)	(17.8)	31.8	9.8	0.9	21.3
Financials	8.7	(1.2)	(1.1)	19.6	9.5	(0.4)	1.6	4.4
Health Care	7.9	5.4	5.3	16.3	8.0	5.4	0.1	6.6
Industrials	(23.4)	(16.0)	(46.1)	15.4	4.5	(26.4)	0.2	(8.9)
Information Technology	(1.5)	(1.2)	4.6	6.3	5.3	11.8	0.6	8.5
Materials	(19.9)	(4.5)	(5.7)	(14.8)	38.3	62.8	0.3	49.2
Utilities	(2.1)	(19.1)	(9.7)	7.8	3.9	(4.2)	0.2	(0.1)
Nifty 50	(2.1)	0.5	(8.1)	4.1	15.0	7.9	4.4	12.1
Nifty 50 ex-Energy	(0.7)	(4.5)	(3.8)	10.5	11.1	7.5	3.5	10.0
Nifty 50 ex-Financials	(8.0)	1.4	(11.8)	(3.9)	18.0	13.4	2.8	16.9
Nifty 50 ex-energy ex-fin	(7.9)	(6.9)	(5.8)	3.4	12.2	15.0	1.9	14.9

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 50 index as September 30th, 2025.

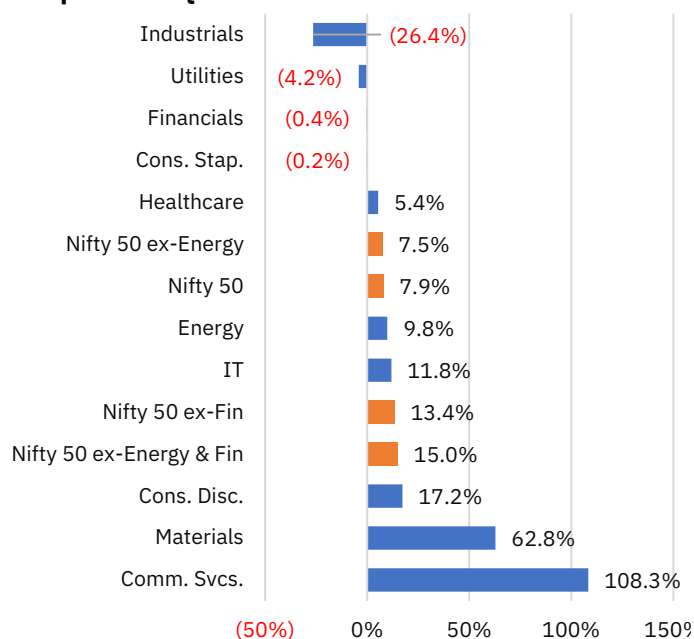
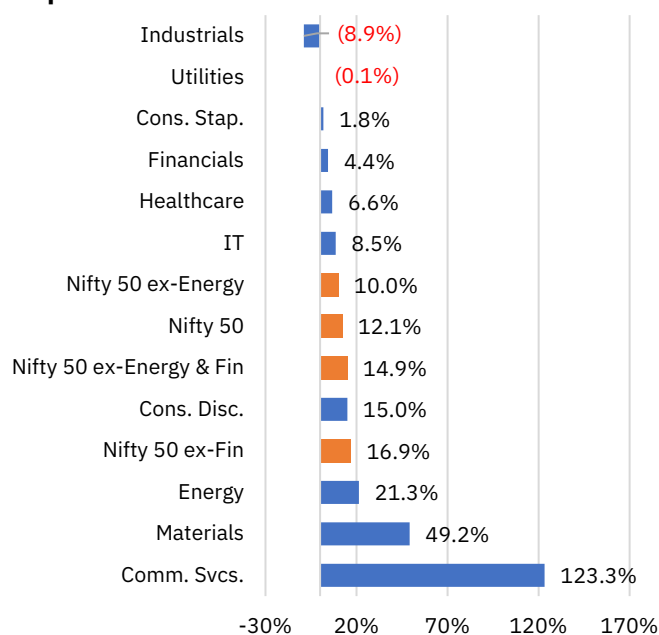
2. Data for Sep-25 quarter excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 7: Sector-wise PAT margin of Nifty 50 companies in Q2FY26

Sector	PAT Margin	QoQ change (bps)	YoY change (bps)
Communication Services	16.6	158	658
Consumer Discretionary	8.3	(185)	(66)
Consumer Staples	18.9	(35)	(19)
Energy	8.8	(270)	37
Financials	18.0	60	(2)
Health Care	17.3	(6)	(80)
Industrials	5.2	(466)	(247)
Information Technology	16.4	5	94
Materials	5.7	(53)	171
Utilities	15.6	(109)	(76)
Nifty 50	12.0	(118)	10
Nifty 50 ex-Energy	13.1	(68)	(1)
Nifty 50 ex-Financials	10.1	(166)	34
Nifty 50 ex-energy ex-fin	10.7	(114)	28

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 18: Sector-wise PAT growth of Nifty 50 companies in Q2FY26

Figure 19: Sector-wise PAT growth of Nifty 50 companies in H1FY26


Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 20: Sector-wise PAT margin of Nifty 50 companies in Q2FY26

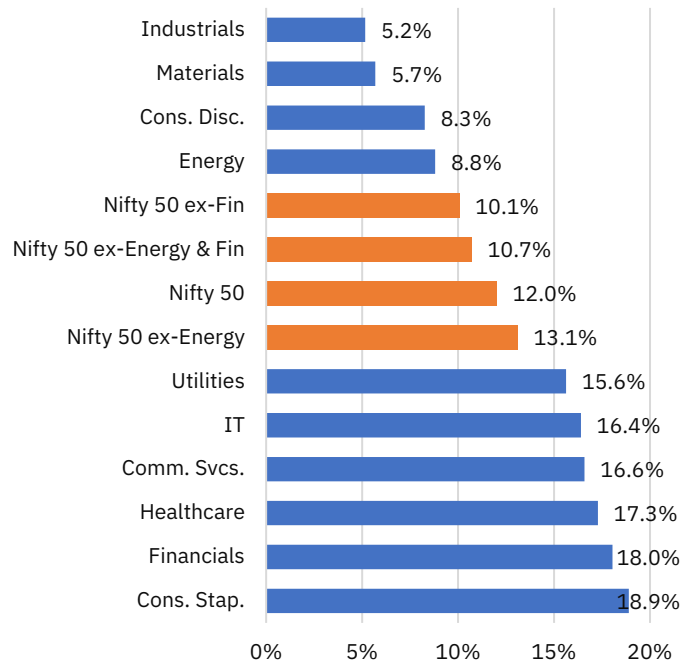
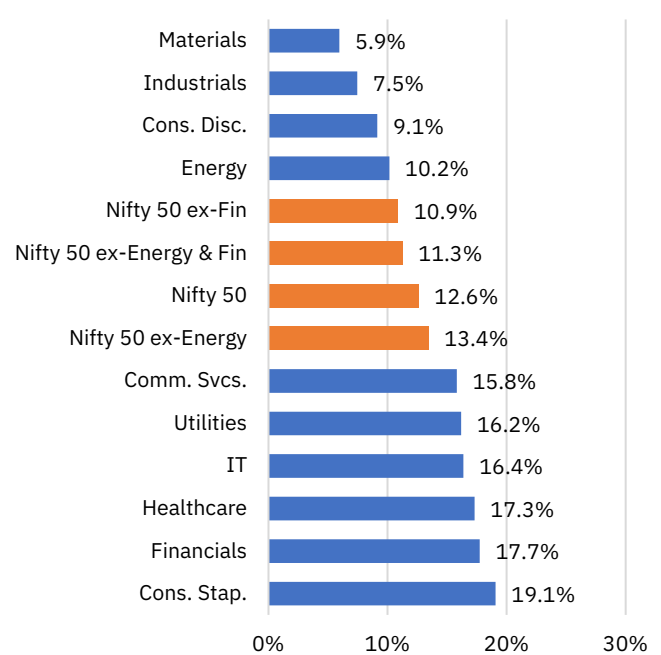


Figure 21: Sector-wise PAT margin of Nifty 50 companies in H1FY26



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 8: Sector-wise contribution of Nifty 50 companies to PAT growth rate in Q2FY26

Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	8,651	0.4	2.3
Consumer Discretionary	12,164	(1.8)	0.9
Consumer Staples	8,758	(0.2)	(0.0)
Energy	38,969	(4.3)	1.8
Financials	77,197	(0.3)	(0.2)
Health Care	6,800	0.1	0.2
Industrials	6,334	(1.9)	(1.2)
Information Technology	29,341	0.5	1.6
Materials	13,536	(0.3)	2.7
Utilities	8,791	(0.3)	(0.2)
Nifty 50	2,10,542	(8.1)	7.9
Nifty 50 ex-Energy	1,71,573	(3.8)	6.1
Nifty 50 ex-Financials	1,33,346	(7.8)	8.1
Nifty 50 ex-energy ex-fin	94,376	(3.5)	6.3

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 22: Sector-wise share in PAT of Nifty 50 companies in Q2FY26

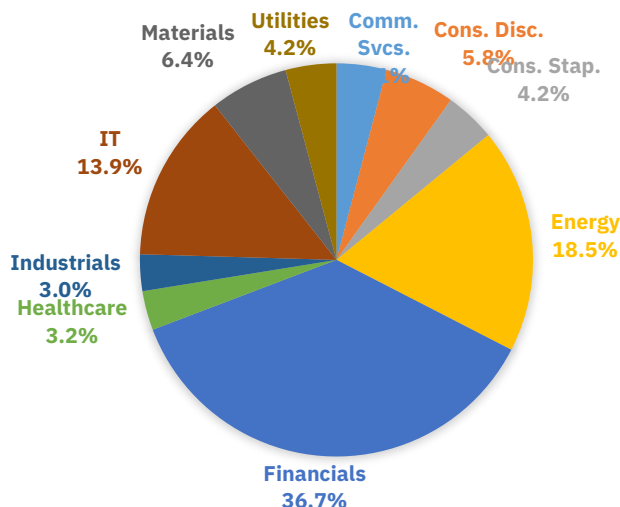
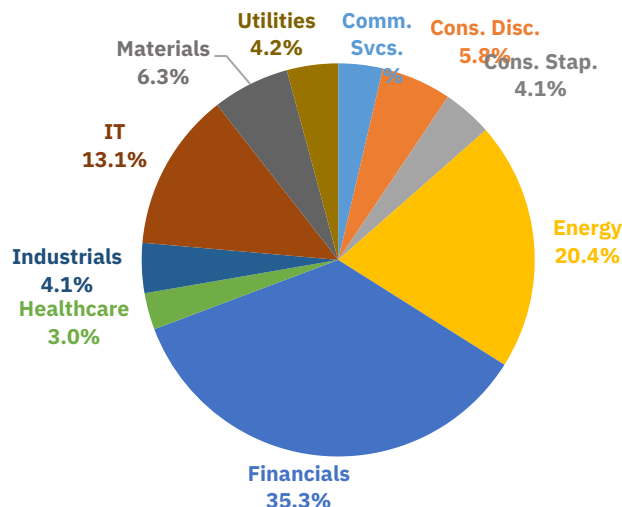


Figure 23: Sector-wise share in PAT of Nifty 50 companies in H1FY26

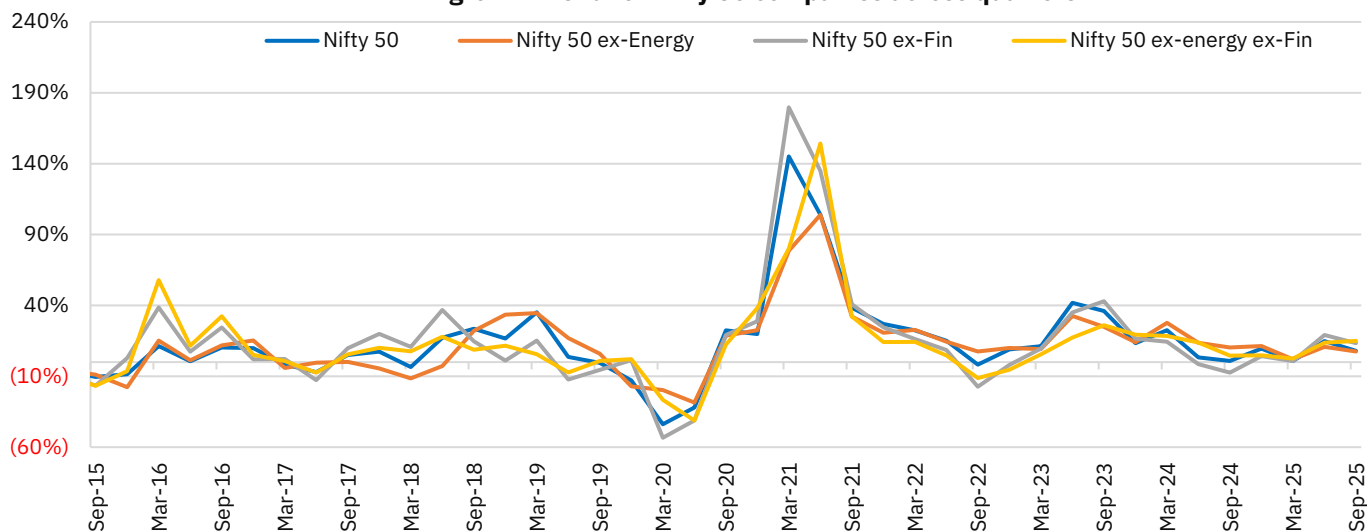


Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide sector-wise share of net sales for companies in the Nifty 50 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 24: Quarterly trend of Nifty 50 PAT growth (YoY)

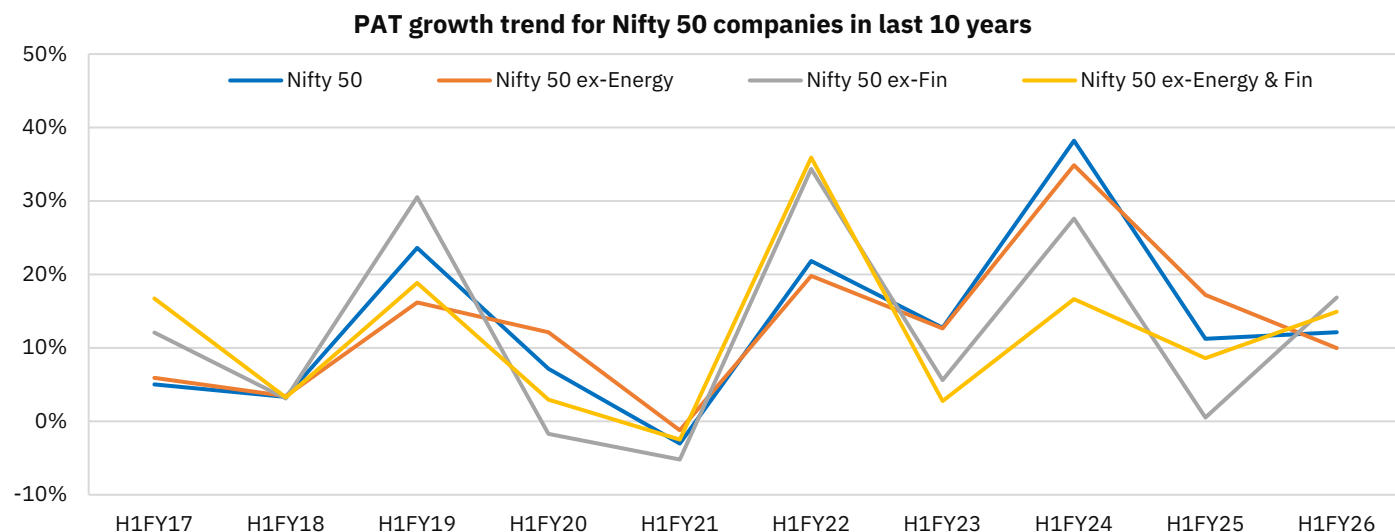
PAT growth trend for Nifty 50 companies across quarters



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

2. Nifty 50 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

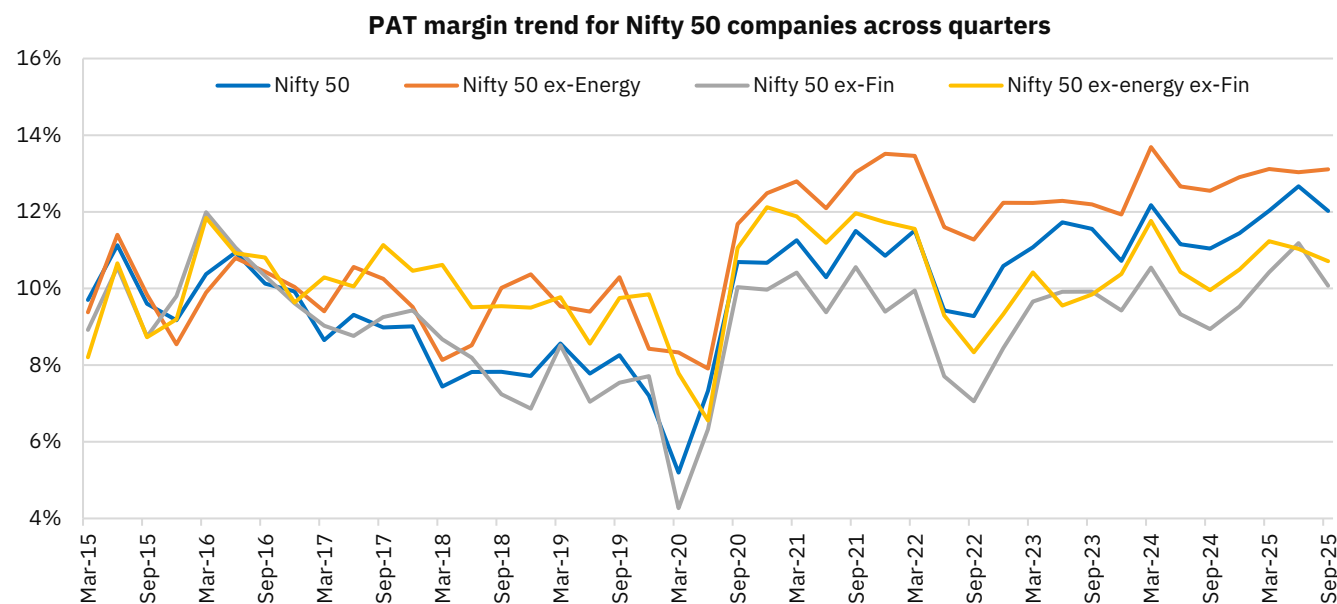
Figure 25: H1 PAT growth trend for Nifty 50 over 10 Years (YoY)


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as at the end of September 30th of the respective fiscal years.

2. YoY growth is calculated based on interim financial data.

3. Nifty 50 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 26: Quarterly trend of Nifty 50 PAT margin


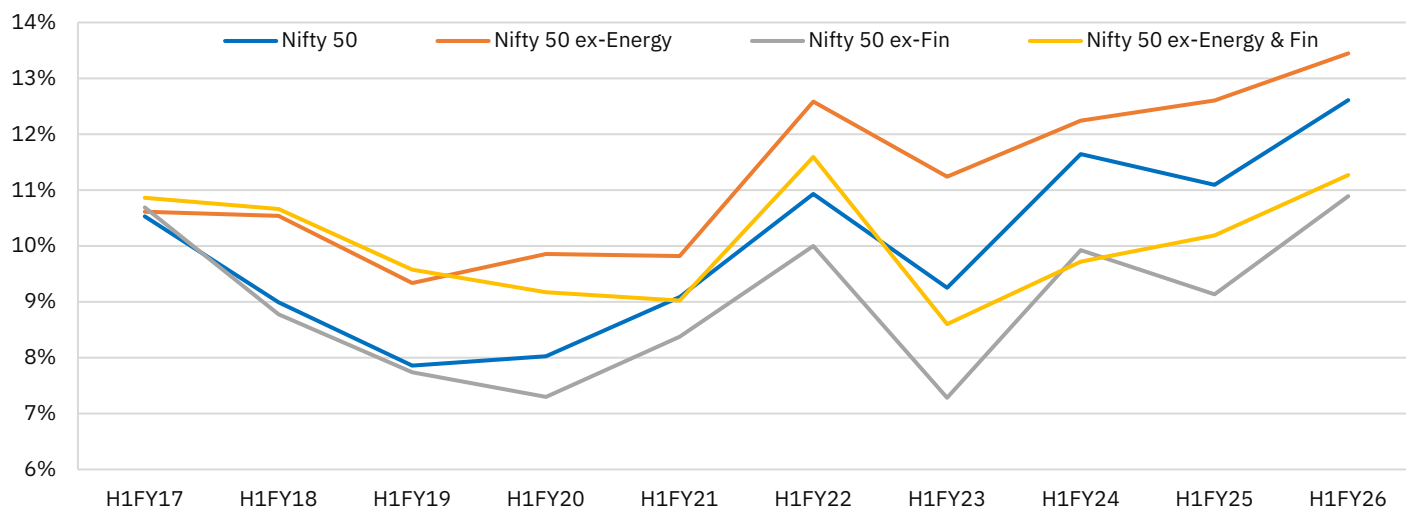
Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as on end of respective quarters.

2. Nifty 50 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 27: H1 PAT margin trend for Nifty 50 over 10 Years (YoY)

PAT margin trend for Nifty 50 companies in last 10 years



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 50 index as at the end of September 30th of the respective fiscal years.

2. PAT margin is calculated based on interim financial data.

3. Nifty 50 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025

Nifty 500 Q2FY26 results

Topline YoY growth for Nifty 500 touched 4-quarter high in Q2FY26: Net sales for the Nifty 500 universe (ex-Tata Motors) rose to 6.6% YoY in Q2FY26 from 6.1% in Q1FY26, while QoQ growth improved to 0.9% from a contraction of 2.4%, marking the strongest YoY and QoQ prints in the last four and six quarters, respectively, supported by pick up in discretionary demand. Excluding the large cap companies of the Nifty 50 cohort, the rest of the Nifty 500 cohort posted a slightly lower growth of 6.3% YoY, while QoQ growth held steady at 0.9%.

Within this broader universe, companies from Nifty Next 50, Nifty Midcap 150, and Nifty Smallcap 250 indices accounted for 8.2%, 31.9% and 13.7%, of the overall Nifty 500 revenue growth, respectively, while the contribution of Nifty 50 companies eased to 46.2% from 47% in the previous quarter and a robust 51% in Q4FY25. In the September quarter, 395 of the Nifty 500 companies saw YoY revenue growth and 358 reported a QoQ increase. For H1FY26, net sales for the Nifty 500 (ex- Nifty 50) grew by 6.2% YoY to Rs 44.5 lakh crore — slower than the 8.7% YoY growth in H1FY25.

Median revenue growth strengthened for Nifty 50 and Nifty Smallcap companies in Q2, rising to 10% and 9.8% YoY from 8.5% and 8.2%, respectively. In contrast, it eased for the Nifty Next 50 and Nifty Midcap 150 cohorts, leaving the overall median revenue growth for the Nifty 500 universe at 10% in Q2, up from 9.2% in Q1. In addition, the share of companies delivering YoY revenue growth in the 10–30% range inched up to 38%, compared with 35% in the previous quarter.

Sector-wise: While all sectors reported YoY growth in revenues, Energy and Utilities posted QoQ contraction in revenue reflecting relatively moderate demand. Materials were the key driver of revenue growth in the Nifty 500 (ex-Nifty 50) cohort, accounting for 21% of the YoY and 70% of the QoQ expansion. The sector delivered its strongest performance in 11 quarters, aided by improved demand for metals and cement.

While financials within the Nifty 50 universe saw revenues decline, their counterparts in the Nifty 500 (ex-Nifty 50) universe performed relatively better, contributing 17% to YoY revenue growth in Q2FY26, driven by robust earnings from NBFCs even as banks' performance remained tepid. The IT sector posted its slowest growth in five quarters—though it remained in double digits—as Q2 was marked by a challenging external environment and subdued global IT spending, but a weaker rupee provided some tailwind.

Industrials recorded an 11.6% YoY rise in revenues—a three-quarter high—contributing 14% to the YoY expansion in the Nifty 500 (ex-Nifty 50) index. The improvement reflects a pickup in government infrastructure spending and a revival in private capex, alongside sustained order inflows for industrial equipment. The Consumer discretionary also accounted for 14% of the overall revenue increase, supported by a gradual improvement in demand ahead of the festive season, with growth holding steady at 10.4% YoY and 3.6% QoQ, broadly in line with Q1.

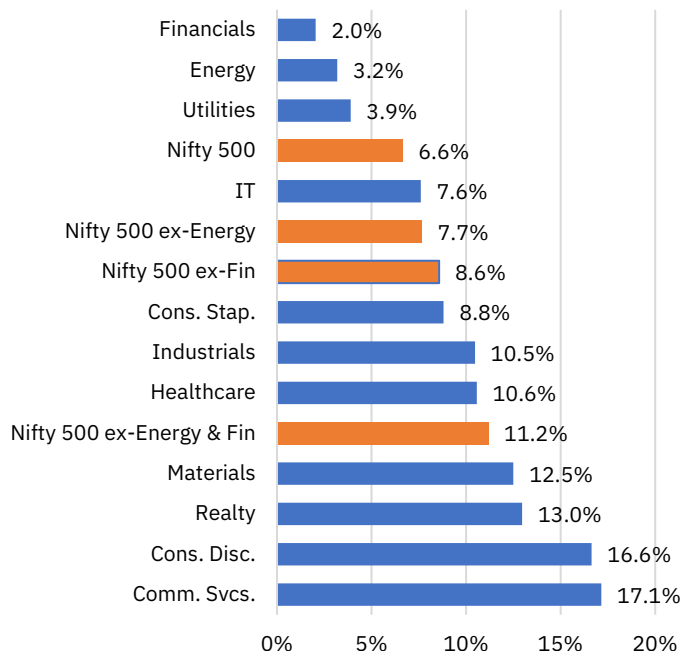
Table 9: Sector-wise net sales growth of Nifty 500 companies

Sector	QoQ growth			YoY growth			H1FY26	
	Sep-24	Jun-25	Sep-25	Sep-24	Jun-25	Sep-25	(Rs lakh crore)	Growth (%)
Communication Services	5.5	1.9	4.9	8.2	17.8	17.1	1.7	17.5
Consumer Discretionary	1.1	(1.0)	7.2	8.2	8.5	16.6	6.7	14.8
Consumer Staples	2.7	5.6	(0.8)	9.0	12.7	8.8	2.8	10.7
Energy	(6.7)	(4.1)	(3.0)	1.3	(0.8)	3.2	18.0	1.1
Financials	5.0	1.4	(1.2)	16.4	8.4	2.0	22.8	5.2
Health Care	4.4	1.5	4.4	7.9	10.4	10.6	2.4	10.5
Industrials	3.0	(17.9)	5.4	10.9	7.8	10.5	5.9	9.2
Information Technology	4.7	(0.9)	5.2	8.7	7.1	7.6	5.1	7.3
Materials	(0.4)	(3.8)	4.4	(1.6)	7.3	12.5	10.0	9.9
Real Estate	15.2	(12.8)	0.1	30.9	30.0	13.0	0.3	20.9
Utilities	(5.2)	1.6	(2.7)	3.4	2.2	3.9	3.6	3.4
Nifty 500	0.4	(2.4)	0.9	7.6	6.1	6.6	79.3	6.5
Nifty 500 ex-Energy	2.7	(1.9)	2.1	9.5	8.3	7.7	61.3	8.2
Nifty 500 ex-Financials	(1.3)	(3.8)	1.8	4.3	5.2	8.6	56.5	7.1
Nifty 500 ex-energy ex-fin	1.4	(3.7)	4.0	5.8	8.2	11.2	38.5	10.1

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 500 index as on September 30th, 2025.

2. Data for Sep-25 quarter excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 28: Sector-wise net sales YoY growth of Nifty 500 companies in Q2FY26


Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 500 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

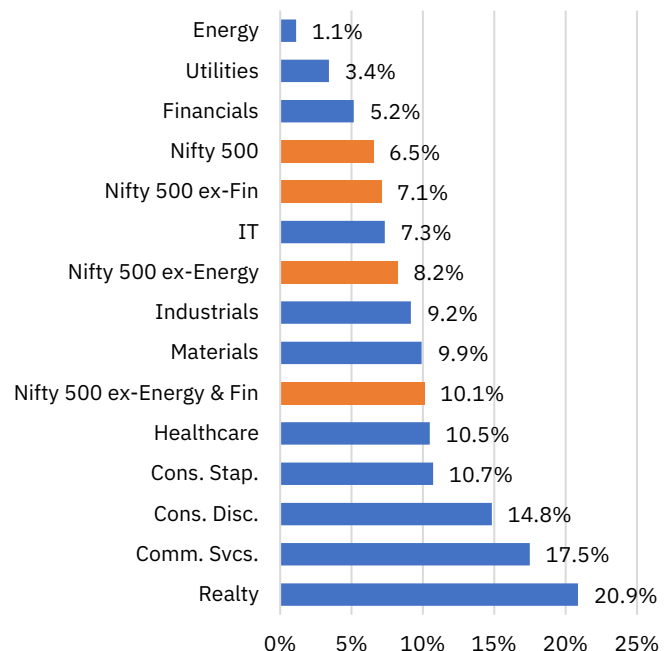
Figure 29: Sector-wise net sales YoY growth of Nifty 500 companies in H1FY26


Table 10: Sector-wise contribution of Nifty 500 companies to net sales growth in Q2FY26

Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	89,000	0.1	0.3
Consumer Discretionary	3,52,307	0.6	1.3
Consumer Staples	1,39,839	-0.0	0.3
Energy	8,86,843	-0.7	0.7
Financials	11,36,710	-0.3	0.6
Health Care	1,21,263	0.1	0.3
Industrials	3,04,795	0.4	0.8
Information Technology	2,66,993	0.3	0.5
Materials	5,09,629	0.5	1.5
Real Estate	15,344	0.0	0.0
Utilities	1,83,342	-0.1	0.2
Nifty 500	40,06,066	0.9	6.6
Nifty 500 ex-Energy	31,19,223	1.6	5.9
Nifty 500 ex-Financials	28,69,356	1.3	6.0
Nifty 500 ex-energy ex-fin	19,82,513	1.9	5.3

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 11: Sector-wise net sales growth of Nifty 500 companies (ex-Nifty 50)

Sector	QoQ growth			YoY growth			H1FY26	
	Sep-24	Jun-25	Sep-25	Sep-24	Jun-25	Sep-25	(Rs lakh crore)	Growth (%)
Communication Services	3.0	0.0	4.1	4.0	5.7	6.8	0.7	6.2
Consumer Discretionary	2.9	3.4	3.6	14.0	9.8	10.4	3.9	10.0
Consumer Staples	0.9	4.7	0.4	9.0	13.8	13.3	1.9	13.5
Energy	(9.8)	(2.4)	(5.8)	0.5	(3.1)	1.2	9.2	(1.1)
Financials	5.4	(0.4)	0.9	15.4	8.1	3.5	14.1	5.7
Health Care	3.7	0.2	3.9	6.1	10.3	10.7	1.6	10.5
Industrials	4.1	(19.7)	7.4	9.0	8.0	11.6	3.5	9.9
Information Technology	9.1	(2.9)	7.1	16.3	14.5	12.3	1.6	13.4
Materials	1.9	(3.2)	5.7	(2.9)	7.5	11.4	5.3	9.5
Real Estate	15.2	(12.8)	0.1	30.9	30.0	13.0	0.3	20.9
Utilities	(4.9)	5.8	(2.4)	5.4	4.4	5.5	2.5	5.5
Nifty 500	0.5	(2.3)	0.9	7.9	5.9	6.3	44.5	6.2
Nifty 500 ex-Energy	3.6	(2.2)	2.7	10.0	8.7	7.7	35.3	8.2
Nifty 500 ex-Financials	(1.7)	(3.1)	0.9	4.6	4.9	7.7	30.4	6.4
Nifty 500 ex-energy ex-fin	2.4	(3.4)	4.0	6.5	9.1	10.6	21.2	9.9

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 500 index as on September 30th, 2025 and excludes Nifty 50 companies.

Figure 30: Sector-wise net sales YoY growth of Nifty 500 companies (ex-Nifty 50) in Q2FY26

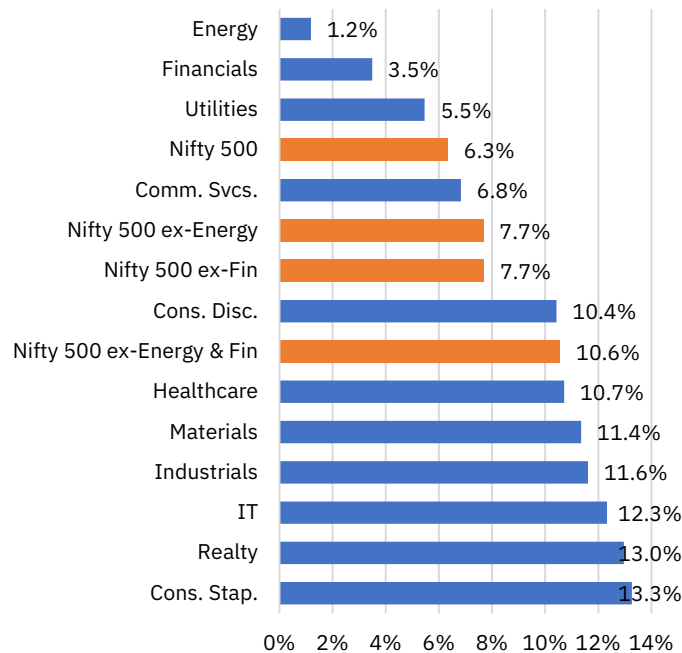
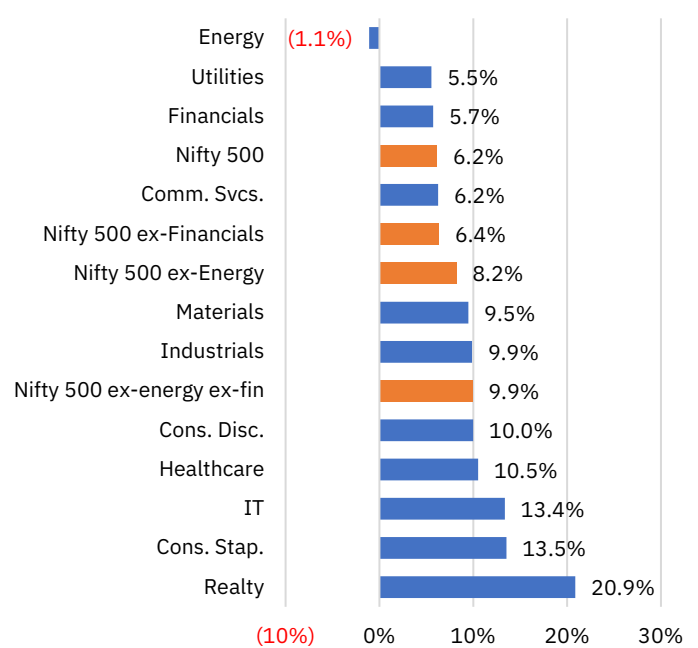


Figure 31: Sector-wise net sales YoY growth of Nifty 500 companies (ex-Nifty50) in H1FY26



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 500 index as on September 30th, 2025 and excludes Nifty 50 companies.

Table 12: Sector-wise contribution of Nifty 500 companies (ex-Nifty 50) to net sales growth in Q2FY26

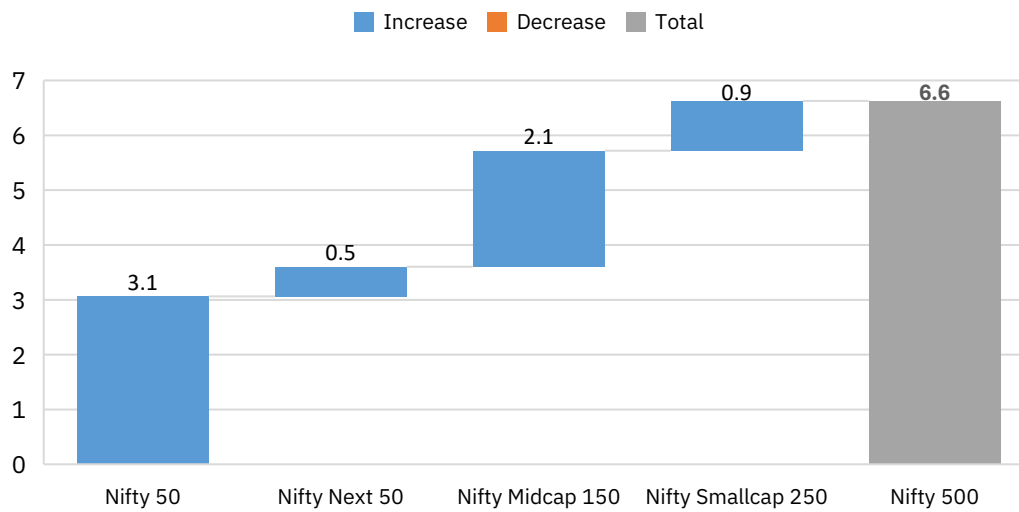
Sector	Net sales (Rs crore)	Contribution to net sales growth	
		% QoQ	% YoY
Communication Services	36,855	0.1	0.1
Consumer Discretionary	2,05,038	0.3	0.9
Consumer Staples	93,487	0.0	0.5
Energy	4,44,123	-1.2	0.2
Financials	7,09,005	0.3	1.1
Health Care	81,928	0.1	0.4
Industrials	1,82,048	0.6	0.9
Information Technology	88,070	0.3	0.5
Materials	2,71,692	0.7	1.3
Real Estate	15,344	0.0	0.1
Utilities	1,27,080	-0.1	0.3
Nifty 500	22,54,670	0.9	6.3
Nifty 500 ex-Energy	18,10,548	2.2	6.1
Nifty 500 ex-Financials	15,45,665	0.6	5.2
Nifty 500 ex-energy ex-fin	11,01,543	1.9	5.0

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Nifty 50 companies.

Figure 32: Share of Nifty index constituents in overall net sales growth of Nifty 500 universe in Q2FY26

Contribution of Nifty index constituents to the overall net sales growth (%YoY) in Q1FY26



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above chart provides data for companies in the Nifty 500 index as of September 30th, 2025.

Table 13: Segment-wise distribution of companies based on YoY aggregate and median topline growth in Q2FY26

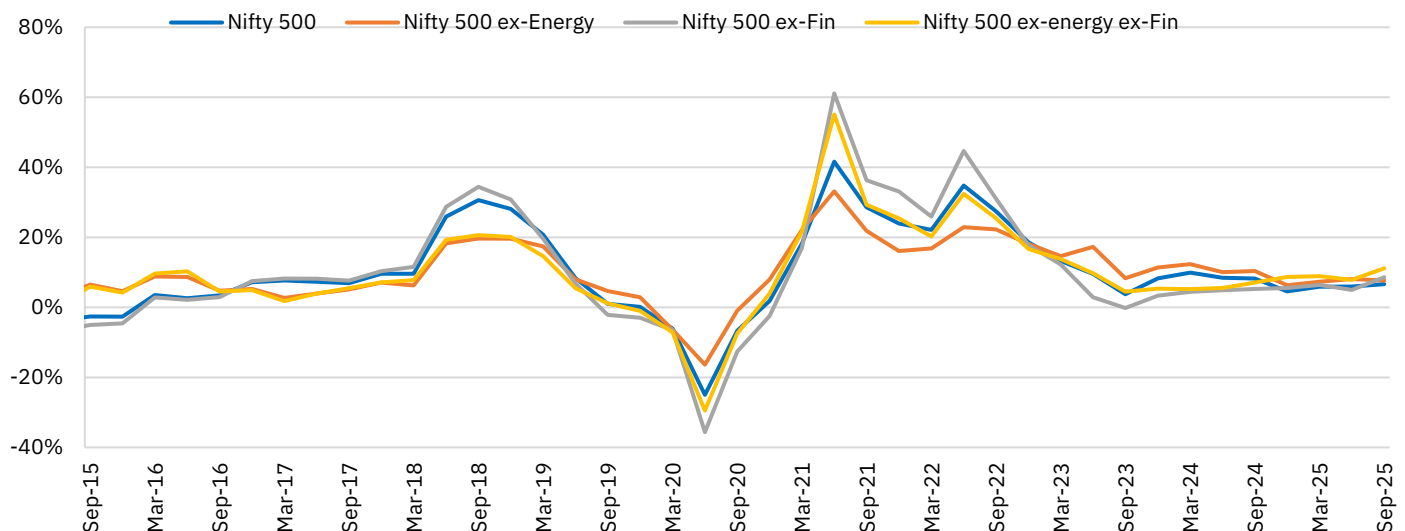
Index	<=0%	0% - 10%	10% -20%	20% - 30%	30% - 40%	40% - 50%	> 50%	Median (%)
Nifty 50	6	19	14	7	0	2	1	10.0%
Nifty Next 50	9	18	8	10	2	0	4	8.4%
Nifty Midcap 150	22	50	48	19	4	3	3	10.3%
Nifty Smallcap 250	65	60	60	24	18	5	16	9.8%
Nifty 500	102	147	130	60	24	10	24	10.0%

Source: CMIE Prowess, LSEG Workspace, NSE

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 33: Quarterly trend of Nifty 500 revenue growth (YoY)

Sales growth trend for Nifty 500 companies

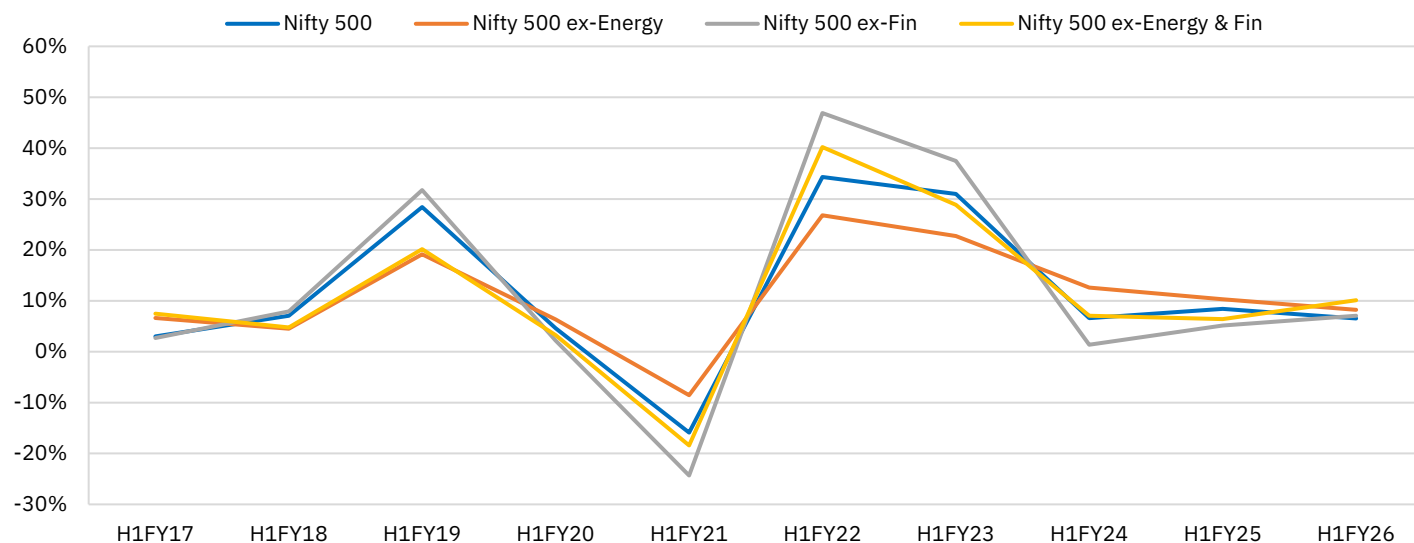


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

2. Nifty 500 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 34: H1 revenue growth trend for Nifty 500 over 10 Years (YoY)



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as at the end of September 30th of the respective fiscal years.

2. YoY growth is calculated based on interim financial data.

3. Nifty 500 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

EBITDA growth of Nifty 500 (ex-Nifty 50) touched seven-quarter high in Q2FY26:

EBITDA for non-financial Nifty 500 companies (ex-Nifty 50 and Tata Motors) rose at a strong 24.2% QoQ to Rs 2.6 lakh crore, marking the fourth straight quarter of accelerating growth, aided in part by a low base. Operating profitability also strengthened, with margins widening by 227 bps YoY and 46 bps QoQ to an eight-quarter high of 17%. On a half-year basis, EBITDA growth recovered to 18.4% YoY in H1FY26 after a 3.2% YoY decline in the comparable period last fiscal, while margins improved to a four-year high of 16.7%. Among non-financial companies in the Nifty 500 index (ex-Nifty 50), 283 and 253 posted YoY and QoQ growth in EBITDA, an improvement from the previous quarter. EBITDA growth for Nifty 500 companies, excluding the large-cap Nifty 50 cohort, was stronger on a YoY basis due to relatively slower pace of rising costs (6.4% YoY vs. 8.8% YoY) for Nifty 50). However, operating margin performance was superior among Nifty 50 firms (23%), indicating that large-cap companies are more effective at managing profitability than the rest of the universe (17%).

Within the Nifty 500 universe (ex-Nifty 50), the Energy sector was the key driver of EBITDA growth, contributing nearly half of the YoY increase, aided by lower crude prices, improved refining and marketing margins, and a very low base; its operating margin also climbed to an eight-quarter high of 10%. Materials were the second-largest contributor, accounting for 12.2% of the YoY expansion, with EBITDA growth edging up from 13% in Q1 to 13.2% in Q2. Their operating margins softened sequentially by 128 bps but were still 32 bps higher YoY at 19.8%, supported by improved demand and slower rise in costs. The contribution from other sectors was more modest, with each accounting for less than 10% of the YoY EBITDA increase, ranging from Industrials at 8.6% to Consumer Staples at 1.7%.

Figure 35: Change in expenses for Nifty 500 companies excluding Financials in Q2FY26

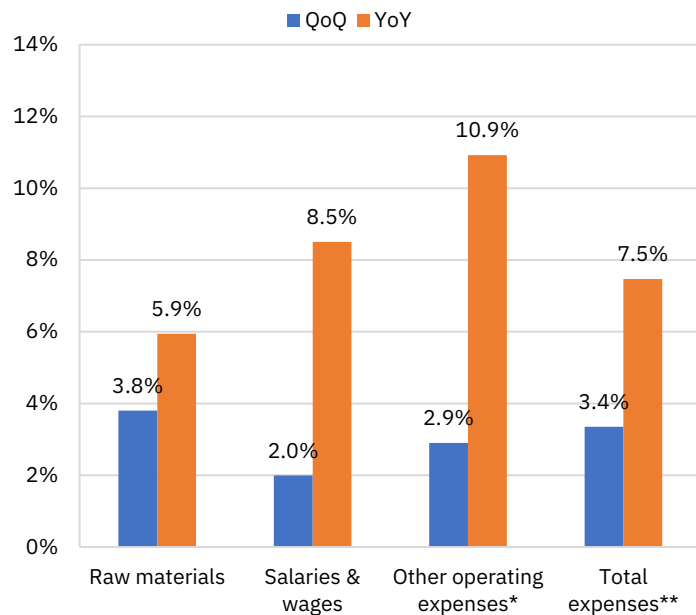
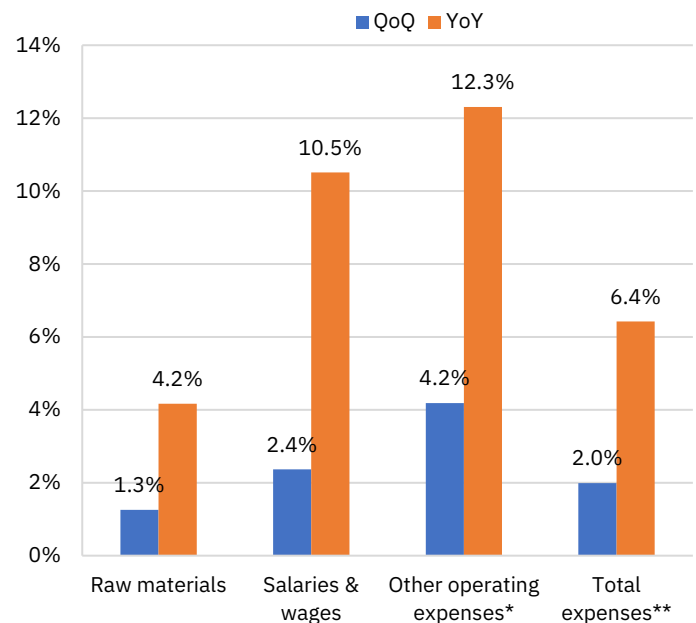


Figure 36: Change in expenses for Nifty 500 companies excluding Financials (ex-Nifty 50) in Q2FY26



Source: CMIE Prowess, LSEG workspace, NSE.

Note: 1. The above charts provides data for companies in the Nifty 500 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

2. *Other operating expenses include selling, general & administrative expenses, rental expenses, and other operating costs.

3. ** Total expenses exclude interest expenses and depreciation.

Table 14: Sector-wise EBITDA growth of Nifty 500 companies

Sector	QoQ growth			YoY growth			H1FY26	
	Sep-24	Jun-25	Sep-25	Sep-24	Jun-25	Sep-25	(Rs lakh crore)	Growth (%)
Communication Services	8.6	1.7	5.9	12.5	25.7	22.5	0.9	24.0
Consumer Discretionary	(6.6)	(6.5)	2.2	5.6	(1.9)	13.4	1.0	11.3
Consumer Staples	(4.1)	4.8	(2.1)	6.4	1.2	3.2	0.5	2.2
Energy	(13.6)	8.5	(5.7)	(32.3)	25.6	37.1	2.8	30.9
Financials	4.4	2.3	(1.9)	18.6	12.3	5.6	13.7	8.9
Health Care	(0.2)	1.2	6.9	16.9	5.7	13.5	0.6	9.6
Industrials	(1.9)	(18.3)	1.1	17.4	12.3	15.9	1.2	14.0
Information Technology	2.7	(1.3)	4.6	9.5	8.8	10.8	1.1	9.8
Materials	(2.0)	(0.5)	(1.1)	(0.1)	16.8	17.8	1.9	17.3
Real Estate	(14.8)	(7.2)	13.9	(7.4)	9.9	46.9	0.1	26.9
Utilities	(1.4)	1.5	0.3	2.6	3.5	4.7	1.2	3.7
Nifty 500	0.6	0.9	(1.0)	7.6	12.5	11.0	25.0	12.1
Nifty 500 ex-Energy	2.1	(0.0)	(0.4)	14.0	11.1	8.6	22.3	10.1
Nifty 500 ex-Financials	(4.0)	(0.9)	0.0	(4.1)	12.8	18.3	11.3	16.3
Nifty 500 ex-energy ex-fin	(1.3)	(3.6)	2.0	7.1	9.2	13.6	8.5	12.2

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Notes: 1. The above table provides data for companies in the Nifty 500 index as on September 30th, 2025.

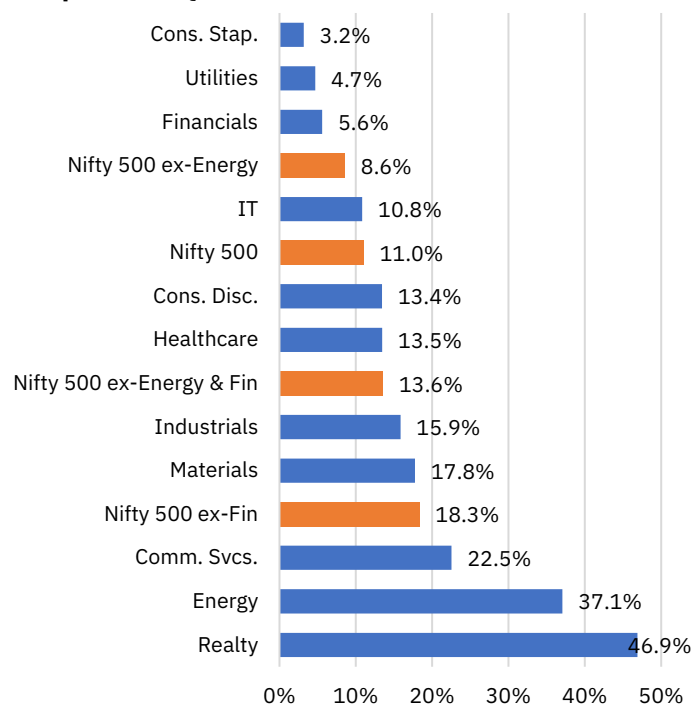
2. Data for Sep-25 quarter excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 15: EBITDA margin of Nifty 500 companies in Q2FY26

Sector	EBITDA Margin	QoQ change (bps)	YoY change (bps)
Communication Services	50.5	48	222
Consumer Discretionary	14.4	(70)	(41)
Consumer Staples	18.0	(24)	(98)
Energy	15.1	(44)	373
Financials	59.9	(45)	201
Health Care	27.5	64	70
Industrials	19.7	(84)	92
Information Technology	21.7	(12)	63
Materials	18.3	(103)	82
Real Estate	44.5	537	1028
Utilities	33.9	103	26
Nifty 500	31.2	(61)	123
Nifty 500 ex-Energy	35.7	(90)	29
Nifty 500 ex-Financials	19.8	(34)	164
Nifty 500 ex-energy ex-fin	21.9	(45)	46

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 37: Sector-wise EBITDA growth of Nifty 500 companies in Q2FY26


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above charts provide data for companies in the Nifty 500 index as of September 30th, 2025.

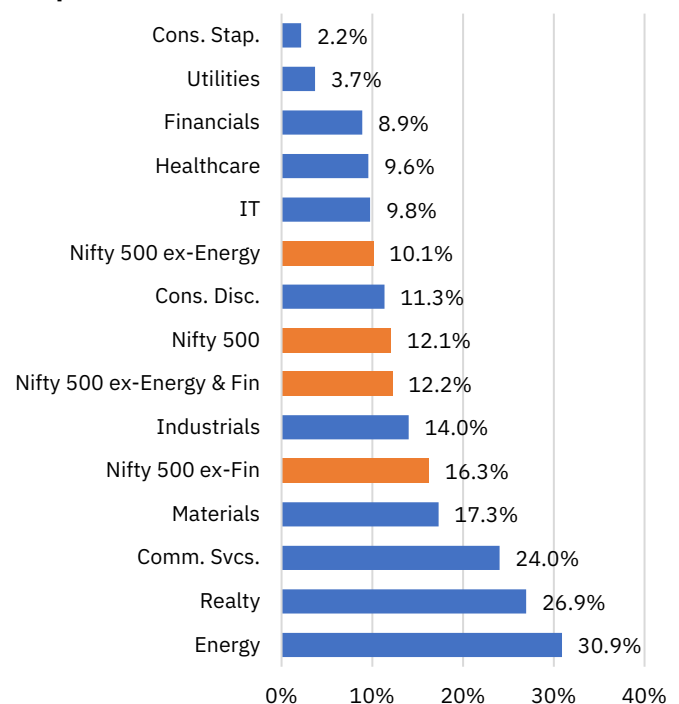
Figure 38: Sector-wise EBITDA growth of Nifty 500 companies in H1FY26


Figure 39: Sector-wise EBITDA margin of Nifty 500 companies in Q2FY26

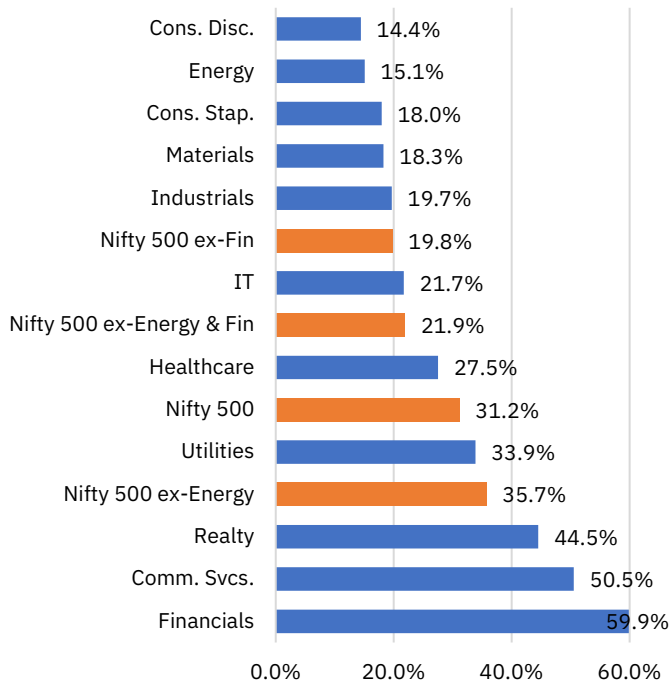
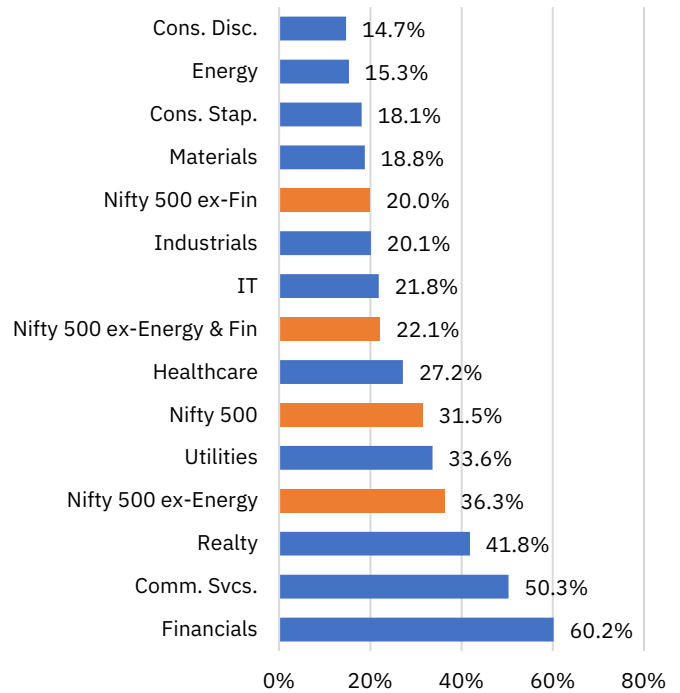


Figure 40: Sector-wise EBITDA margin of Nifty 500 companies in H1FY26



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 500 index as on September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 16: Sector-wise contribution of Nifty 500 companies (ex-Financials) to EBITDA growth rate in Q2FY26

Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	44,973	0.4	1.7
Consumer Discretionary	50,860	0.2	1.3
Consumer Staples	25,123	(0.1)	0.2
Energy	1,33,814	(1.4)	7.5
Health Care	33,354	0.4	0.8
Industrials	59,993	0.1	1.7
Information Technology	57,965	0.5	1.2
Materials	93,077	(0.2)	2.9
Real Estate	6,829	0.1	0.5
Utilities	62,073	0.0	0.6
Nifty 500 ex-Financials	5,68,061	0.0	18.3
Nifty 500 ex-energy ex-fin	4,34,247	1.5	31.1

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 17: Sector-wise EBITDA growth of Nifty 500 companies (ex-Nifty 50)

Sector	QoQ growth			YoY growth			H1FY26	
	Sep-24	Jun-25	Sep-25	Sep-24	Jun-25	Sep-25	(Rs lakh crore)	Growth (%)
Communication Services	5.5	(1.2)	4.0	11.0	9.6	7.9	0.3	8.7
Consumer Discretionary	(3.2)	1.3	3.9	9.6	3.4	11.0	0.5	6.4
Consumer Staples	(8.3)	10.7	(4.1)	12.3	2.9	7.7	0.2	5.2
Energy	(36.1)	2.3	7.7	(68.0)	42.5	139.6	0.9	80.6
Financials	4.1	(0.1)	(0.2)	16.8	11.0	6.4	7.3	8.7
Health Care	(3.7)	(1.0)	8.3	17.6	2.4	15.6	0.4	8.9
Industrials	2.5	(23.4)	5.8	22.4	11.4	15.1	0.6	13.2
Information Technology	14.8	(2.7)	8.9	25.0	28.2	21.6	0.2	24.7
Materials	(0.5)	(2.9)	(0.8)	(3.7)	13.6	13.2	1.1	13.5
Real Estate	(14.8)	(7.2)	13.9	(7.4)	9.9	46.9	0.1	26.9
Utilities	(4.8)	16.4	0.7	(0.4)	3.3	8.1	0.7	5.0
Nifty 500	0.1	(0.9)	1.4	4.2	11.9	13.3	12.3	12.5
Nifty 500 ex-Energy	2.1	(1.1)	1.0	13.1	10.2	8.9	11.5	9.4
Nifty 500 ex-Financials	(5.8)	(1.9)	3.7	(11.6)	13.1	24.2	5.1	18.4
Nifty 500 ex-energy ex-fin	(1.3)	(2.7)	3.0	6.9	8.7	13.2	4.2	10.7

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Note: 1. 1. The above table provides data for companies in the Nifty 500 index as on September 30th, 2025 and excludes Nifty 50 companies.

Table 18: EBITDA margin of Nifty 500 companies (ex-Nifty 50) in Q2FY26

Sector	EBITDA Margin	QoQ change (bps)	YoY change (bps)
Communication Services	39.6	(5)	40
Consumer Discretionary	12.7	4	6
Consumer Staples	12.8	(59)	(66)
Energy	10.0	126	578
Financials	51.1	(55)	141
Health Care	27.1	112	115
Industrials	18.5	(29)	57
Information Technology	14.7	25	112
Materials	19.8	(128)	32
Real Estate	44.5	537	1028
Utilities	28.9	90	71
Nifty 500	27.8	14	169
Nifty 500 ex-Energy	32.1	(56)	35
Nifty 500 ex-Financials	17.0	46	227
Nifty 500 ex-energy ex-fin	19.9	(19)	46

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index excluding the Nifty 50 companies as of September 30th, 2025 and excludes Nifty 50 companies.

Figure 41: Sector-wise EBITDA growth of Nifty 500 companies (ex-Nifty 50) in Q2FY26

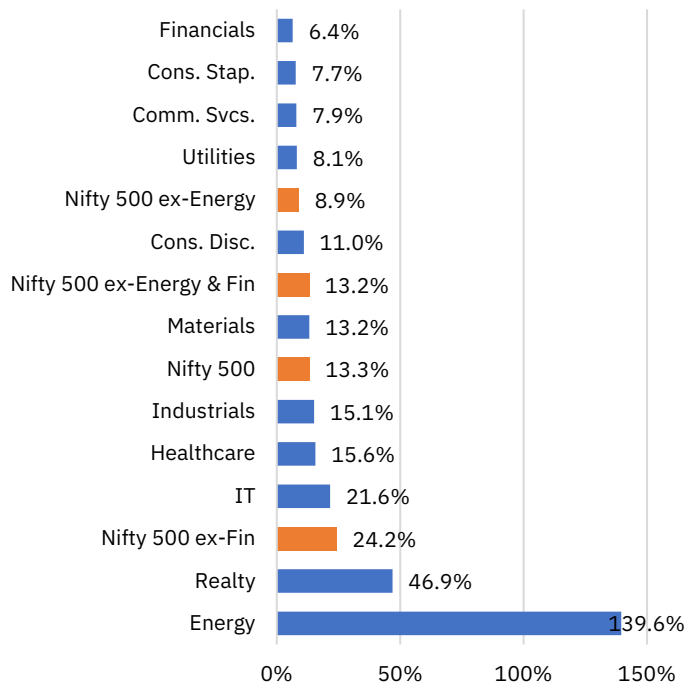
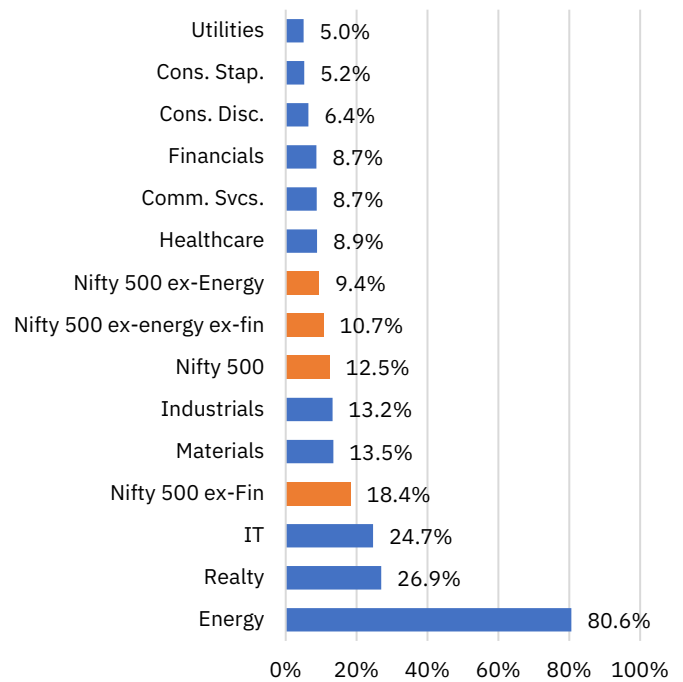


Figure 42: Sector-wise EBITDA growth of Nifty 500 companies (ex-Nifty 50) in H1FY26



Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above charts provide data for companies in the Nifty 500 index as on September 30th, 2025 and excludes Nifty 50 companies.

Figure 43: Sector-wise EBITDA margin of Nifty 500 companies (ex-Nifty 50) in Q2FY26

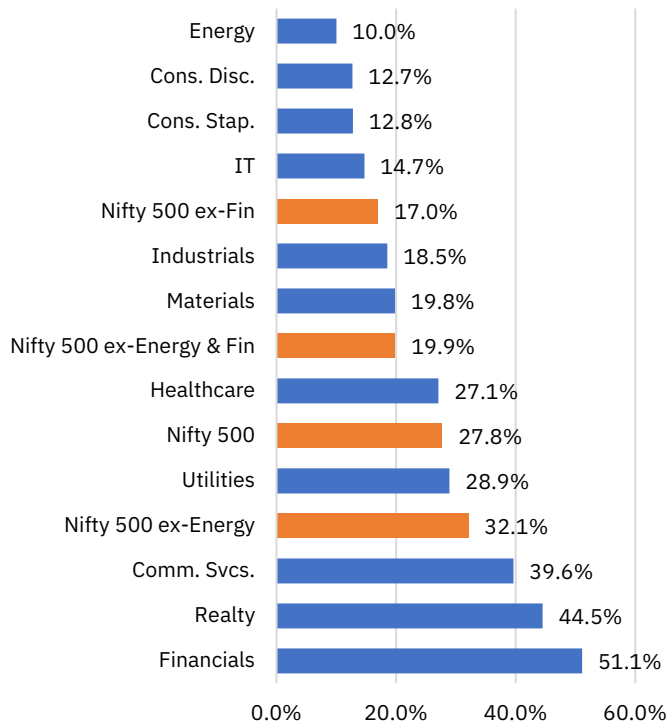
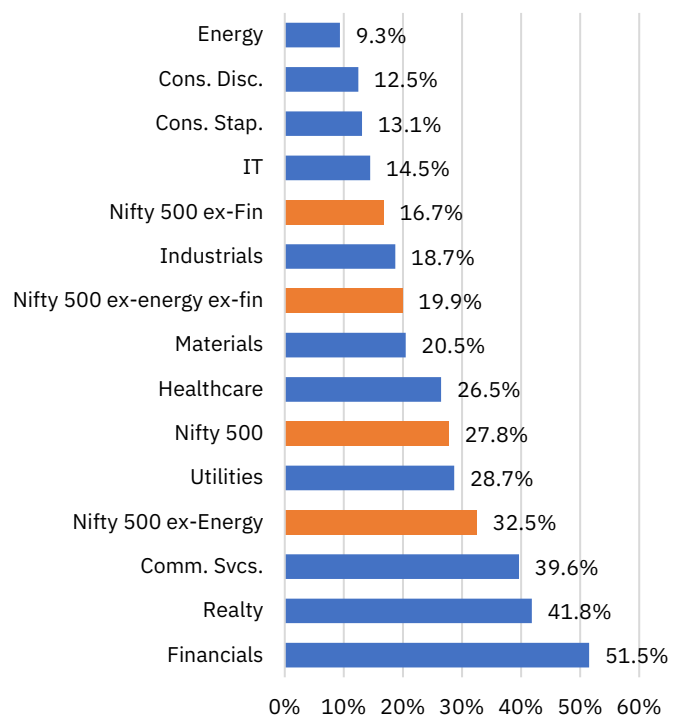


Figure 44: Sector-wise EBITDA margin of Nifty 500 companies (ex-Nifty 50) in H1FY26



Source: CMIE Prowess, LSEG workspace, NSE EPR.

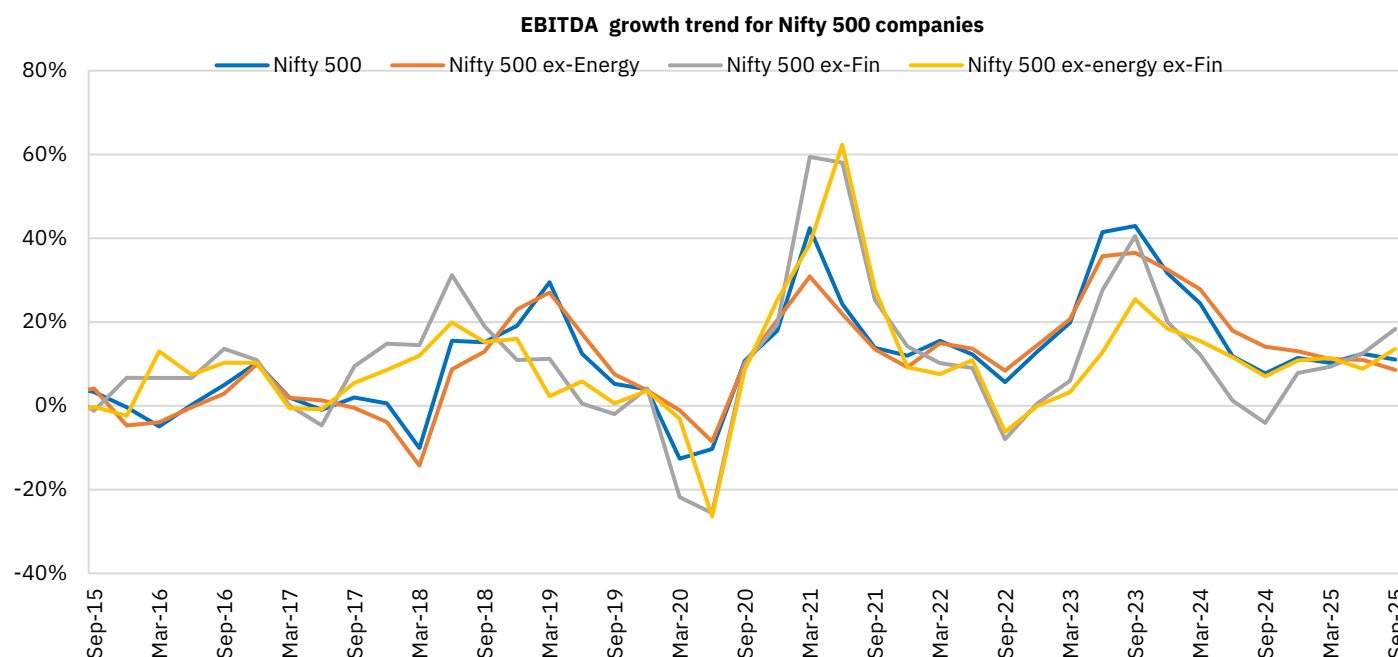
Note: 1. The above charts provide data for companies in the Nifty 500 index as on September 30th, 2025 and excludes Nifty 50 companies.

Table 19: Sector-wise contribution of Nifty 500 companies (ex-Fin/Nifty 50) to EBITDA growth in Q2FY26

Sector	EBITDA (Rs crore)	Contribution to EBITDA growth	
		% QoQ	% YoY
Communication Services	14,603	0.2	0.5
Consumer Discretionary	26,060	0.4	1.2
Consumer Staples	11,957	(0.2)	0.4
Energy	44,466	1.3	12.2
Health Care	22,187	0.7	1.4
Industrials	33,750	0.7	2.1
Information Technology	12,952	0.4	1.1
Materials	53,840	(0.2)	3.0
Real Estate	6,829	0.3	1.0
Utilities	36,757	0.1	1.3
Nifty 500 ex-Financials	2,63,402	3.7	24.2
Nifty 500 ex-energy ex-fin	2,18,936	2.2	22.3

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Nifty 50 companies.

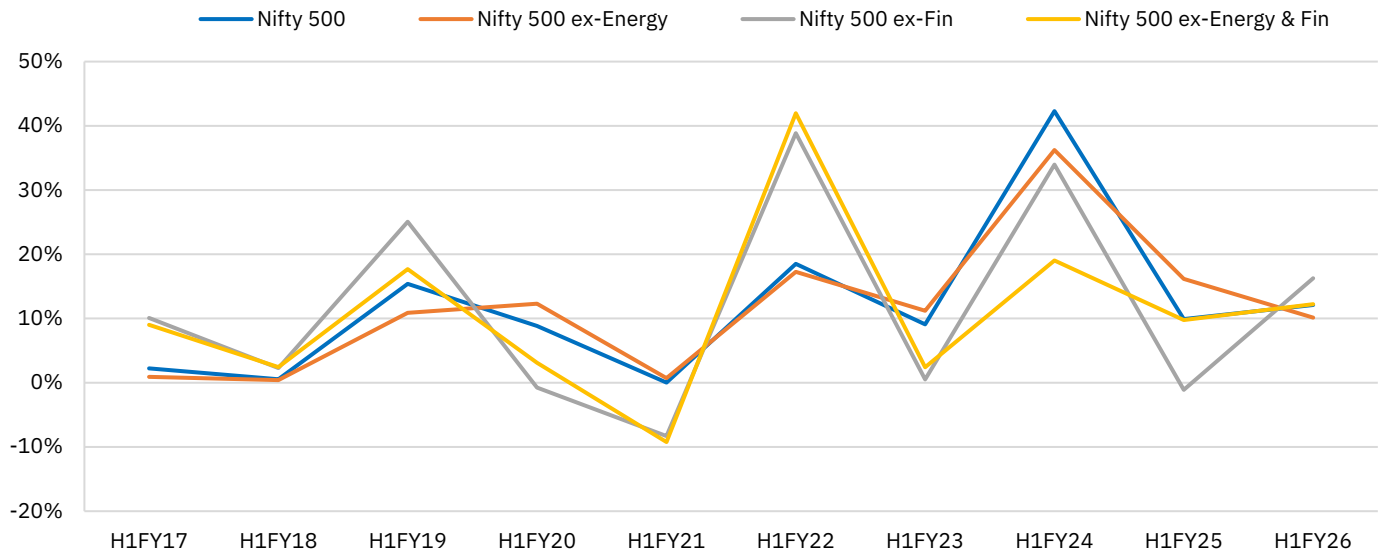
Figure 45: Quarterly trend in Nifty 500 EBITDA growth (YoY)


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

Note: 2. Nifty 500 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 46: H1 EBITDA growth trend for Nifty 500 over 10 Years (YoY)



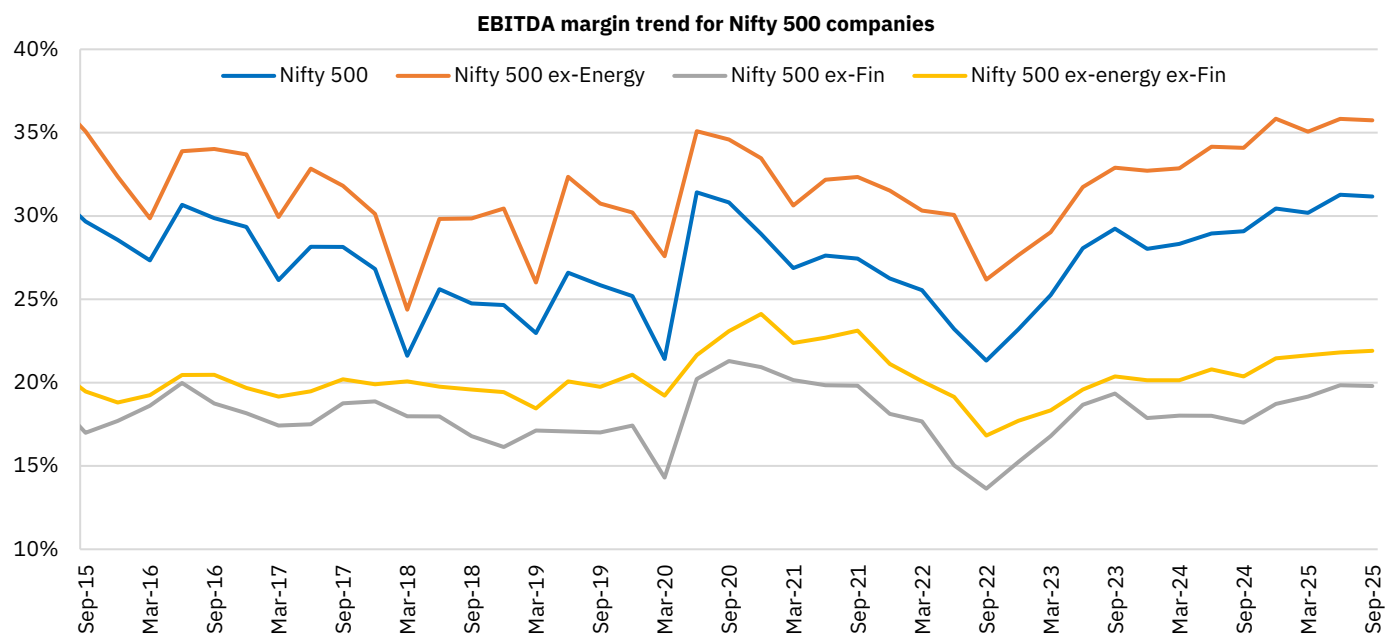
Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as at the end of September 30th of the respective fiscal years.

2. YoY growth is calculated based on interim financial data.

3. Nifty 500 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 47: Quarterly trend in EBITDA margin of Nifty 500 companies

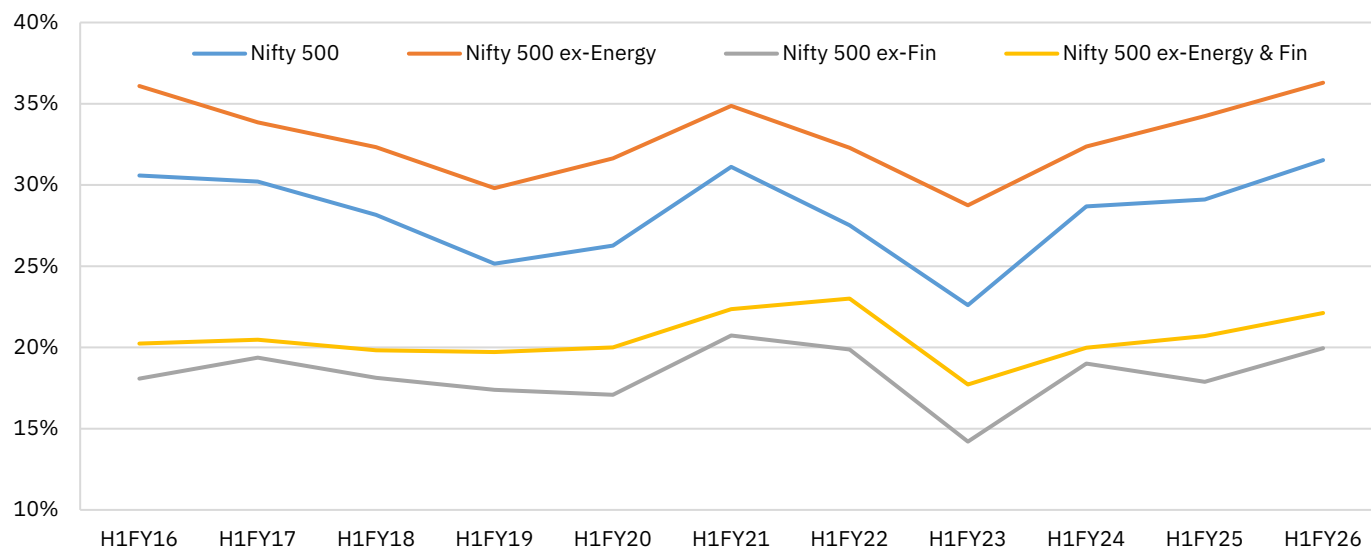


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

2. Nifty 500 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 48: H1 EBITDA margin trend of Nifty 500 companies over 11 years



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as at the end of September 30th of the respective fiscal years.

2. EBITDA margin is calculated based on interim financial data.

3. Nifty 500 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Midcaps drove the strongest profit performance in seven quarters within the Nifty 500 universe in Q2:

In Q2FY26, adjusted PAT for Nifty 500 companies (ex-Nifty 50) surged 30.7% YoY to Rs 3.9 lakh crore — the fastest pace in seven quarters — with the Nifty Midcap 150 cohort accounting for nearly 70% of this increase. The sharp rise in profits was supported by improving demand conditions and a relatively moderate increase in operating costs. PAT margins expanded by 167 bps YoY and 32 bps QoQ to 8.9%, slightly above 8.6% a year earlier, though still below the margin levels of the Nifty 50 cohort. Profit growth was also broad-based: 272 companies reported YoY PAT expansion and 245 showed sequential gains, broadly similar to the previous quarter. For H1FY26, PAT growth in the Nifty 500 (ex-Nifty 50) universe accelerated to 20.4% YoY from 8.5% a year earlier, with margins improving to 8.8% from 7.8%.

Sectorally, Energy — supported by better refining and marketing margins — and Financials — driven by strong NBFC performance — were the major contributors, together accounting for over 60% of YoY and QoQ PAT growth. Other sectors contributed less than 10% each, while Utilities recorded a decline in profits on both YoY and QoQ bases.

In terms of profit share within the broader Nifty 500 universe, the Nifty 50 continued to dominate with 51% of total PAT in Q4FY25, followed by the Nifty Midcap 150 at 35.8%. The contributions from the Nifty Next 50 and Nifty Smallcap 250 were smaller at 4.6% and 8.4%, respectively. However, in terms of YoY profit growth share, the Midcap 150 segment led by a wide margin at over 50%, while the Nifty 50 contributed 25%, the Next 50 at 8%, and the Smallcap 250 about 15%. Median PAT growth patterns echoed this trend: the Nifty 500 median stood at 12.2%, compared with a stronger 15.8% for Midcaps and a softer 9.3% for Smallcaps.

Table 20: Sector-wise PAT growth of Nifty 500 companies

Sector	QoQ growth			YoY growth			H1FY26	
	Sep-24	Jun-25	Sep-25	Sep-24	Jun-25	Sep-25	(Rs crore)	Growth (%)
Communication Services	NA	48.0	56.6	NA	NA	NA	0.1	NA
Consumer Discretionary	(17.7)	(10.4)	(1.7)	(2.0)	(0.7)	19.7	0.4	11.7
Consumer Staples	(6.0)	7.7	(5.8)	4.5	3.0	3.2	0.3	3.1
Energy	(24.4)	17.6	(14.8)	(50.7)	42.6	60.7	1.3	50.4
Financials	2.4	(6.3)	2.3	16.1	7.1	7.1	3.2	7.1
Health Care	(1.9)	0.7	6.5	19.9	3.4	12.9	0.4	8.0
Industrials	(9.5)	(26.0)	(9.8)	21.1	5.1	4.8	0.5	4.6
Information Technology	1.8	(1.4)	5.1	8.6	10.3	14.1	0.7	12.2
Materials	(15.0)	(3.1)	(6.1)	(15.6)	23.6	36.4	0.8	30.0
Real Estate	(9.2)	(12.6)	20.5	(2.6)	13.4	50.5	0.1	31.0
Utilities	(4.3)	(0.7)	(8.1)	(10.0)	(0.4)	(5.7)	0.5	(4.0)
Nifty 500	(6.0)	(2.8)	(2.3)	(4.2)	13.5	18.0	8.3	15.9
Nifty 500 ex-Energy	(3.2)	(6.1)	0.3	8.4	8.9	12.7	7.0	11.0
Nifty 500 ex-Financials	(11.6)	(0.6)	(5.0)	(15.4)	17.6	26.3	5.1	22.2
Nifty 500 ex-energy ex-fin	(7.9)	(6.0)	(1.3)	2.0	10.4	18.1	3.8	14.5

Source: CMIE Prowess, LSEG workspace, NSE EPR.

Note: 1. The above table provides data for companies in the Nifty 500 index as on September 30th, 2025.

2. Data for Sep-25 quarter excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

3. NA: Not Applicable

Table 21: Sector-wise PAT margin of Nifty 500 companies in Q2FY26

Sector	PAT Margin	QoQ change (bps)	YoY change (bps)
Communication Services	6.9	227	787
Consumer Discretionary	6.4	(57)	16
Consumer Staples	11.3	(60)	(61)
Energy	6.9	(97)	249
Financials	14.3	49	67
Health Care	15.5	30	32
Industrials	8.0	(134)	(43)
Information Technology	13.8	(1)	79
Materials	7.3	(82)	128
Real Estate	26.9	455	671
Utilities	12.4	(73)	(126)
Nifty 500	10.3	(34)	99
Nifty 500 ex-Energy	11.2	(20)	50
Nifty 500 ex-Financials	8.7	(63)	123
Nifty 500 ex-energy ex-fin	9.5	(52)	56

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 49: Sector-wise PAT growth of Nifty 500 companies in Q2FY26

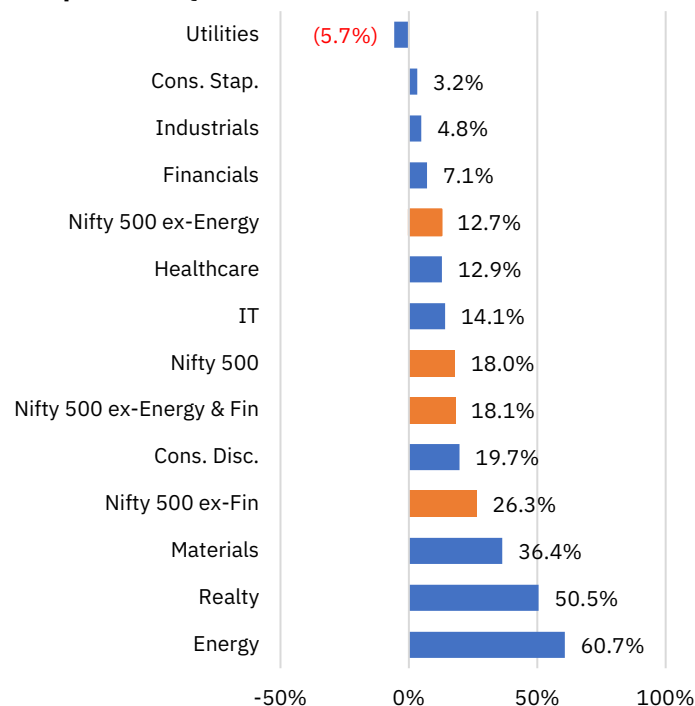
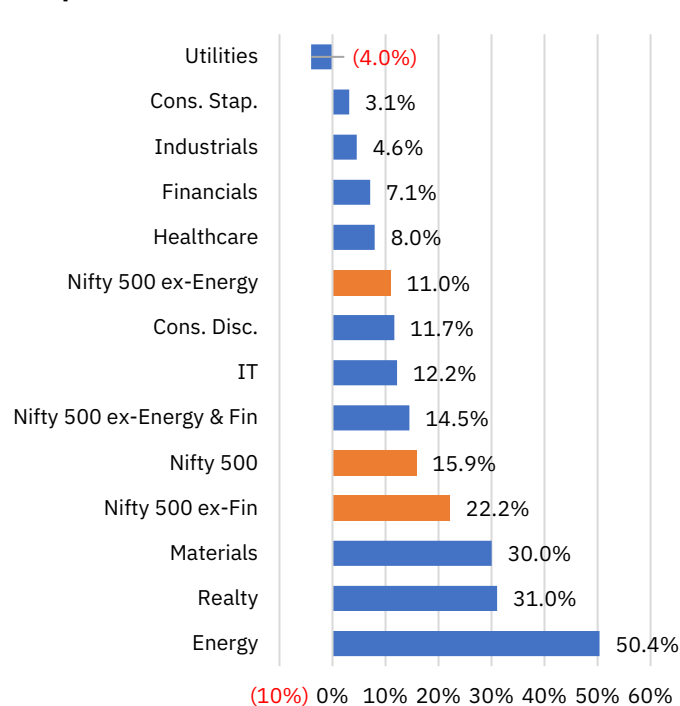


Figure 50: Sector-wise PAT growth of Nifty 500 companies in H1FY26



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above charts provide data for companies in the Nifty 500 index as of September 30th, 2025.

Figure 51: Sector-wise PAT margin of Nifty 500 companies in Q2FY26

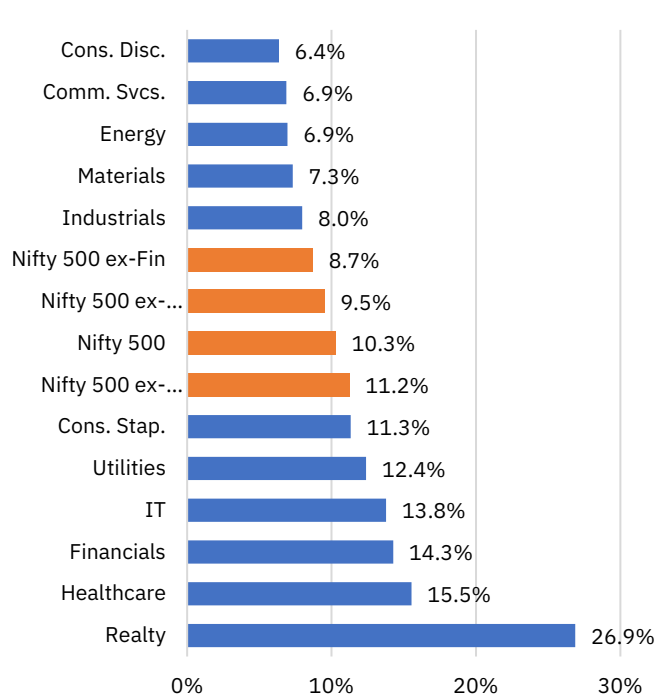
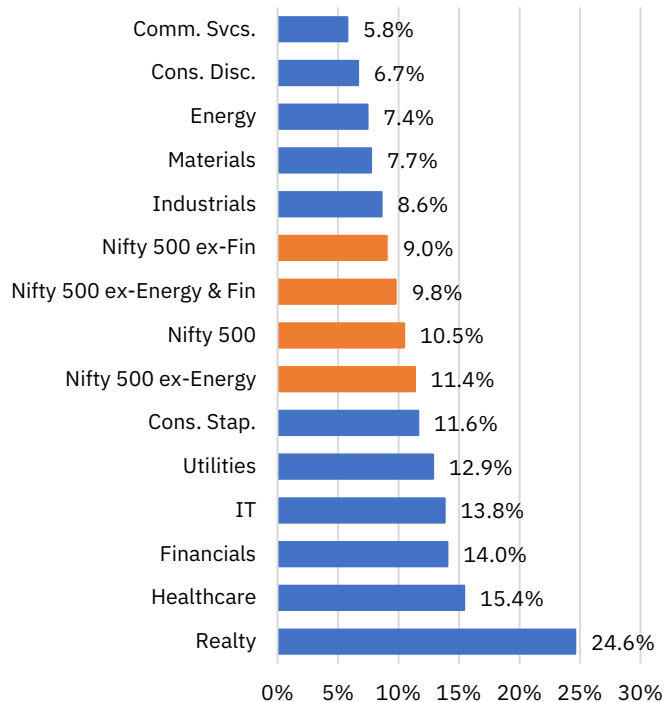


Figure 52: Sector-wise PAT margin of Nifty 500 companies in H1FY26



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above charts provide data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 22: Sector-wise contribution of Nifty 500 companies to PAT growth in Q2FY26

Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	6,117	0.5	2.0
Consumer Discretionary	22,390	(0.1)	1.1
Consumer Staples	15,842	(0.2)	0.1
Energy	61,629	(2.5)	6.7
Financials	1,62,187	0.9	3.1
Health Care	18,837	0.3	0.6
Industrials	24,295	(0.6)	0.3
Information Technology	36,786	0.4	1.3
Materials	37,239	(0.6)	2.8
Real Estate	4,123	0.2	0.4
Utilities	22,722	(0.5)	(0.4)
Nifty 500	4,12,169	(2.3)	18.0
Nifty 500 ex-Energy	3,50,539	0.3	11.3
Nifty 500 ex-Financials	2,49,982	(3.1)	14.9
Nifty 500 ex-energy ex-fin	1,88,352	(0.6)	8.3

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 23: Sector-wise PAT growth of Nifty 500 companies (ex-Nifty 50)

Sector	QoQ growth			YoY growth			H1FY26	
	Sep-24	Jun-25	Sep-25	Sep-24	Jun-25	Sep-25	(Rs lakh crore)	Growth (%)
Communication Services	NA	NA	NA	NA	NA	NA	-0.1	NA
Consumer Discretionary	(13.0)	3.0	7.1	0.7	(1.1)	22.8	0.2	7.6
Consumer Staples	(11.8)	15.1	(6.8)	11.9	2.2	7.9	0.1	4.8
Energy	(76.4)	4.9	5.7	(91.8)	77.1	690.3	0.4	194.9
Financials	(3.5)	(10.8)	5.7	12.6	4.9	14.9	1.7	9.8
Health Care	(7.3)	(1.8)	7.2	22.4	0.9	17.6	0.2	8.7
Industrials	1.6	(32.2)	18.4	24.8	5.6	23.4	0.3	13.9
Information Technology	20.3	(2.3)	7.3	20.9	38.4	24.1	0.1	30.6
Materials	(12.7)	(2.2)	(6.3)	(16.0)	16.6	24.8	0.5	21.2
Real Estate	(9.2)	(12.6)	20.5	(2.6)	13.4	50.5	0.1	31.0
Utilities	(5.7)	16.7	(7.1)	(18.6)	(3.1)	(6.6)	0.3	(6.5)
Nifty 500	(10.7)	(6.5)	4.7	(13.2)	11.6	30.7	3.9	20.4
Nifty 500 ex-Energy	(5.7)	(7.8)	4.6	6.1	6.7	18.2	3.5	12.0
Nifty 500 ex-Financials	(16.6)	(3.2)	4.0	(28.6)	17.0	45.3	2.3	29.6
Nifty 500 ex-energy ex-fin	(7.8)	(4.9)	3.6	0.4	8.3	21.4	1.8	14.1

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Nifty 50 companies.

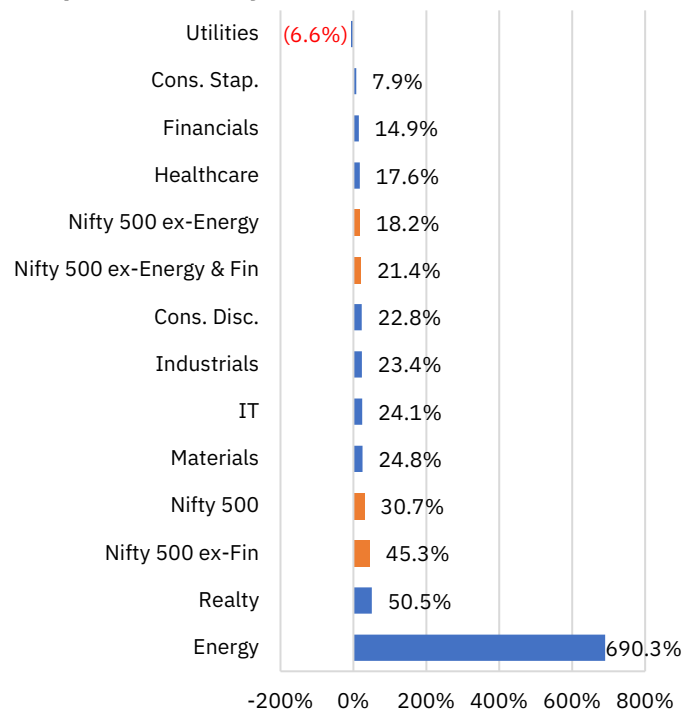
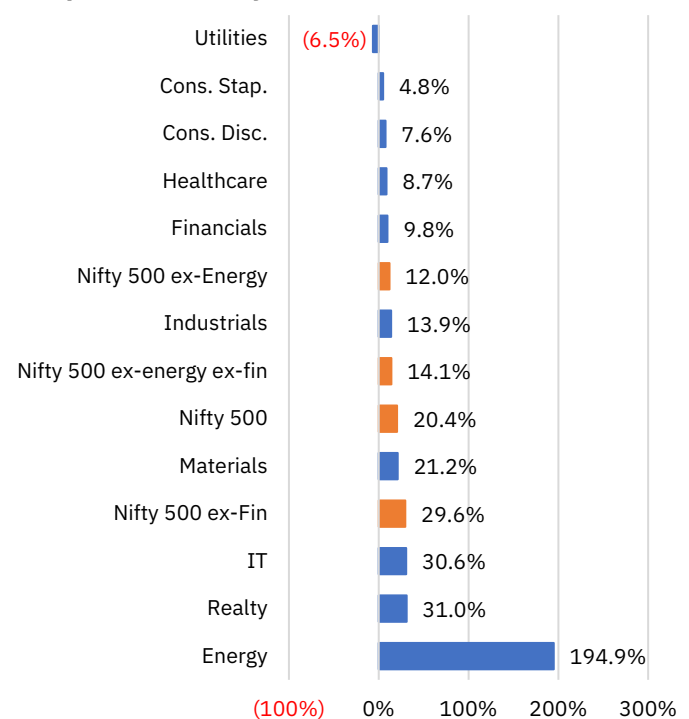
2. NA: Not Applicable

Table 24: Sector-wise PAT margin of Nifty 500 companies (ex-Nifty 50) in Q2FY26

Sector	PAT Margin	QoQ change (bps)	YoY change (bps)
Communication Services	(6.9)	305	735
Consumer Discretionary	5.0	16	50
Consumer Staples	7.6	(59)	(38)
Energy	5.1	56	445
Financials	12.0	54	119
Health Care	14.7	46	86
Industrials	9.9	91	94
Information Technology	8.5	1	80
Materials	8.7	(112)	94
Real Estate	26.9	455	671
Utilities	11.0	(55)	(142)
Nifty 500	8.9	32	167
Nifty 500 ex-Energy	9.9	18	88
Nifty 500 ex-Financials	7.5	22	195
Nifty 500 ex-energy ex-fin	8.5	(3)	76

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Nifty 50 companies.

Figure 53: Sector-wise PAT growth of Nifty 500 companies (ex-Nifty 50) in Q2FY26

Figure 54: Sector-wise PAT growth of Nifty 500 companies (ex-Nifty 50) in H1FY26


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above charts provide data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Nifty 50 companies.

Figure 55: Sector-wise PAT margin of Nifty 500 companies (ex-Nifty 50) in Q2FY26

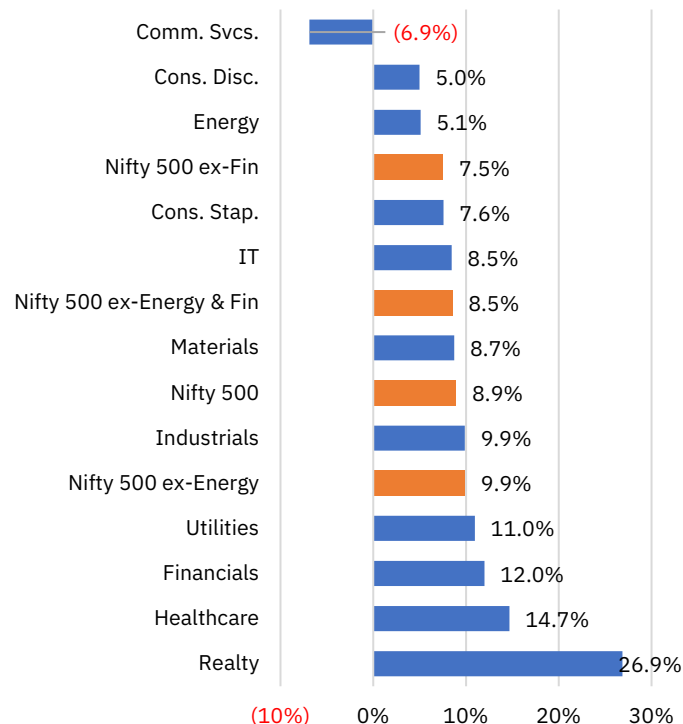
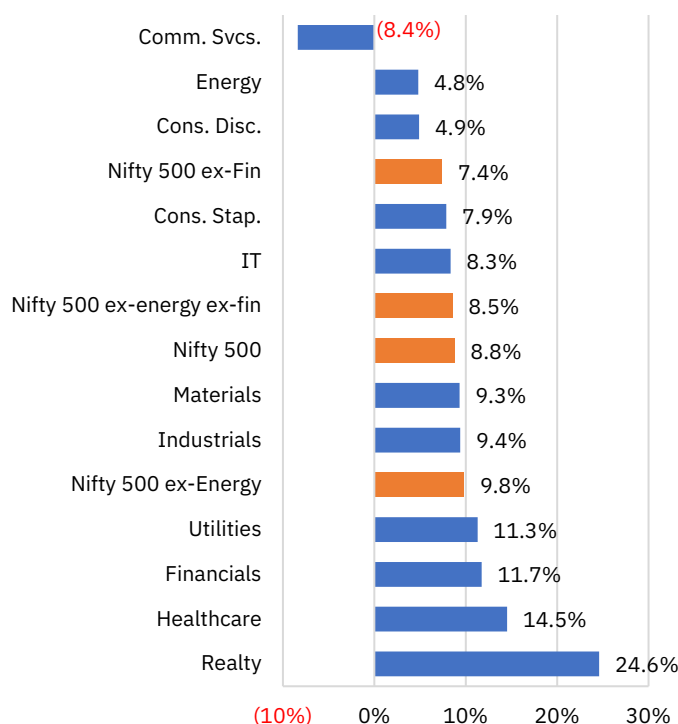


Figure 56: Sector-wise PAT margin of Nifty 500 (ex-Nifty 50) companies in H1FY26



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above charts provide data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Nifty 50 companies.

Table 25: Sector-wise contribution of Nifty 500 companies (ex-Nifty 50) to PAT growth in Q2FY26

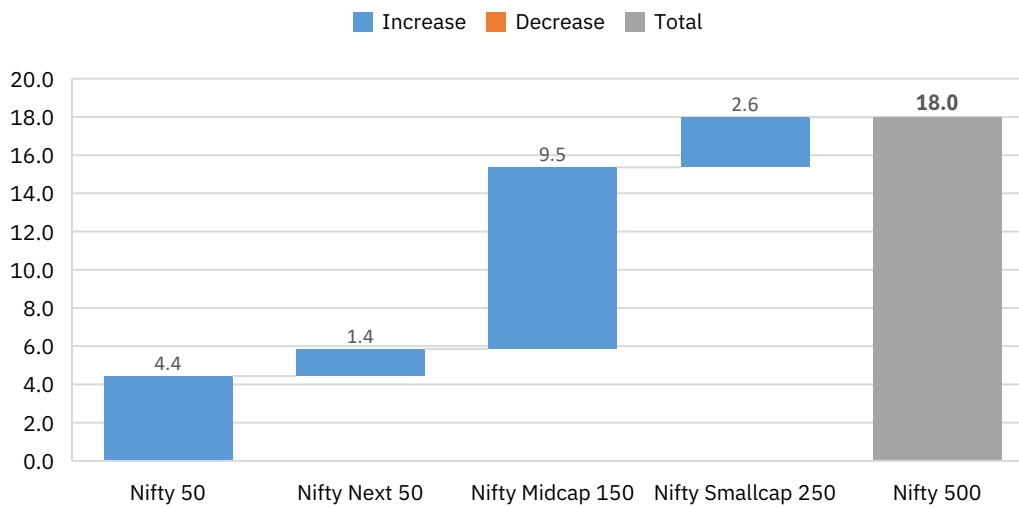
Sector	PAT (Rs crore)	Contribution to PAT growth	
		% QoQ	% YoY
Communication Services	-2,534	0.5	1.5
Consumer Discretionary	10,225	0.4	1.2
Consumer Staples	7,084	(0.3)	0.3
Energy	22,660	0.6	12.8
Financials	84,991	2.4	7.1
Health Care	12,037	0.4	1.2
Industrials	17,961	1.4	2.2
Information Technology	7,445	0.3	0.9
Materials	23,703	(0.8)	3.1
Real Estate	4,123	0.4	0.9
Utilities	13,931	(0.6)	(0.6)
Nifty 500	2,01,626	4.7	30.7
Nifty 500 ex-Energy	1,78,966	4.1	17.9
Nifty 500 ex-Financials	1,16,636	2.3	23.6
Nifty 500 ex-energy ex-fin	93,976	1.7	10.7

Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above table provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Nifty 50 companies.

Figure 57: Share of Nifty index constituents in overall PAT growth of Nifty 500 universe in Q2FY26

Contribution of Nifty index constituents to the overall PAT growth (%YoY) in Q1FY26



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: The above chart provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Table 26: Segment-wise distribution of companies based on YoY aggregate and median PAT growth across Nifty 500 constituents

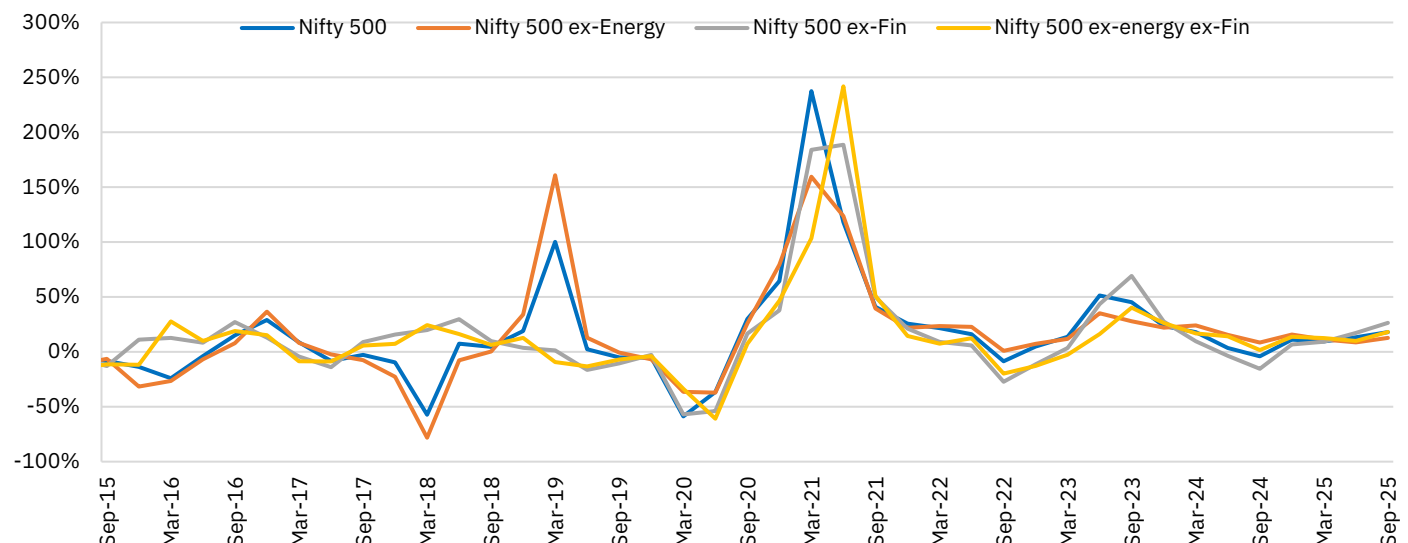
Index	<=0%	0% - 10%	10% -20%	20% - 30%	30% - 40%	40% - 50%	> 50%	Median (%)
Nifty 50	12	11	10	6	2	1	6	11.2%
Nifty Next 50	18	4	5	4	2	4	10	13.4%
Nifty Midcap 150	36	19	26	19	7	11	29	15.8%
Nifty Smallcap 250	91	22	30	18	18	4	39	9.3%
Nifty 500	157	56	71	47	29	20	84	12.2%

Source: CMIE Prowess, LSEG Workspace, NSE

Note: The above chart provides data for companies in the Nifty 500 index as of September 30th, 2025 and excludes Tata Motors Ltd. which underwent a demerger on October 1st, 2025.

Figure 58: Quarterly trend in Nifty 500 PAT growth (YoY)

PAT growth trend for Nifty 500 companies

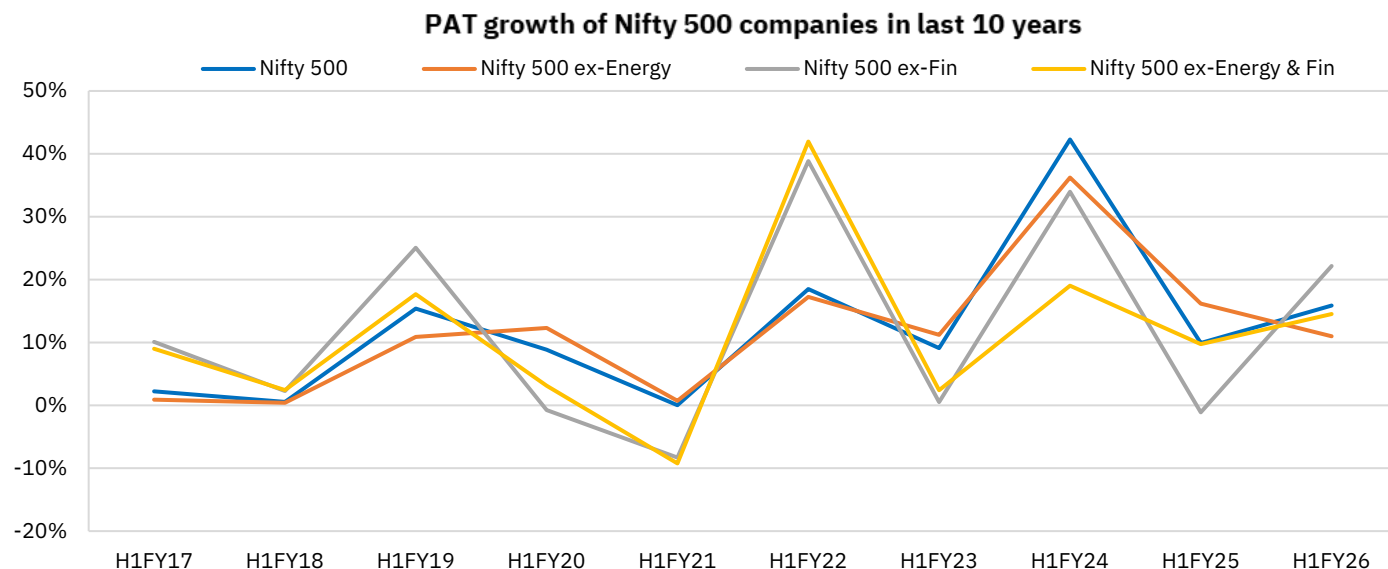


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

2. Nifty 500 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 59: H1 PAT growth trend for Nifty 500 over 10 Years (YoY)



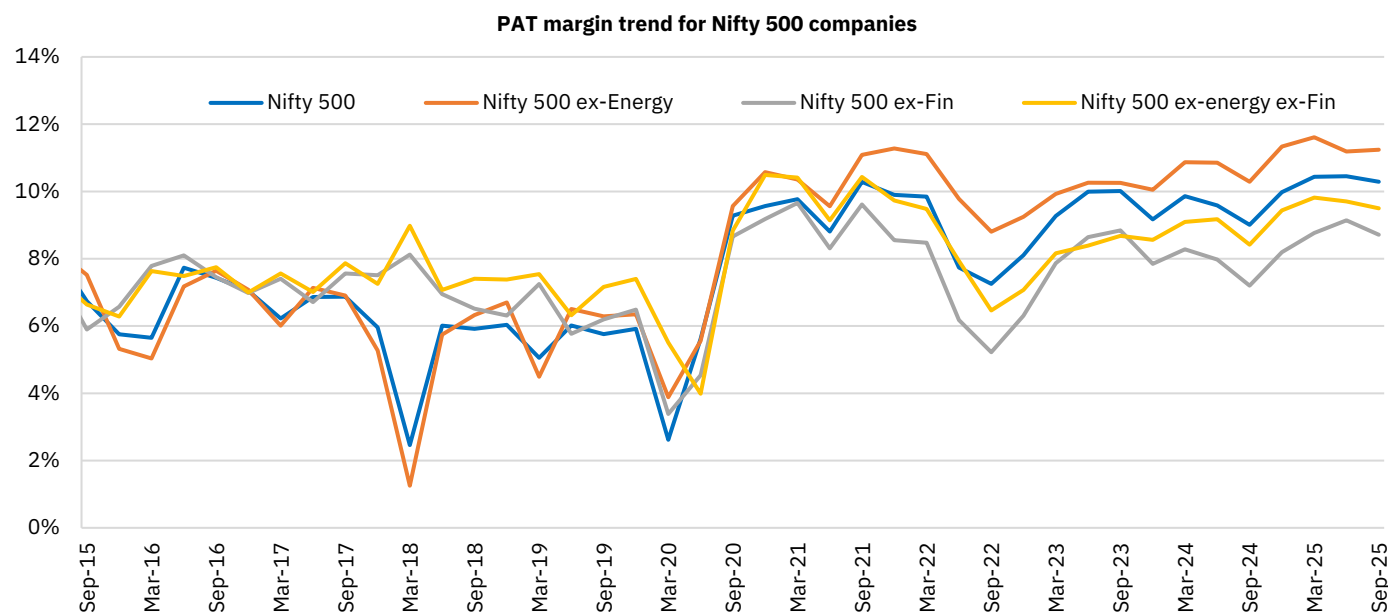
Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as at the end of September 30th of the respective fiscal years.

2. YoY growth is calculated based on interim financial data.

3. Nifty 500 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 60: Quarterly trend in PAT margin of Nifty 500 companies

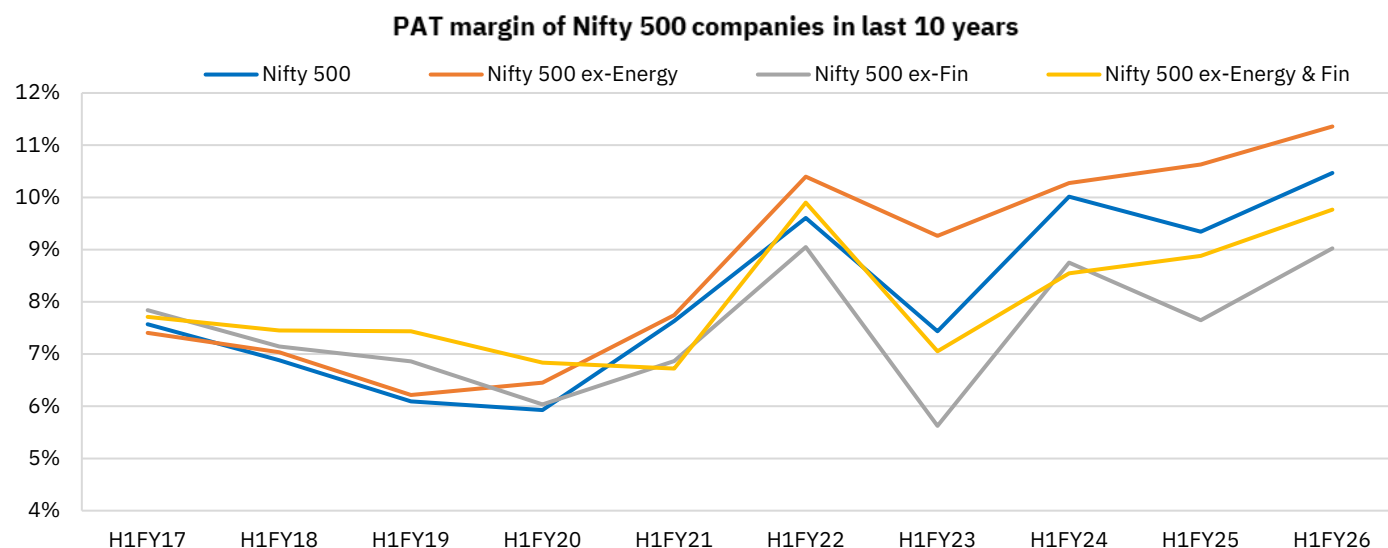


Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as on end of respective quarters.

2. Nifty 500 data for Sep-25 quarter excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Figure 61: H1 PAT margin trend for Nifty 500 over the last 11 fiscal years



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: 1. The above chart includes companies in the Nifty 500 index as at the end of September 30th of the respective fiscal years.

2. PAT margin is calculated based on interim financial data.

3. Nifty 500 data for H1FY26 excludes Tata Motors Ltd., which underwent a demerger on October 1st, 2025.

Earnings concentration analysis

To assess the breadth and resilience of India Inc.'s earnings base, we analyse concentration trends across the Nifty 50, Nifty 500, and the Nifty 500 ex-Nifty 50 universes using the Herfindahl–Hirschman Index (HHI). The HHI provides a quantitative measure of how evenly revenues and profits are distributed across listed firms: higher values indicate greater concentration in a few companies, while lower readings signal broader participation. By computing the HHI for sales, EBITDA, and PAT across these three cohorts over the past decade, we evaluate whether India's corporate growth cycle is becoming more top-heavy or more broad-based, and how this dispersion has evolved across large, mid-, and small-cap segments.

Understanding the Herfindahl–Hirschman Index (HHI)

The HHI is a widely used measure of concentration that captures how evenly (or unevenly) activity is distributed across a set of firms. It is calculated by squaring each firm's share of the total and summing these squared shares:

$$HHI = \sum_{i=1}^N (s_i)^2$$

where s_i represents the percentage share of firm i .

Higher values indicate that a small number of firms account for a large portion of activity, while lower values point to a more diffused and competitive structure. The index ranges from **0 to 10,000**, with commonly used thresholds distinguishing low, moderate, and high concentration.

Because larger shares exert a disproportionate influence when squared, the index rises quickly when a few firms dominate.

- **Below 1,500** → activity is spread across many firms.
- **1,500–2,500** → moderate concentration.
- **Above 2,500** → high concentration.
- **10,000** represents a single firm holding the entire market.

Why is HHI relevant for corporate earnings?

HHI serves as a clean indicator of how widely distributed earnings are within an index or sector.

- A higher value means that a small cluster of companies accounts for most of the revenue or profit.
- A lower value means earnings contributions are more evenly spread across the universe.

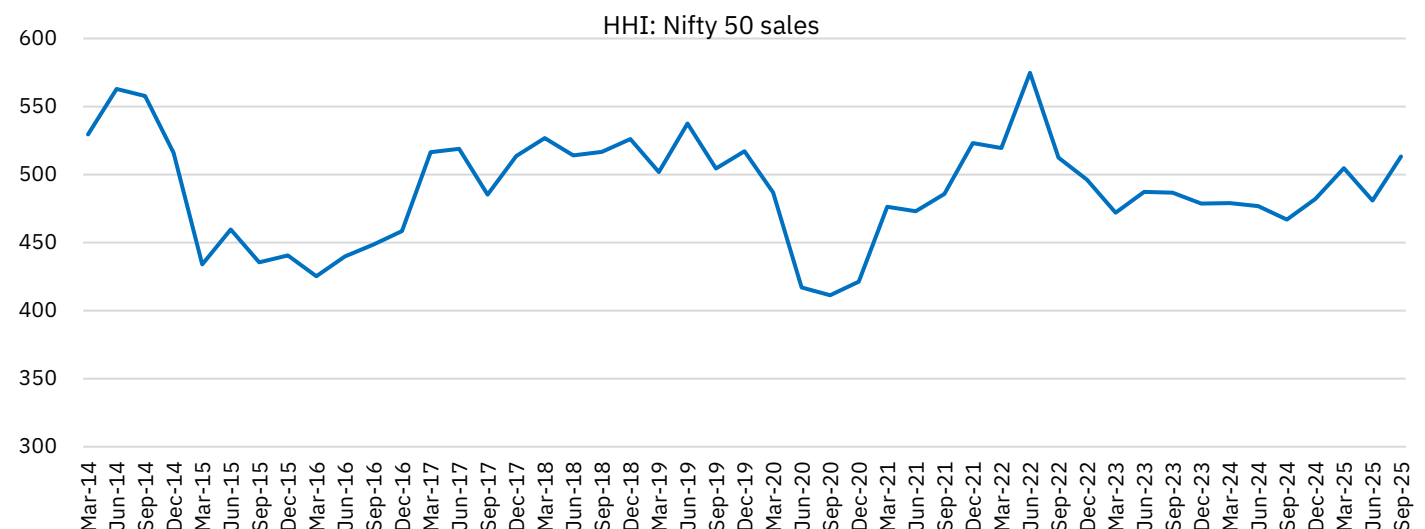
Tracking changes in HHI helps identify whether an earnings cycle is broadening—with greater participation from mid- and small-cap firms—or becoming increasingly top-heavy and dependent on a few leaders. This, in turn, aids in assessing the robustness and sustainability of corporate performance.

Concentration in Nifty 50 sales rising again in recent quarters....: Sales concentration within Nifty 50 saw a pronounced drop following the onset of the pandemic, with HHI falling to a decadal low of 411 by Sep'20, reflecting a broad-based immediate impact of pandemic on India Inc. The drop, however, was short-lived, with the sales HHI climbing over the next two years to its highest levels in a decade to 575 by June 2022, indicating differentiated post-pandemic recovery. Revenues became increasingly concentrated in a handful of index heavyweights—particularly in sectors such as Energy, IT Services, and Consumer Staples, which remained relatively insulated from the economic shock.

As demand normalised in 2022–23, concentration moderated meaningfully, with the HHI returning to the 450–500 range. Yet, unlike earlier cycles, the index did not revert to its pre-2017 levels, highlighting the structural rise in the dominance of India's largest corporates amid sustained formalisation and scale advantages.

In the past few quarters, the sales-HHI has begun to edge higher again, rising to a three-year peak of 513 in September 2025. This renewed uptick suggests that topline gains have become incrementally more concentrated among the biggest firms, even as the broader earnings cycle has strengthened.

Figure 62: HHI Index for net sales for Nifty 50 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

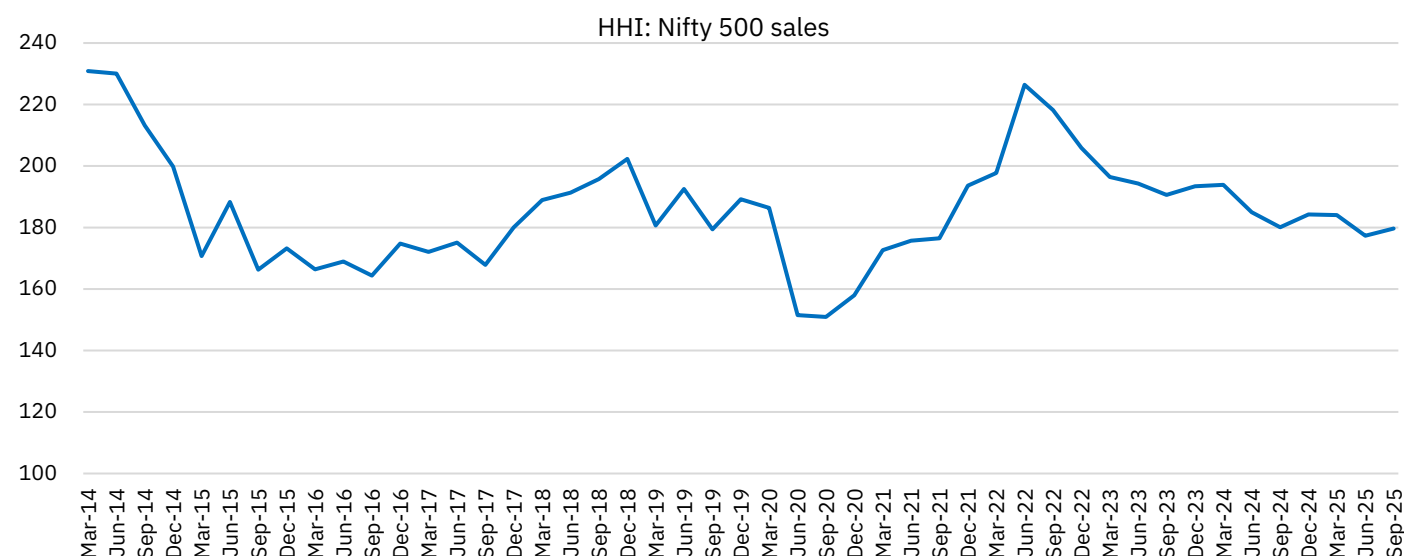
...But Nifty 500 is seeing a steady decline, thanks to broadening revenue base led by mid- and small-caps: Sales concentration within the broader Nifty 500 universe rose noticeably during the pandemic, as revenues became increasingly skewed toward the largest, most resilient firms across Energy, BFSI, and Consumer sectors. This pushed the sales-HHI to elevated levels through FY21–22. However, as the recovery broadened across manufacturing, industrials, discretionary consumption, and services, the concentration began to unwind. Through FY23–24, the HHI for the Nifty 500 retraced meaningfully toward its long-term average, stabilising since then in a moderately higher band relative to pre-2018 levels—reflecting that while dispersion has improved, large firms still command a sizeable share of aggregate revenues.

The more striking shift is visible in the Nifty 500 ex-Nifty 50 universe, where sales concentration has declined far more decisively. After a sharp pandemic-era spike—when only a narrower cohort of mid-sized companies held up—HHI levels have fallen to multi-year lows, underscoring a broadening of topline contributions across mid- and small-cap

firms. This improvement reflects deeper formalisation, stronger domestic cyclical, a manufacturing upcycle, and a more diversified recovery across the mid-market corporate segment.

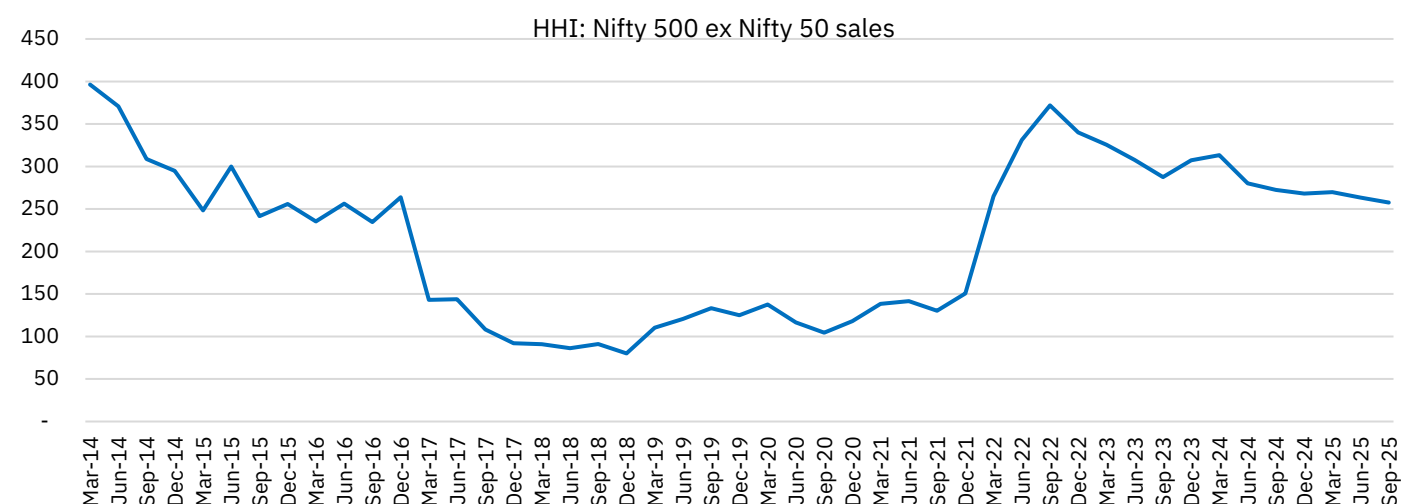
Taken together, these trends highlight a clear divergence across size segments: while sales concentration has inched up again in the Nifty 50, the mid- and small-cap universe continues to see a structurally wider and more dispersed revenue base, signalling deepening market breadth and a more democratised contribution to India Inc.'s topline growth.

Figure 63: HHI Index for net sales for Nifty 500 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 64: HHI Index for net sales for Nifty 500 excluding Nifty 50 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Sector-wise sales concentration within the Nifty 500 universe shows sharp post-pandemic divergence. Sector-level sales concentration within the Nifty 500 universe has diverged meaningfully in the post-pandemic phase. Communication Services has seen the steepest increase, with its HHI rising from pre-COVID levels of ~2,900 to a decadal peak of 3,745 in Sep'25, underscoring the growing dominance of a few large incumbents. Energy has remained structurally concentrated, with HHIs settling at levels well above

their pre-2020 range, while Financials too display a sustained rise in concentration relative to their pre-pandemic lows.

In contrast, several sectors—including Consumer Discretionary, Consumer Staples, Healthcare, and Information Technology—have witnessed a notable easing in concentration from their 2019–21 highs. Both Consumer Discretionary and IT have, in fact, seen their sales-HHI fall to ten-year lows in Sep’25, signalling a wider distribution of revenues across a larger set of firms.

Taken together, the post-pandemic pattern points to a bifurcation: sectors benefiting from formalisation, consolidation, and scale effects (Communication Services, Energy, Financials) have become more top-heavy, whereas consumption-driven, manufacturing-oriented, and export-linked segments exhibit a more diffused revenue base within the Nifty 500.

Table 27: Sector-wise HHI for net sales for Nifty 500 companies

Sectors	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23	Sep-24	Sep-25
Comm. Svcs	2,450	2,628	2,515	2,745	2,682	2,882	3,167	2,881	2,880	2,985	3,104	3,745
Cons. Disc.	1,442	1,427	1,598	1,419	1,283	1,292	1,244	1,011	1,087	1,054	975	561
Cons. Staples	1,087	1,028	963	796	801	776	788	818	749	747	782	787
Energy	1,853	1,748	1,778	1,844	1,740	1,803	1,798	1,824	1,820	1,866	1,785	1,840
Financials	571	579	539	525	410	410	436	436	933	768	721	747
Healthcare	743	689	622	569	520	508	506	464	509	466	488	457
Industrials	562	599	598	636	549	687	607	555	692	635	662	676
IT	1,558	1,531	1,523	1,471	1,549	1,531	1,572	1,488	1,484	1,432	1,396	1,280
Materials	570	480	493	529	573	521	517	594	577	560	583	595
Real Estate	984	1,160	1,272	1,177	1,368	1,449	2,278	1,527	1,452	1,490	1,231	1,377
Utilities	1,341	1,164	1,134	1,117	1,213	1,130	1,506	1,640	1,753	1,477	1,376	1,226

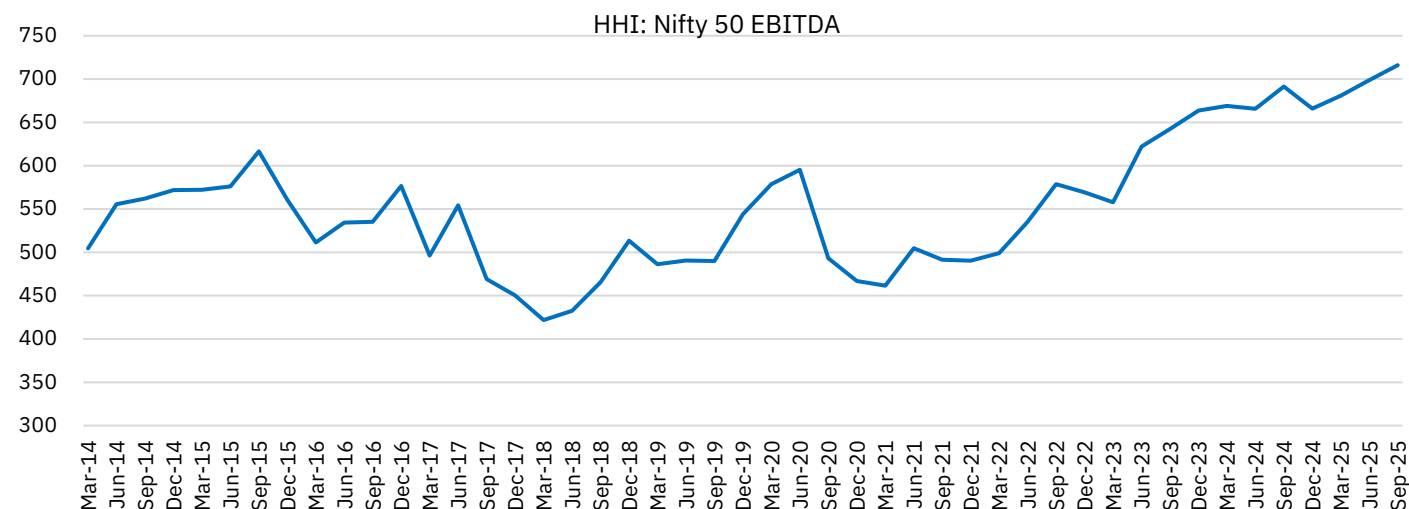
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

EBITDA concentration—Reinforcing the broad story seen in sales, but with sharper divergence at the top: The EBITDA-HHI trends broadly mirror the sales-concentration patterns discussed earlier, but with a clearer split between large caps and the rest of the market. In the Nifty 50, EBITDA concentration has risen more noticeably than sales concentration, climbing to its highest level in over a decade by Sep’25. This indicates that the recent operating-profit recovery has been disproportionately captured by a handful of index heavyweights—more so than the revenue trends alone would suggest.

By contrast, within the Nifty 500, the post-pandemic easing in concentration visible in sales is only partially replicated in EBITDA: the indicator has stabilised at moderately elevated levels, suggesting that operating-margin dispersion remains flatter than topline dispersion. The divergence becomes more pronounced in the Nifty 500 ex-Nifty 50 cohort, where EBITDA-HHI remains structurally low and has even drifted lower in recent quarters—consistent with the earlier sales analysis showing broader participation among mid- and small-cap firms.

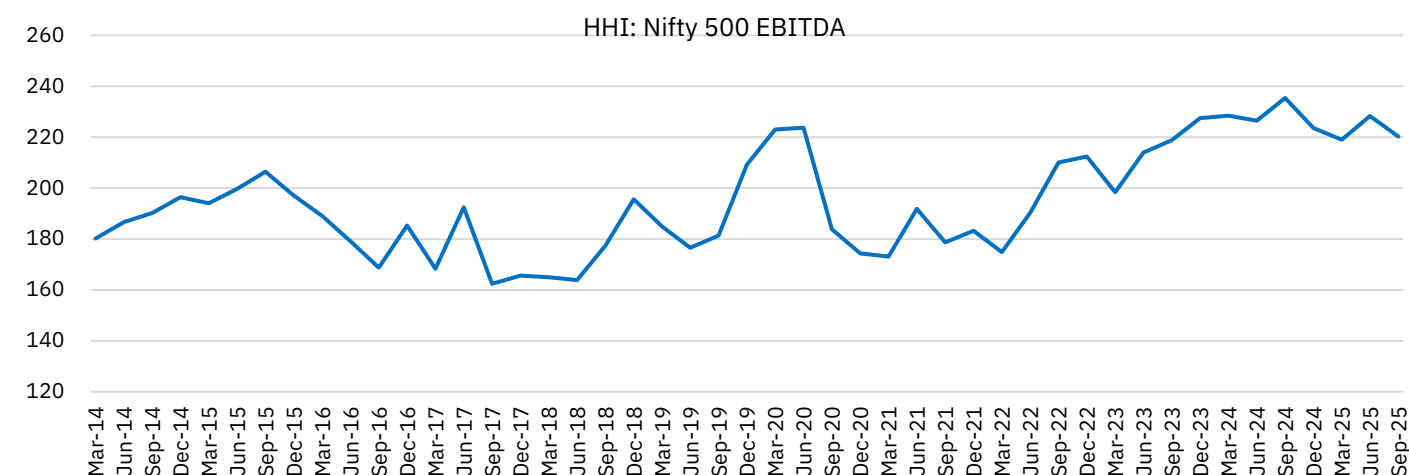
Overall, the EBITDA patterns reinforce the two-tier structure evident in the sales-HHI: greater concentration at the top, but material and persistent broadening of operating performance outside the Nifty 50, with mid- and small-caps sustaining a more diversified profit base through the post-pandemic period.

Figure 65: HHI Index for EBITDA for Nifty 50 companies



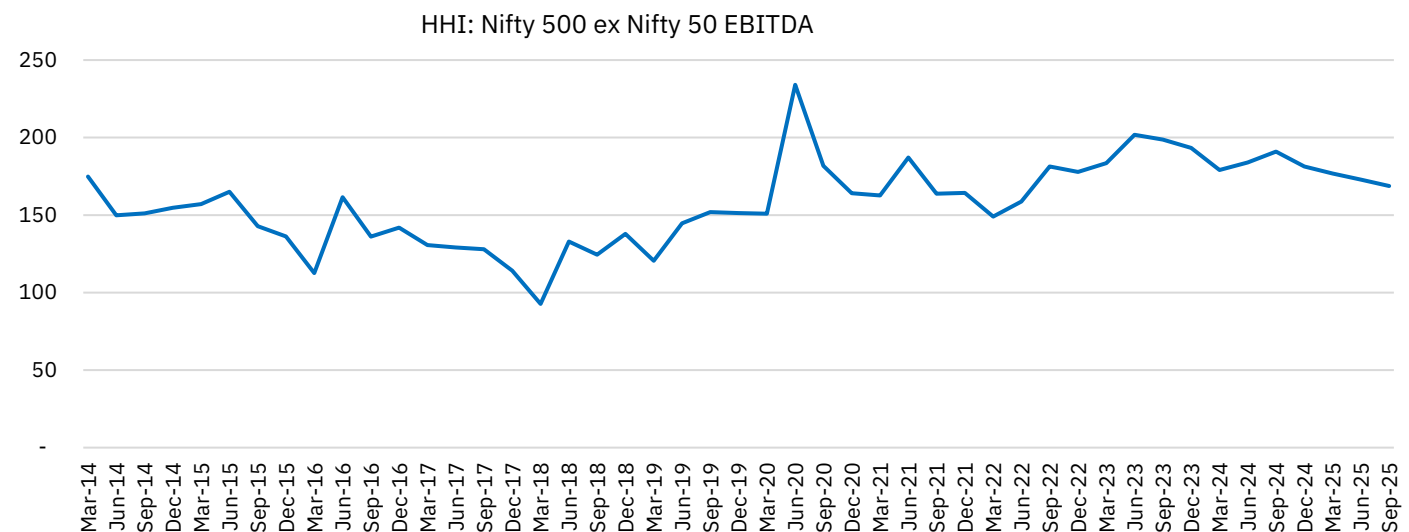
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 66: HHI Index for EBITDA for Nifty 500 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 67: HHI Index for EBITDA for Nifty 500 excluding Nifty 50 companies



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

EBITDA concentration moderates, but structural sectoral polarisation persists:

Sectoral EBITDA-HHI trends broadly echo the sales patterns but with sharper post-pandemic polarisation. Communication Services remains the most concentrated sector by a wide margin, with EBITDA-HHI jumping from ~2,700 in Sep'21 to 4,797 in Sep'25, underscoring even higher dominance of a few large players at the operating profit level. Energy and IT also continue to display structurally moderate concentration, though both remain below their pandemic peaks, with IT seeing a visible drop. By contrast, Consumer Discretionary, Industrials, Materials, and Real Estate have seen EBITDA concentration moderate meaningfully since 2021, reflecting wider operating-profit participation among mid-tier firms. Financials and Healthcare remain among the least concentrated sectors, with HHI levels holding broadly stable in recent years. Overall, the post-COVID phase points to a narrowing of concentration in most sectors, even as a few capital- and scale-intensive sectors remain top-heavy.

Table 28: Sector-wise HHI for EBITDA for Nifty 500 companies

Sectors	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23	Sep-24	Sep-25
Comm. Svcs	2,790	2,986	3,236	3,643	3,563	3,288	3,621	2,708	4,247	4,260	4,197	4,797
Cons. Disc.	1,617	929	1,083	1,309	955	908	1,153	815	784	1,132	1,025	703
Cons. Staples	2,447	2,005	1,861	1,416	1,511	1,628	1,346	1,400	1,542	1,393	1,321	1,267
Energy	2,203	2,226	1,941	2,056	2,353	2,689	2,046	2,321	2,931	1,971	2,820	2,244
Financials	539	578	492	487	532	510	540	575	587	615	607	591
Healthcare	1,271	773	934	632	610	596	561	521	616	519	531	533
Industrials	592	607	644	799	697	913	772	714	671	658	567	572
IT	2,033	2,106	2,180	1,988	2,101	2,069	2,081	1,965	2,035	2,036	1,900	1,720
Materials	666	623	605	615	660	496	483	733	590	570	601	570
Real Estate	1,313	1,800	1,838	1,763	1,807	1,513	2,137	1,412	1,736	1,964	1,487	1,444
Utilities	1,124	1,023	1,108	1,138	1,252	1,272	1,652	1,588	1,647	1,302	1,337	1,161

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

PAT Concentration—Stable dispersion beyond the Nifty 50, even as large-cap profit share edges higher:

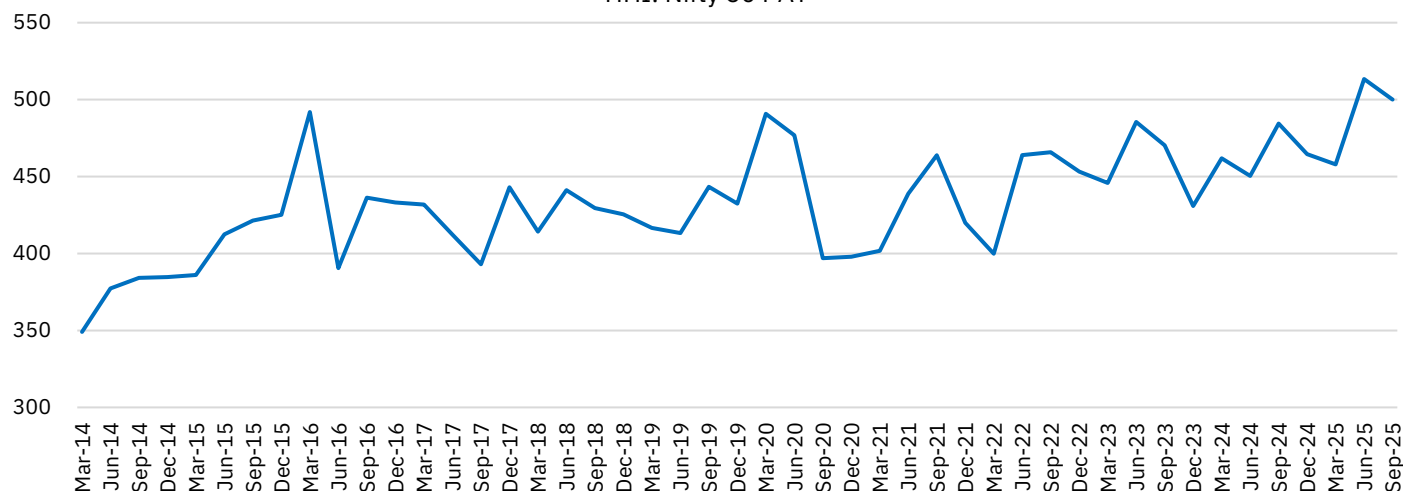
The PAT-HHI trends broadly align with the patterns observed earlier for sales and EBITDA, though the degree of concentration is noticeably lower at the net-profit level. Within the Nifty 50, the PAT concentration index has drifted gradually higher through the post-pandemic period, rising from ~400 in mid-2020 to a decadal high of 513 by Jun'25, only to moderate marginally to 500 in September 2025. This indicates that profit recovery in recent quarters remains relatively skewed towards a handful of large-cap leaders—though the rise is more modest than the sharp concentration increase seen in EBITDA.

For the Nifty 500, the PAT-HHI shows a more tempered trajectory. Concentration spiked around the pandemic years but has since settled into a stable band around 150–180, signalling that profit growth in the broader market has been more evenly distributed relative to the headline index. Compared with EBITDA, the dispersion at the PAT level is even wider, reflecting the smaller and more variable profit base across mid-tier firms.

The Nifty 500 ex-Nifty 50 cohort remains structurally the most diversified. PAT-HHI has oscillated in a narrow 110–160 range over the last five years, far below its pandemic spike, reinforcing that mid- and small-cap profitability is broadly dispersed and not dominated by a few firms. This steady pattern closely mirrors the trends seen in sales and EBITDA for this group, underscoring the depth and breadth of the earnings base outside the large-cap universe.

Figure 68: HHI Index for PAT for Nifty 50 companies

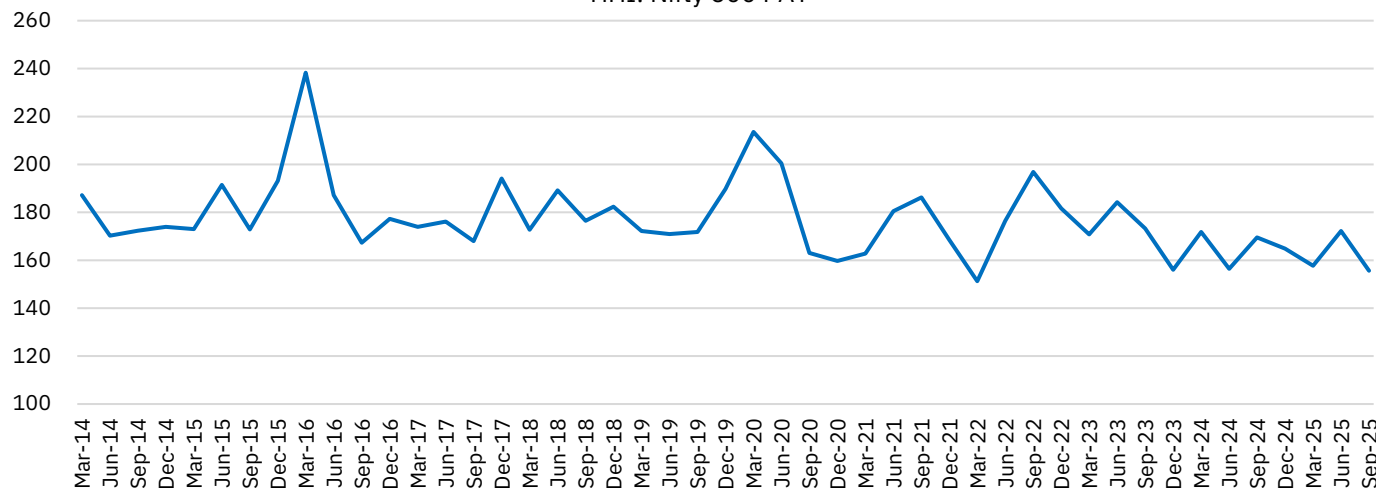
HHI: Nifty 50 PAT



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 69: HHI Index for PAT for Nifty 500 companies

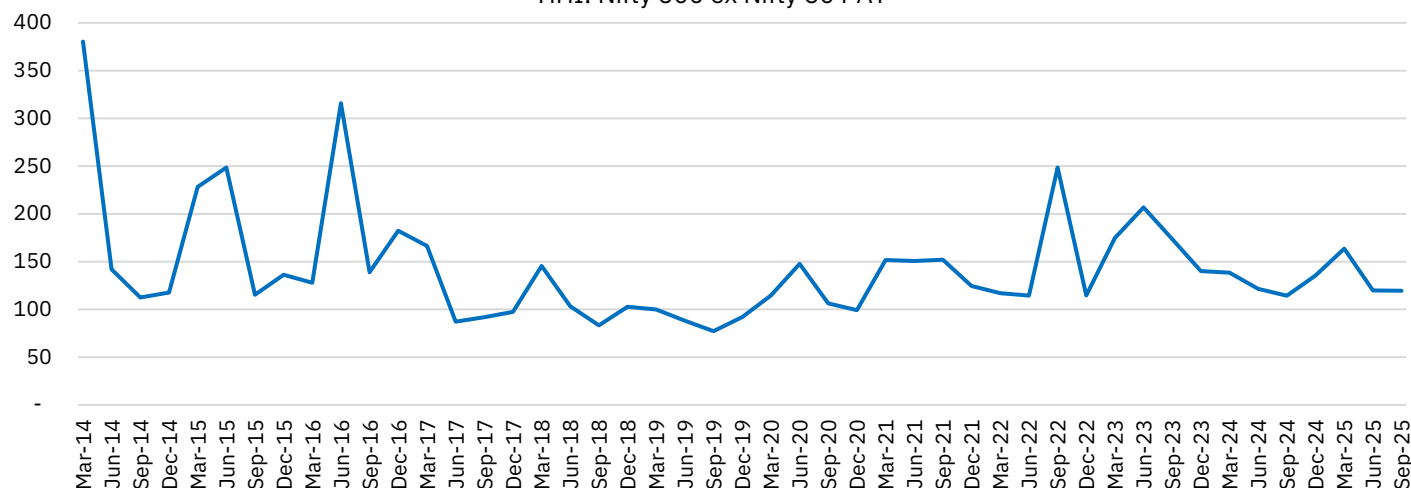
HHI: Nifty 500 PAT



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Figure 70: HHI Index for PAT for Nifty 500 excluding Nifty 50 companies

HHI: Nifty 500 ex Nifty 50 PAT



Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Sector-wise PAT concentration—post-pandemic divergence widens: PAT concentration across sectors has widened more visibly in the post-pandemic period compared with sales or EBITDA. Communication Services and Energy show the steepest rise, underscoring the dominance of a few large profit-generating firms—most notably the surge in Communication Services’ HHI from ~2,000 in 2020 to over 5,400 by Sep’25. Consumer Staples, IT and Real Estate also continue to display moderately high concentration, even after some easing from their FY20–22 peaks, indicating profit pools concentrated in a relatively narrow set of players.

In contrast, Consumer Discretionary, Industrials, Materials, Financials and Healthcare remain low-concentration sectors, with PAT-HHI levels stable or drifting lower since FY22 and now generally below 700. Taken together, the sectoral PAT trends highlight a clear post-pandemic pattern: profit recovery has been disproportionately led by a handful of large firms in select sectors, while a broad swathe of the market continues to exhibit more diversified earnings structures.

Table 29: Sector-wise HHI for PAT for Nifty 500 companies

Sectors	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23	Sep-24	Sep-25
Comm. Svcs	2,310	1,640	2,652	1,825	1,769	2,570	2,006	4,067	3,252	3,578	3,848	5,417
Cons. Disc.	1,331	761	866	893	834	609	852	764	707	823	771	684
Cons. Staples	2,565	2,100	2,034	1,498	1,638	1,789	1,516	1,516	1,833	1,590	1,501	1,443
Energy	2,250	2,439	2,118	2,055	2,295	3,014	1,897	2,479	3,207	1,734	3,005	2,083
Financials	585	650	592	609	630	542	582	578	639	571	558	528
Healthcare	1,644	852	1,282	682	613	577	649	626	750	668	676	598
Industrials	599	534	674	911	716	641	605	599	624	677	544	566
IT	2,187	2,272	2,362	2,123	2,264	2,243	2,259	2,063	2,178	2,222	2,091	1,919
Materials	853	924	738	727	603	705	406	809	500	449	593	521
Real Estate	856	1,241	1,184	1,277	1,820	1,648	2,920	2,038	2,698	2,159	1,670	1,533
Utilities	1,257	1,266	1,353	1,330	1,280	1,308	1,662	1,558	1,383	1,352	1,196	1,125

Source: CMIE Prowess, LSEG Workspace, NSE EPR.

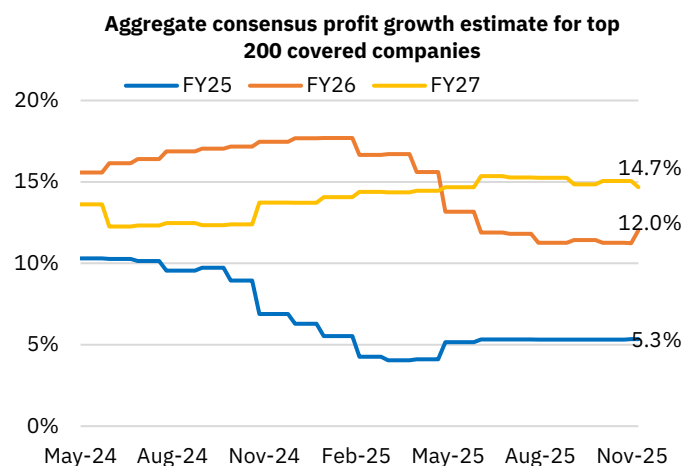
Earnings revision analysis

Consensus FY26/27 aggregate PAT estimates upgraded marginally: Aggregate profitability for the Nifty 500 universe strengthened meaningfully in Q2 FY26, supported by firm discretionary demand ahead of the festive period and improved cost efficiencies. The rebound was driven largely by mid-cap names, which more than offset the subdued earnings performance of large caps. Expectations of steadier IT services demand, a gradual recovery in consumption following GST rationalisation, easing inflationary pressures, and resilient investment activity have collectively led to modest upward revisions in profit forecasts.

Our analysis of earnings revisions of the top 200 well-covered companies by market capitalisation³ shows FY26 aggregate earnings estimates rising by 0.6% since end-September, pushing projected growth from 11.4% to 12% as of November 21st, 2025. Upgrades were concentrated in Financials and Energy—which together account for roughly 54% of total projected profits for this cohort—with the former contributing 57% of the incremental upgrade and the latter adding 42%. These gains were partly offset by cuts of 1–2% in Utilities, Consumer Staples, and Industrials. Outside these three sectors, earnings expectations have largely held firm or improved since September.

FY27 earnings projections were raised by 0.4% over the same period, taking expected growth to 14.7%. This implies an annualised profit expansion of 13.3% over FY25–27 as of November 21st, 2025, slightly above the 13.1% pace estimated at end-September. Higher forecasts for Financials and Materials drove the upgrade, though these were tempered by meaningful downgrades in Consumer Discretionary and Utilities.

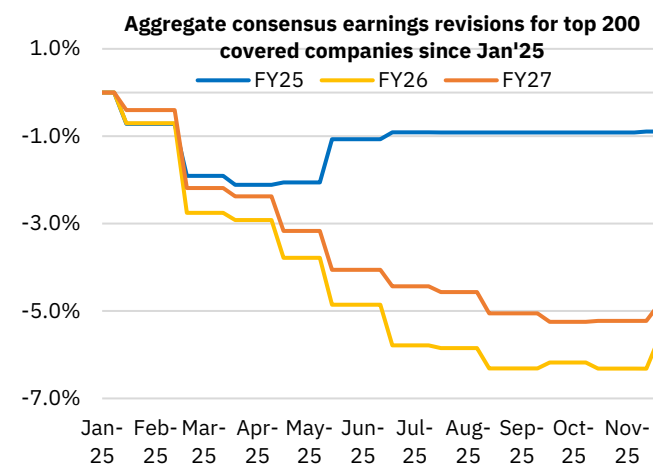
Figure 71: Aggregate consensus profit growth estimate for top 200 covered companies (% YoY)



Source: CMIE Prowess, LSEG Workspace, NSE EPR

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of November 21st, 2025.

Figure 72: Aggregate consensus earnings revisions since Jan'25 for top 200 covered companies



³ The sample set consists of top 200 companies by one-year average market cap ending June 30th, 2025, covered by at least five or more analysts during the previous 12 months using IBES estimates from LSEG Workspace.

Table 30: Monthly trend of sector-wise FY26 consensus earnings growth estimate (% YoY)

Sectors	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Comm. Svcs.	NM	3,018.0	412.7	343.2	225.0	47.7	25.7	29.5	20.2	15.8	6.2	21.6
Consumer Disc.	20.5	20.2	20.0	19.6	17.8	8.4	6.1	5.7	3.9	3.5	2.6	3.3
Consumer Staples	14.6	14.5	13.7	13.8	13.5	12.8	11.6	11.1	9.0	8.5	8.3	7.2
Energy	16.1	16.7	18.6	19.0	16.9	14.1	17.3	17.5	19.7	22.2	22.1	24.0
Financials	12.4	12.1	9.9	9.9	9.8	9.5	7.5	7.8	7.2	7.2	7.2	8.1
Health Care	18.1	18.3	16.8	16.8	16.5	12.8	10.7	10.3	8.2	7.7	7.4	7.0
Industrials	23.6	24.0	23.1	23.6	23.1	19.9	18.2	18.0	17.5	17.2	16.7	15.6
IT	13.2	12.8	12.7	12.6	9.0	7.0	6.9	5.7	5.8	5.6	6.1	6.9
Materials	35.2	36.9	36.2	36.5	36.5	34.6	31.8	31.6	29.7	29.4	29.0	30.8
Real Estate	22.0	21.7	17.9	19.0	18.1	18.7	13.3	12.2	12.4	11.5	11.6	13.3
Utilities	9.6	9.7	9.2	8.8	8.8	10.9	7.2	7.1	5.2	4.8	5.3	1.9
Total	17.7	17.7	16.7	16.7	15.6	13.2	11.9	11.8	11.3	11.4	11.3	12.0

Source: LSEG Workspace, NSE EPR.

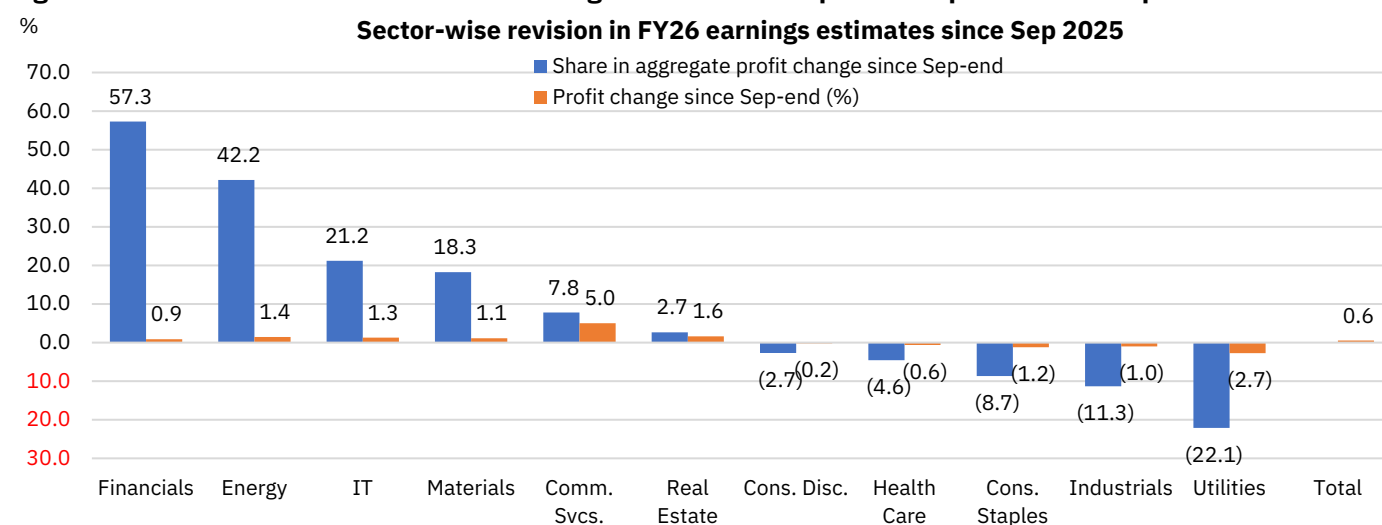
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. * Data is as of November 21st, 2025.

Table 31: Monthly trend of sector-wise FY27 consensus earnings growth estimate (% YoY)

Sectors	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Comm. Svcs.	104.0	102.8	103.5	93.6	105.3	136.0	129.4	128.2	145.0	148.6	161.3	137.5
Consumer Disc.	15.6	15.7	16.6	16.4	16.9	17.1	17.8	17.6	18.1	18.5	19.2	15.1
Consumer Staples	13.0	12.8	12.5	12.4	12.7	13.0	13.2	13.3	13.9	14.0	14.0	14.4
Energy	8.5	10.2	9.9	10.1	10.0	10.0	10.3	9.6	7.5	5.1	5.3	4.2
Financials	14.3	14.1	14.0	13.9	14.1	13.7	14.9	14.9	15.3	15.2	15.3	15.3
Health Care	9.3	9.2	10.3	10.4	10.3	10.8	11.1	11.3	12.0	12.3	12.5	12.2
Industrials	16.7	17.2	17.1	18.2	17.4	17.7	19.2	19.3	19.7	19.9	20.4	21.0
IT	12.1	11.9	12.0	11.9	11.0	10.4	10.6	10.6	10.1	10.0	9.6	8.9
Materials	13.6	14.8	16.6	16.7	17.0	18.5	19.0	18.9	19.3	19.4	20.1	22.1
Real Estate	25.7	25.8	25.5	25.8	25.8	26.3	27.1	27.9	26.5	26.6	26.6	25.2
Utilities	7.7	7.2	8.6	8.6	8.6	9.0	9.6	9.6	10.1	10.1	10.2	10.8
Total	13.7	14.1	14.4	14.4	14.5	14.7	15.4	15.3	15.3	14.9	15.1	14.7

Source: LSEG Workspace, NSE EPR.

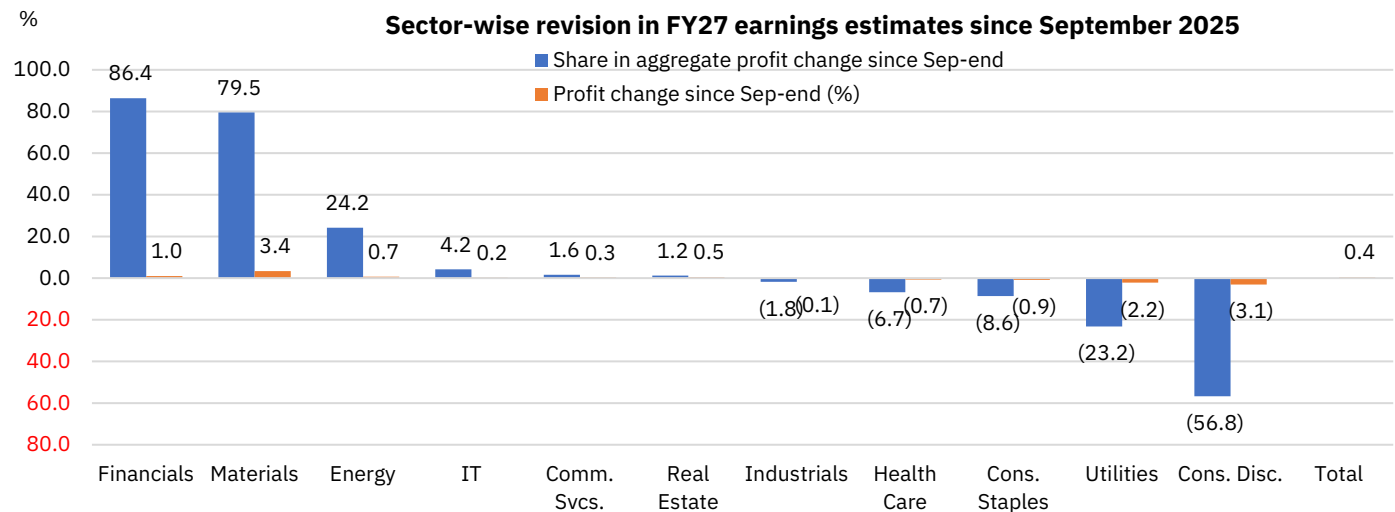
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. * Data is as of November 21st, 2025.

Figure 73: Sector-wise revision in FY26 earnings estimates for top 200 companies since September 2025


Source: LSEG Workspace, NSE EPR

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as on November 21st, 2025.

Figure 74: Sector-wise revision in FY27 earnings estimates for top 200 companies since September 2025



Source: LSEG Workspace, NSE EPR.

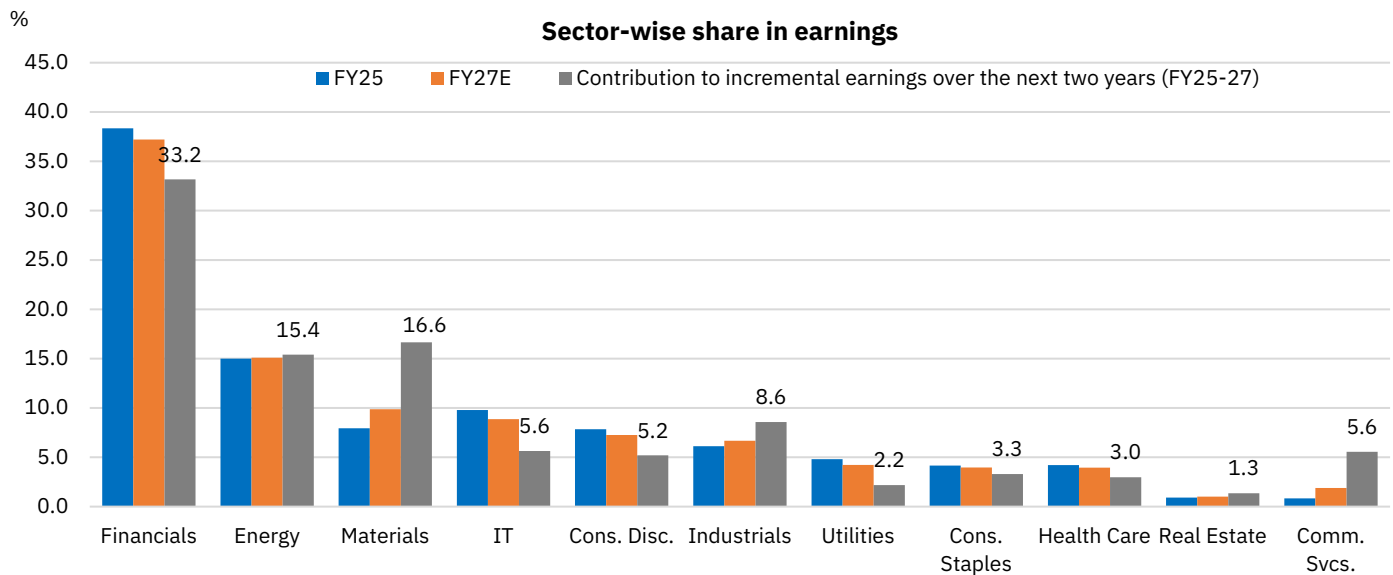
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as on November 21st, 2025.

Financials, Energy and Materials to account for nearly 65% of the incremental earnings over the next two years: Financials, which contributed 38.4% to the aggregate earnings of the top 200 companies in FY25, are expected to see their share ease to 37% in FY26 before inching up to 37.2% in FY27. Even with this marginal dip, the sector remains the single largest driver of profit growth, accounting for nearly one-third (33%) of the total increase in earnings projected over FY25–27. Materials ranks second, contributing 16.6% to incremental earnings during the same period. This comes despite notable downward revisions earlier in the fiscal year—much of which have since been retraced—resulting in the sector’s share of total profits rising from 7.9% in FY25 to an estimated 9.9% by FY27.

The Energy sector is expected to maintain a stable earnings contribution, with its share projected at 15.1% in FY27 while delivering a slightly higher 15.4% share of incremental earnings over FY25–27. Communication Services, which swung sharply from losses in FY24 to meaningful profitability in FY25, is projected to expand at a CAGR of 70% over the next two years. Although the sector accounts for only 1.9% of aggregate earnings, this rapid turnaround enables it to contribute 5.6% to the incremental earnings pool.

Consumption-linked sectors—Consumer Staples and Consumer Discretionary—are expected to deliver softer earnings performance, together accounting for only 8.5% of the total increase in profits despite having a combined 12% share of earnings in FY25. By contrast, Industrials are projected to contribute 8.6% to incremental earnings over FY25–27, exceeding their lower profit share of 6.1%, reflecting a more favourable medium-term outlook for the sector.

Figure 75: Sector-wise share and contribution to earnings



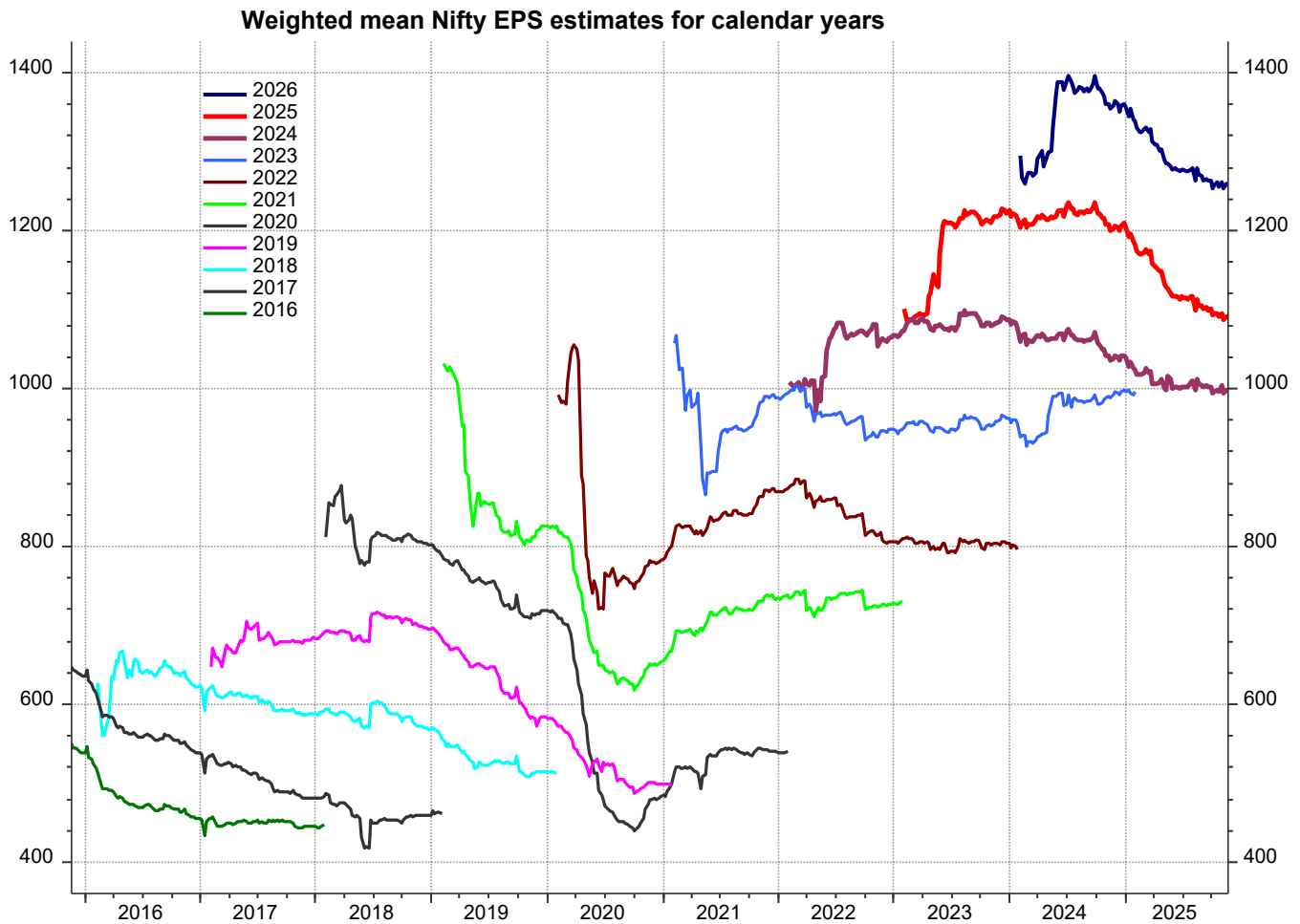
Source: CMIE Prowess, LSEG Workspace, NSE EPR.

Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of November 21st, 2025.

The chart illustrates a well-established pattern in consensus earnings forecasts: estimates typically start each calendar year on an upbeat footing but are gradually revised lower as macroeconomic realities assert themselves. With the single exception of 2023, this cycle of early optimism followed by systematic downgrades has been a defining feature of India's earnings trajectory for years.

The trend has resurfaced this year as well. Since April 2025, consensus EPS forecasts for the Nifty 50 have been pared back by 5.7% for FY2025 and 4.1% for FY2026. These cuts reflect the drag from softening domestic and global demand, persistent trade-policy uncertainty, and renewed volatility in commodity markets. That said, the pace of downgrades has eased recently, indicating tentative signs of stabilisation in the earnings outlook.

Figure 76: Yearly trend of NIFTY 50 Consensus EPS estimates



Source: LSEG Workspace, NSE EPR

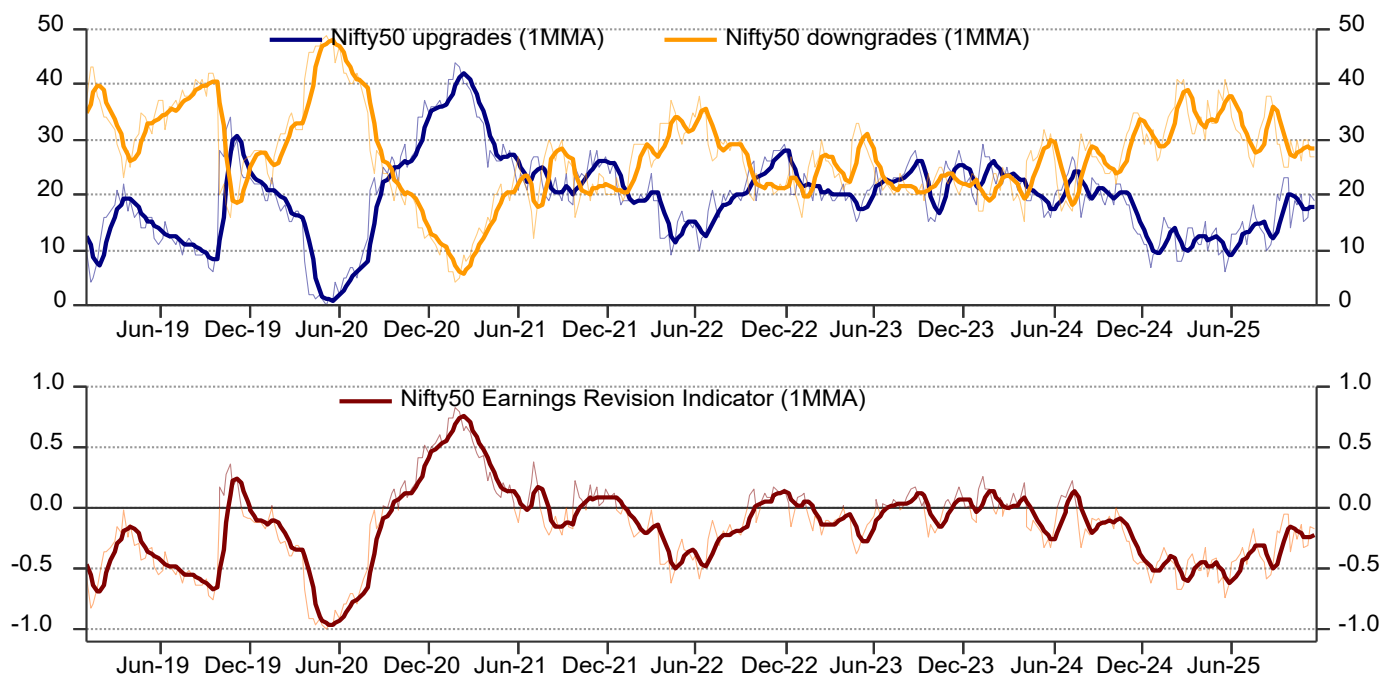
Nifty 50 Earnings Revision Indicator remained deep in the negative territory: The Earnings Revision Indicator (ERI)—a measure of analyst sentiment on corporate earnings—is computed as the proportion of index constituents that have received upward EPS revisions minus the proportion that have received downward revisions over a defined period. A positive ERI indicates a net increase in upward revisions, while a negative ERI reflects a predominance of downward revisions. The indicator provides a concise gauge of the prevailing direction of earnings estimate changes for Nifty 50 companies.

After slipping deeply into negative territory through most of last year and into June 2025, the ERI has been gradually improving. Even so, it remains below zero, indicating that downgrades continue to exceed upgrades, albeit at a diminishing pace. The recent recovery aligns with the broader stabilisation in earnings revisions, as analysts begin to factor in firmer demand conditions post-GST rationalisation, easing input-cost pressures, and a still-resilient investment cycle.

At a sectoral level, the improvement has been led by upgrades in Energy and Materials, alongside firmer revisions in Industrials and Consumer Discretionary companies.

Figure 77: Nifty 50 Earnings Revision Indicator (since January 2019)

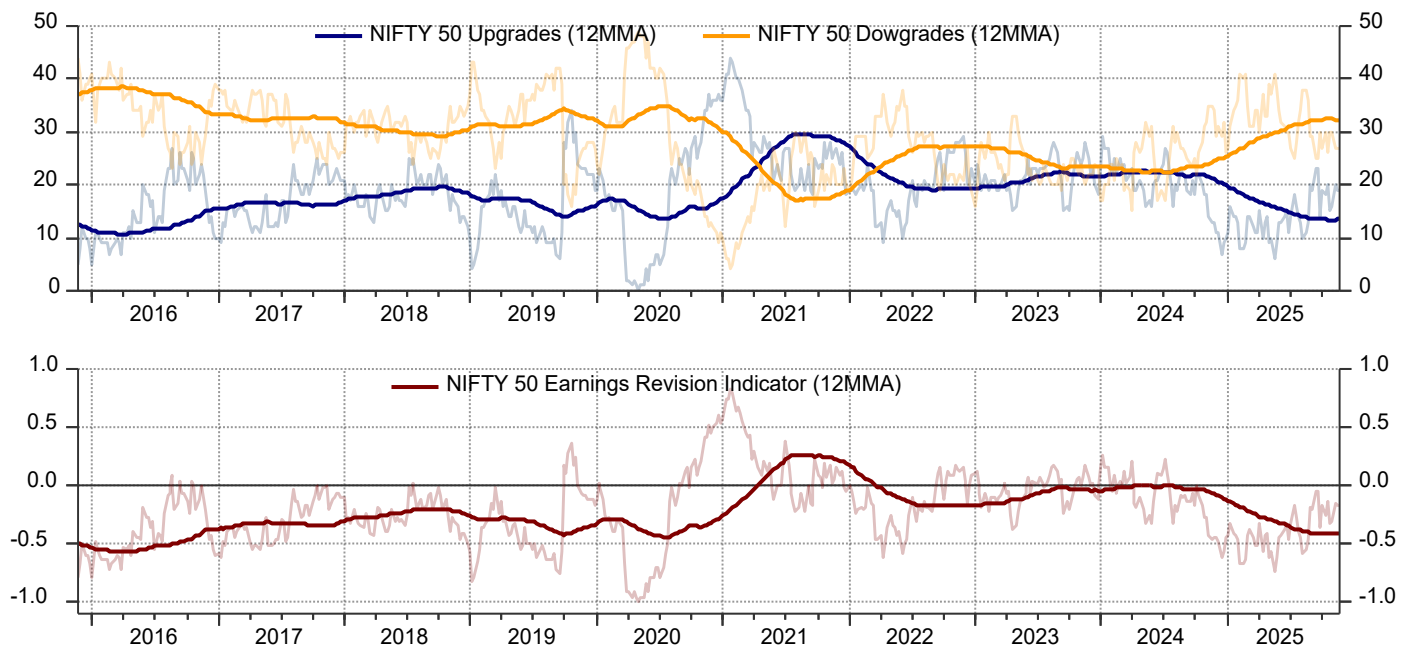
NIFTY 50 Earnings Revisions



Source: LSEG Workspace, NSE EPR.

Figure 78: Nifty 50 Earnings Revision Indicator (10-year trend)

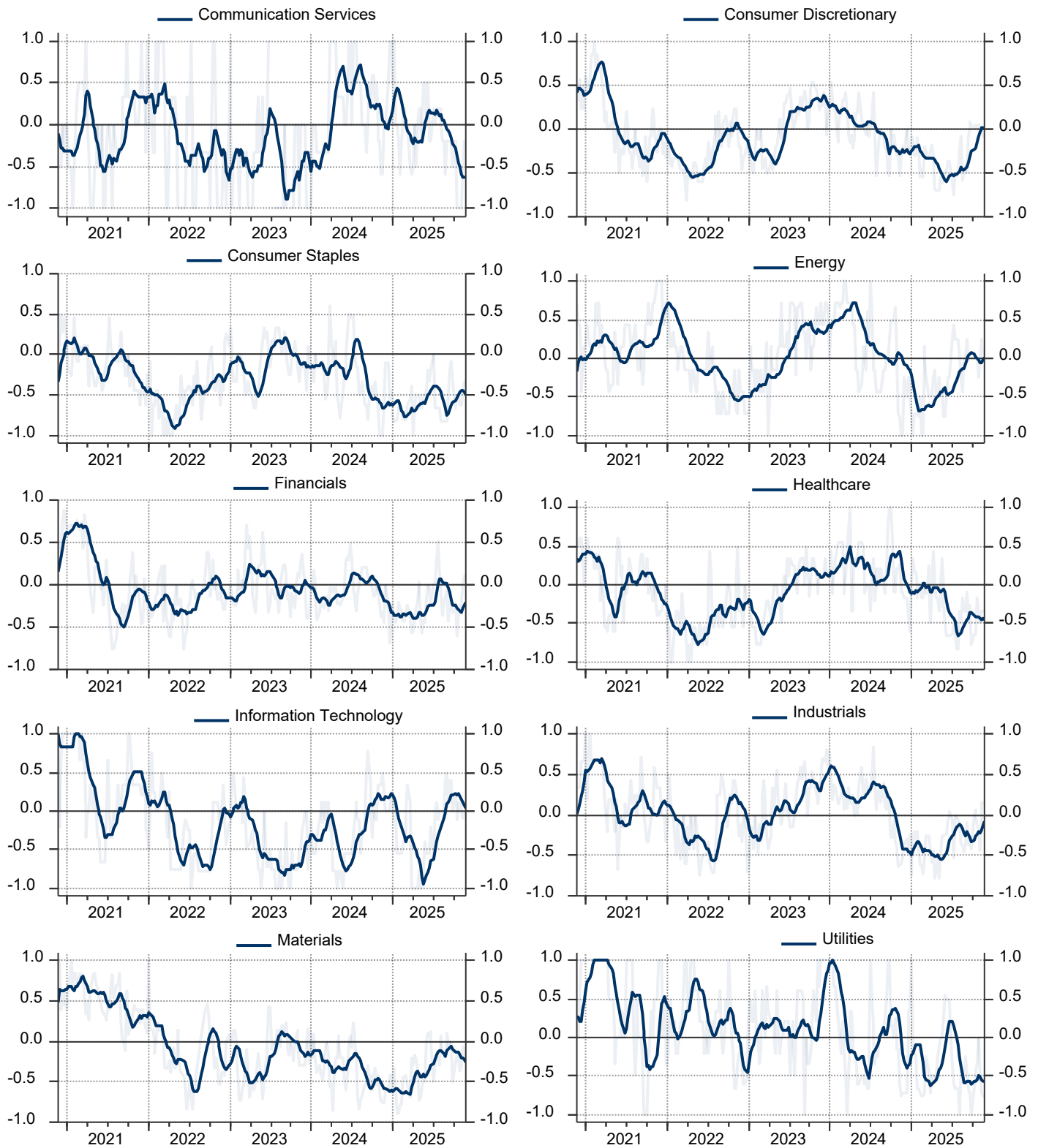
NIFTY 50 Earnings Revisions



Source: LSEG Workspace, NSE EPR.

Figure 79: Short-term trend of Earnings Revision Indicator across MSCI sectors

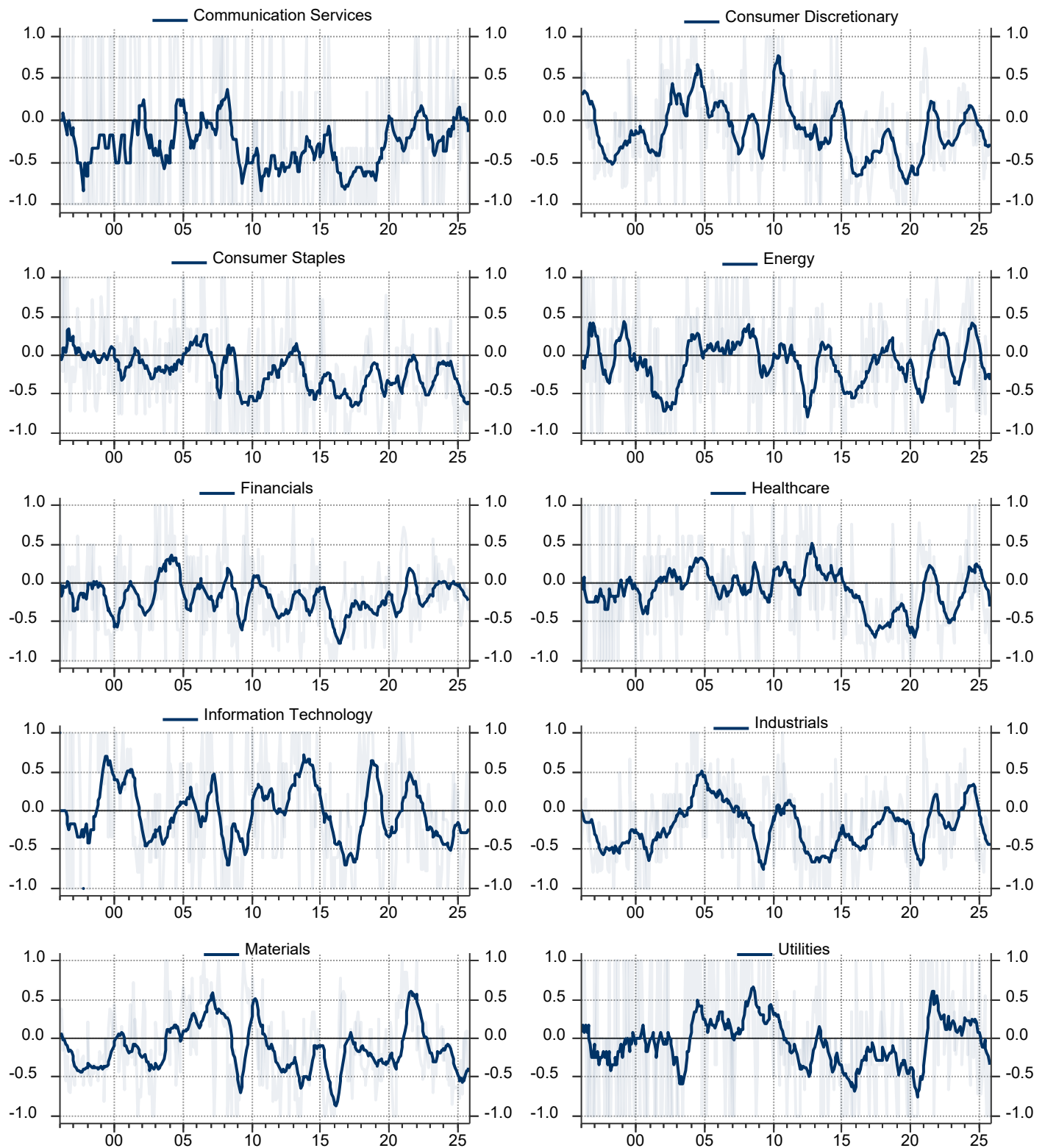
India Earnings Revision Indicator across sectors: Short-term (2MMA)



Source: LSEG Workspace, NSE EPR.

Figure 80: Long-term trend of Earnings Revision Indicator across MSCI sectors

India Earnings Revision Indicator (ERI) across sectors: Long-term (12MMA)



Source: LSEG Workspace, NSE EPR.

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