THE BIG PICTURE

Q2 EARNINGS SEASON: CORPORATE INDIA POWERS THROUGH

BAJAJ MUTUAL FUND

Earnings grew across large, mid and small caps in Q2 FY27, helped by higher sales volumes and prices.

What the quarter's results show

Demand holds up, supporting earnings growth

Higher sales volumes helped drive growth, with price increases also contributing. Earnings grew across large, mid and small caps.

Growth despite cost pressures

Companies passed on only part of the increase in input costs to customers. Profit margins eased slightly from the previous quarter across most sectors.

The earnings picture in numbers

Growth extends beyond the financial sector

27%
Net profit (PAT) growth BSE 500* in Q2 FY27

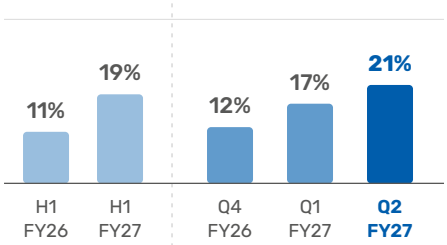
31%
Net profit (PAT) growth BSE 500 excluding financials#

Revenue and operating profit also grew faster in the BSE 500 sample that excludes financial services companies, showing that growth has extended beyond the financial sector.

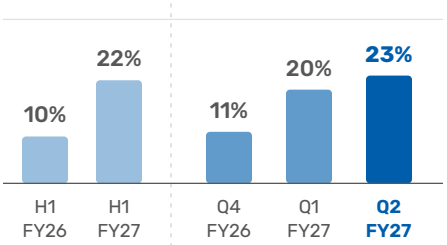
Coverage universe: *475 BSE 500 companies and #385 BSE 500 companies excluding financials that have declared their results and are included in this analysis.

BSE 500 – year-on-year growth

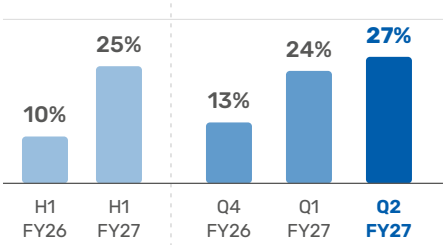
Revenue



Operating profit (EBITDA)

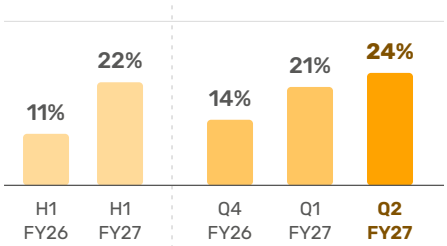


Net profit (PAT)

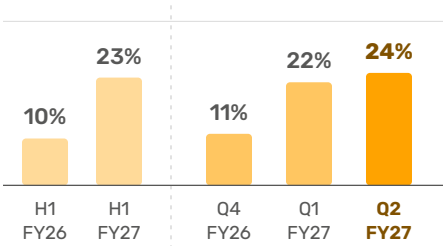


BSE 500 excluding financials – year-on-year growth

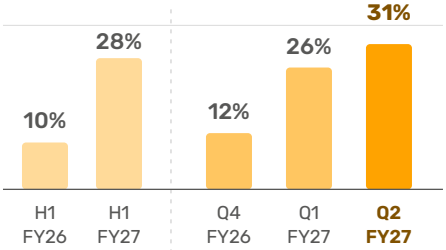
Revenue



Operating profit (EBITDA)



Net profit (PAT)



All growth is y-o-y. Half-years and quarters are separated; Q2 FY27 is highlighted. Common bar scale: 0–35%.
For financial companies, the source uses total income in place of revenue and profit before tax in place of EBITDA.
Source: Avendus Spark Research, data as on November 18, 2026. | Past performance may or may not be sustained in future.

DEMAND, SECTORS AND THE ROAD AHEAD

How industries performed

Healthy demand across sectors, with some pressure on margins

Banks

Loan growth remained healthy even after adjusting for lending linked to foreign-currency deposits and one-off transfers.

Automobiles

Two-wheelers and passenger vehicles continued to record double-digit sales volume growth, reflecting sustained demand across these segments.

Cement

Although sales volumes grew at double-digit rates, higher input costs limited the benefit of this growth, keeping operating profit per tonne under pressure.

Pharmaceuticals

Medicine sales grew strongly in India, helped by GLP-1 use. As biotech funding improved, contract drug developers and manufacturers (CDMOs) saw more enquiries and orders.

Consumer discretionary

Demand was healthy for electrical goods, including cooling products, and for affordable clothing. Fast-food outlets also drew more customers.

Information technology

AI contributed to revenue at larger IT companies, while traditional IT services faced pricing pressure.

Broad-based growth

Earnings grew across market caps, with small caps leading the pack.

Small caps recorded 31% earnings growth in Q2 FY27, while large caps were close behind at 29%. Mid-cap earnings grew 16%.

Q2 FY27 earnings growth



BSE 500 earnings growth by market cap (y-o-y)*

Period	BSE 500	Large caps	Mid caps	Small caps
Q2 FY26	10%	5%	22%	27%
Q3 FY26	16%	14%	17%	26%
Q4 FY26	13%	10%	23%	16%
Q1 FY27	23%	23%	23%	28%
Q2 FY27	**27%**	**29%**	**16%**	**31%**

*Q2 FY26 to Q1 FY27: 483 BSE 500 companies. Q2 FY27: 475 BSE 500 companies.

What the results signal—and what comes next

Demand held up despite higher input costs, supporting earnings growth across market caps. This reinforces the resilience of domestic business activity at a time when global headwinds are weighing on markets. While challenges remain at home too, the breadth of earnings growth lends support to India's growth story and is a positive development for equity markets, where corporate earnings are a key long-term driver.

In the second half of FY27, higher inflation could weigh on household purchasing power and sales volumes. How much of the increase in costs companies can pass on to customers will help determine how margins hold up.

Source: Avendus Spark Research, data as on November 18, 2026. | Past performance may or may not be sustained in future. | Please note that the reference to any industry/sector/stock is provided for illustrative purposes only. This should not be construed as a research report or a recommendation to buy or sell any security or sector.

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