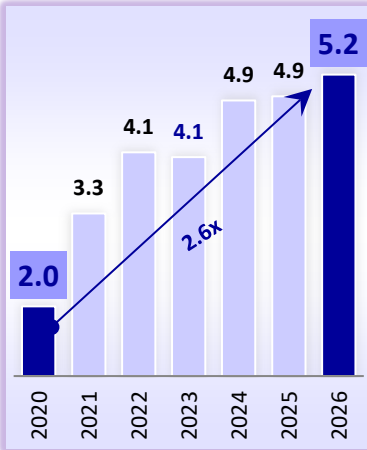


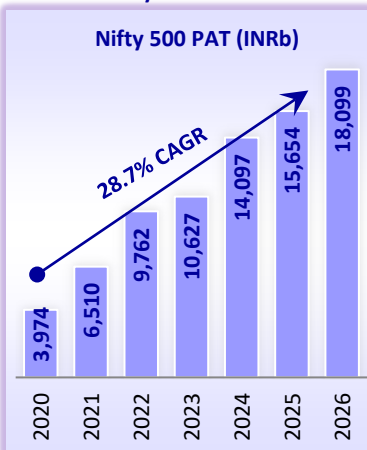
BSE Sensex: 73,919

Nifty-50: 23,242

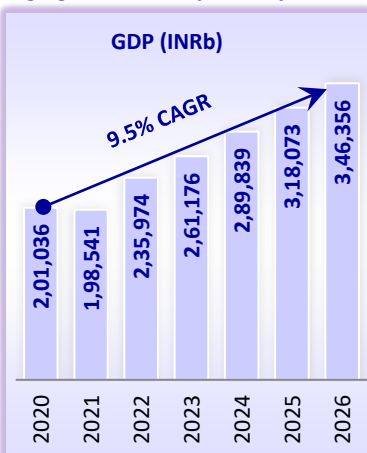
Corporate profit-to-GDP ratio at an all-time high, up 2.6x in six years



Profits have grown at a faster pace in the last six years



GDP has recorded a higher single-digit growth in the past six years



Corporate profit-to-GDP: Reaches unprecedented heights!

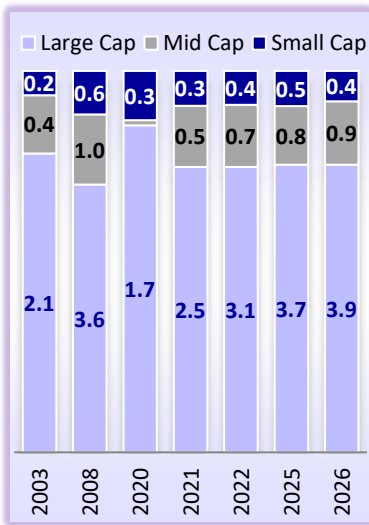
Earnings overcome headwinds: Corporate India's earnings strength has come to the forefront despite markets being adversely affected by geopolitical challenges and their consequent impact on the Indian economy and corporate earnings. Notably, in 2026, the corporate profit-to-GDP ratio surged to an all-time high of 5.2% for the Nifty-500 Universe. Corporate profits rose at a faster rate of 15.6% YoY in FY26, following a slowdown to 11% YoY in FY25 (which had a high base of +32.6% YoY in FY24). We note that nominal GDP grew 8.9% YoY in FY26, slower than corporate profit growth, and 9.7% YoY GDP growth in FY25 (vs. 11% recorded in FY24). The sequential moderation in GDP was due to a sharp slowdown in manufacturing activity and softer external demand, partly offset by continued strength in services, improving agricultural growth, and accelerating investment spending.

Construing India's corporate profit-to-GDP ratio: We take a closer look at the corporate profit-to-GDP ratio achieved by India's listed corporate sector. Our analysis examines corporate earnings as a percentage of GDP in greater detail, using the Nifty-500 as a proxy for corporate earnings, as this index represents ~88% of India's market capitalization.

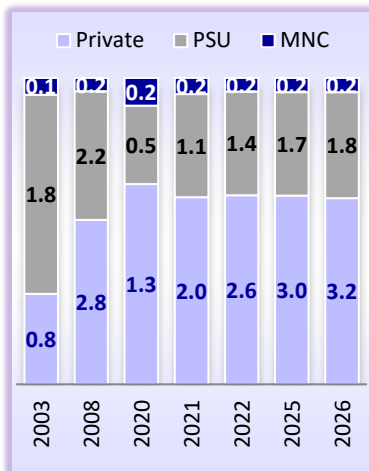
India's corporate profit-to-GDP ratio scales a historic peak in FY26

- **In 2026, the corporate profit-to-GDP ratio for the Nifty-500 universe surged to 5.2%, marking an all-time high. Notably, for the listed India Inc., the ratio stood at 5.7%, at an 18-year high.** The YoY increase in the profit-to-GDP ratio for the Nifty-500 was influenced by Automobiles (with a 0.19% increase in the ratio), Oil & Gas (+0.15%), Metals (+0.07%), NBFC Lending (+0.02%), Capital Goods (+0.02%), Insurance (+0.02%), et al. In contrast, sectors that experienced a decline in the ratio included Private Banks (a 0.04% decline), Consumer (-0.03%), Telecom (-0.02%), Healthcare (-0.02%), and Infrastructure (-0.02%).
- **The top-5 sectors contributed 76% to the aforementioned ratio,** with BFSI (1.94% of the GDP), Oil & Gas (0.68%), Automobiles (0.52%), Metals (0.42%), and Technology (0.40%) being the key contributors. In contrast, e-commerce was the only sector that contributed adversely to the corporate profit-to-GDP ratio.
- The **corporate profit for the Nifty-500** universe grew at a faster pace of 15.6% YoY in FY26, after slowing down to 11% YoY in FY25 (high base of +32.6% YoY in FY24). We note that the nominal GDP grew 8.9% YoY, slower than the corporate profit growth in FY26 and 9.7% YoY GDP growth in FY25 (vs. 11% recorded in FY24).
- Profits for Nifty-500, which have remained stagnant at INR4-6t over FY14-21, saw a big leap to INR9.8t in 2022 and further to INR18.1t in 2026 (~up 2x in the last four years). **Notably, during 2020-26,** the corporate profit CAGR of 28.7% was much higher than the GDP CAGR of 9.5%.

Profit pool of mid-caps grew at a faster pace over Phase 3 (INR b)



Profit pool of PSU corporates grew at a faster pace over Phase 3 (INR b)



Large- and mid-caps add to the ratio as small-caps' weight moderates

- According to SEBI's categorization, large-, mid-, and small-cap stocks accounted for 3.94%, 0.87%, and 0.42% of the total Nifty-500's corporate profit-to-GDP ratio, respectively.
- The Nifty-500 ratio was driven higher by large- and mid-caps, while small-caps moderated. The large- and mid-cap ratios grew to 3.94% and 0.87% in FY26 from 3.71% and 0.76% in FY25, respectively. Small-caps witnessed a slowdown to 0.42%, down marginally from 0.45% recorded in FY25.
- Large-cap stocks have posted substantial gains since the 2020 lows, more than doubling in value (rising 2.3x), in contrast to their earlier trend of sustained weakness from the highs of 2008 through 2020.
- The mid- and small-cap shares have also experienced a healthy increase in the corporate profit-to-GDP ratio since the lows of 2020, rising 32.8x and 1.6x, respectively. This marks a reversal from the period between 2008 and 2020, during which mid-caps faced a significant decline, while small-caps exhibited range-bound performance.

Private and PSU companies bolster the ratio

- We analyze India's corporate profit-to-GDP distribution across three categories of **ownership**, i.e., 1) Private Corporate, 2) PSU Corporate, and 3) MNCs.
- On an **ownership basis**, the corporate profit-to-GDP ratio for **Private** companies within the Nifty-500 reached an all-time high of 3.2% in FY26, up from 3.0% in FY25. The ratio for **PSUs** also increased to 1.8% in FY26 from 1.7% in FY25. For **MNCs**, notably, the ratio stood at a new high of 0.24% in FY26 (0.23% in FY25).
- PSUs recorded the sharpest increase in the corporate profit-to-GDP ratio since the lows of 2020, fueled by a broad-based earnings recovery, particularly among PSUs Banks, Insurance, and Oil & Gas sectors. The ratio surged more than threefold to reach 1.8% in 2026 from 0.5% in 2020. In comparison, Private and MNC companies within the Nifty-500 universe also recorded notable gains, with their ratios surging 2.5x to 3.2% and 1.4x to 0.24% in 2026 (from 1.3% and 0.18% in 2020), respectively.

Analyzing more than two decades of corporate profit-to-GDP ratio trends

We examine the peaks and troughs in the corporate profit-to-GDP ratio over the past two decades, breaking them down into distinct phases of expansion and contraction.

- We segregate the 2003 to 2026 period into three phases: 1) 2003-08, 2) 2008-20, and 3) 2020-26.
- **During Phase 1 (2003-08)**, the corporate profit-to-GDP ratio almost doubled to 5.2% from 2.7%, with profits of Nifty-500 compounding at a solid 30% CAGR.
- **During Phase 2 (2008-20)**, the downturn in domestic corporate earnings led to a compression in the Nifty-500 profit-to-GDP ratio to 2% from 5.2%.
- Despite the pandemic-led slowdown and subdued economic recovery in **Phase 3 (2020-26)**, corporate profits witnessed a strong resurgence from the lows. This revival drove the corporate profit-to-GDP ratio to an all-time high of 5.2% in 2026 (above the long-period average of 3.8%). During this period, Nifty-500 companies delivered an impressive 28.7% profit CAGR, with 15.6% YoY growth in FY26.

Improvement in the corporate profit-to-GDP ratio likely to continue

- India's nominal GDP grew 8.9% in FY26, a moderation from the 9.7% growth achieved in FY25. At current prices, GDP rose 9.1% in 4QFY26 vs. 9.2% in 3QFY26. The slight sequential moderation was due to a sharp slowdown in manufacturing activity and softer external demand, partly offset by continued strength in services, improving agricultural growth, and accelerating investment spending.
- Corporate India's earnings strength has become evident despite markets being unsettled by geopolitical challenges and their subsequent impact on the Indian economy and corporate earnings.
- However, in the near term, the market will remain hostage to volatile developments arising from the West Asian crisis. Higher commodity prices will be the key monitorables, as a prolonged elevated level could affect India's macro parameters and engender a tight monetary policy stance.
- We expect corporate earnings to outpace GDP growth, with Nifty earnings forecasted to grow ~15-16% YoY in FY27. This growth is anticipated alongside a nominal GDP growth rate of ~11.0-11.5% YoY in FY27E, which will further enhance the corporate profit-to-GDP ratio in the coming years.

Exhibit 1: Sectoral corporate profit-to-GDP ratio for the Nifty-500 (%) – BFSI and Automobiles at all-time highs

Sector	Profit to GDP (%)									Change (x)			
	2003	2008	2020	2021	2022	2023	2024	2025	2026	2003-2008	2008-2020	2020-2026	2025-2026
BFSI	0.66	0.86	0.40	0.98	1.15	1.54	1.85	1.94	1.94	1.3	0.5	4.8	1.0
Banks - Private	0.09	0.16	0.19	0.37	0.42	0.48	0.61	0.60	0.56	1.9	1.2	2.9	0.9
Banks - Public	0.43	0.46	-0.06	0.20	0.31	0.44	0.54	0.62	0.61	1.1	-0.1	-10.3	1.0
Insurance	0.01	0.05	0.05	0.06	0.04	0.19	0.19	0.21	0.23	3.6	0.9	4.9	1.1
NBFC - Lending	0.13	0.16	0.19	0.32	0.33	0.38	0.45	0.45	0.47	1.3	1.2	2.4	1.1
NBFC - Non-Lending	0.00	0.02	0.03	0.03	0.04	0.04	0.05	0.06	0.06	9.6	1.2	2.5	1.0
Oil & Gas	1.07	1.19	0.35	0.65	0.76	0.52	0.81	0.53	0.68	1.1	0.3	2.0	1.3
Automobiles	0.08	0.22	0.09	0.07	0.12	0.20	0.37	0.34	0.52	2.6	0.4	5.6	1.6
Metals	0.10	0.90	0.17	0.35	0.68	0.37	0.31	0.35	0.42	8.7	0.2	2.5	1.2
Technology	0.10	0.33	0.41	0.45	0.45	0.44	0.41	0.42	0.40	3.2	1.3	1.0	1.0
Utilities	0.25	0.29	0.13	0.21	0.21	0.23	0.26	0.24	0.23	1.2	0.4	1.8	1.0
Consumer	0.17	0.20	0.23	0.21	0.20	0.21	0.21	0.25	0.21	1.2	1.2	0.9	0.9
Capital Goods	0.09	0.27	0.08	0.11	0.11	0.14	0.16	0.18	0.20	3.0	0.3	2.6	1.1
Healthcare	0.07	0.15	0.13	0.18	0.16	0.15	0.17	0.22	0.19	2.0	0.8	1.5	0.9
Misc	0.04	0.10	0.03	0.00	0.07	0.07	0.10	0.11	0.09	2.4	0.3	3.3	0.8
Cement	0.02	0.19	0.08	0.10	0.10	0.07	0.08	0.06	0.07	9.0	0.5	0.8	1.2
Logistics	0.01	0.03	0.01	0.01	0.02	0.03	0.04	0.05	0.05	1.9	0.4	4.9	1.1
Real Estate	0.01	0.19	0.01	0.02	0.02	0.03	0.04	0.04	0.05	26.2	0.1	3.8	1.2
Chemicals	0.01	0.05	0.09	0.07	0.09	0.09	0.04	0.05	0.05	3.8	1.8	0.5	0.9
Retail	0.00	0.01	0.02	0.01	0.01	0.03	0.03	0.02	0.04	3.4	2.8	2.0	1.6
Telecom	-0.01	0.14	-0.28	-0.19	-0.06	-0.07	-0.06	0.06	0.04	-10.0	-2.0	-0.1	0.6
Consumer Durables	0.00	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	3.5	1.1	1.1	0.9
EMS	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	9.6	2.1	1.1	0.9
Infrastructure	0.00	0.02	0.01	0.01	0.01	0.02	0.02	0.03	0.01	3.1	0.9	1.0	0.4
Media	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	1.7	0.7	0.7	0.9
E-Commerce	0.00	0.00	-0.03	-0.01	-0.02	-0.02	-0.01	-0.01	-0.01			0.3	1.4
Nifty-500	2.7	5.2	2.0	3.3	4.1	4.1	4.9	4.9	5.2	1.9	0.4	2.6	1.1

Exhibit data are sourced from Capitaline, the RBI, companies, and MOFSL database based on the current Nifty-500 constituents.

Insightful trends

Exhibit 2: Nifty-500 – the corporate profit-to-GDP ratio surged to an all-time high of 5.2% in FY26

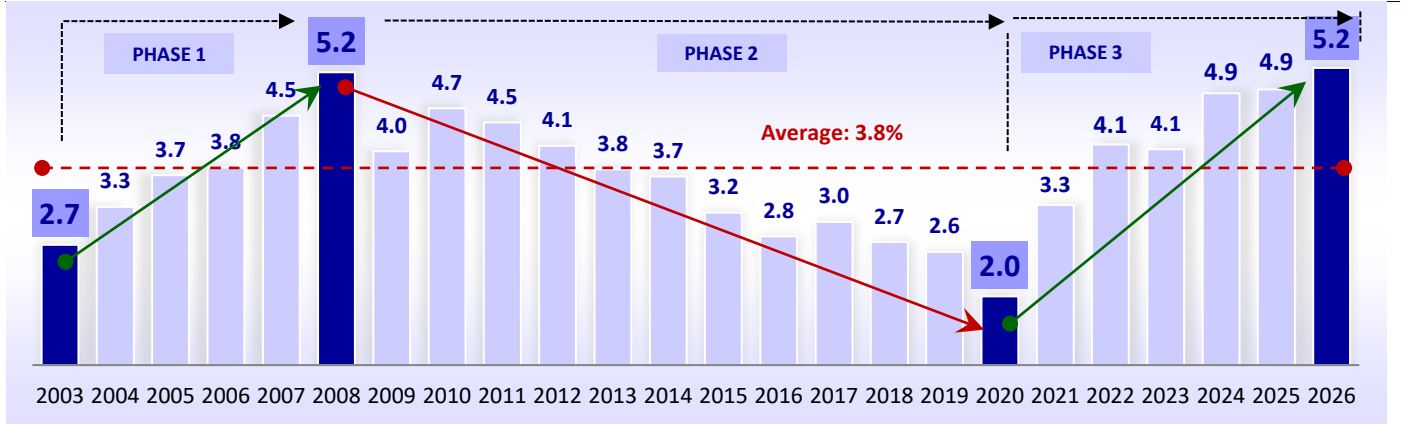


Exhibit 3: Contrast between GDP growth and corporate earnings growth

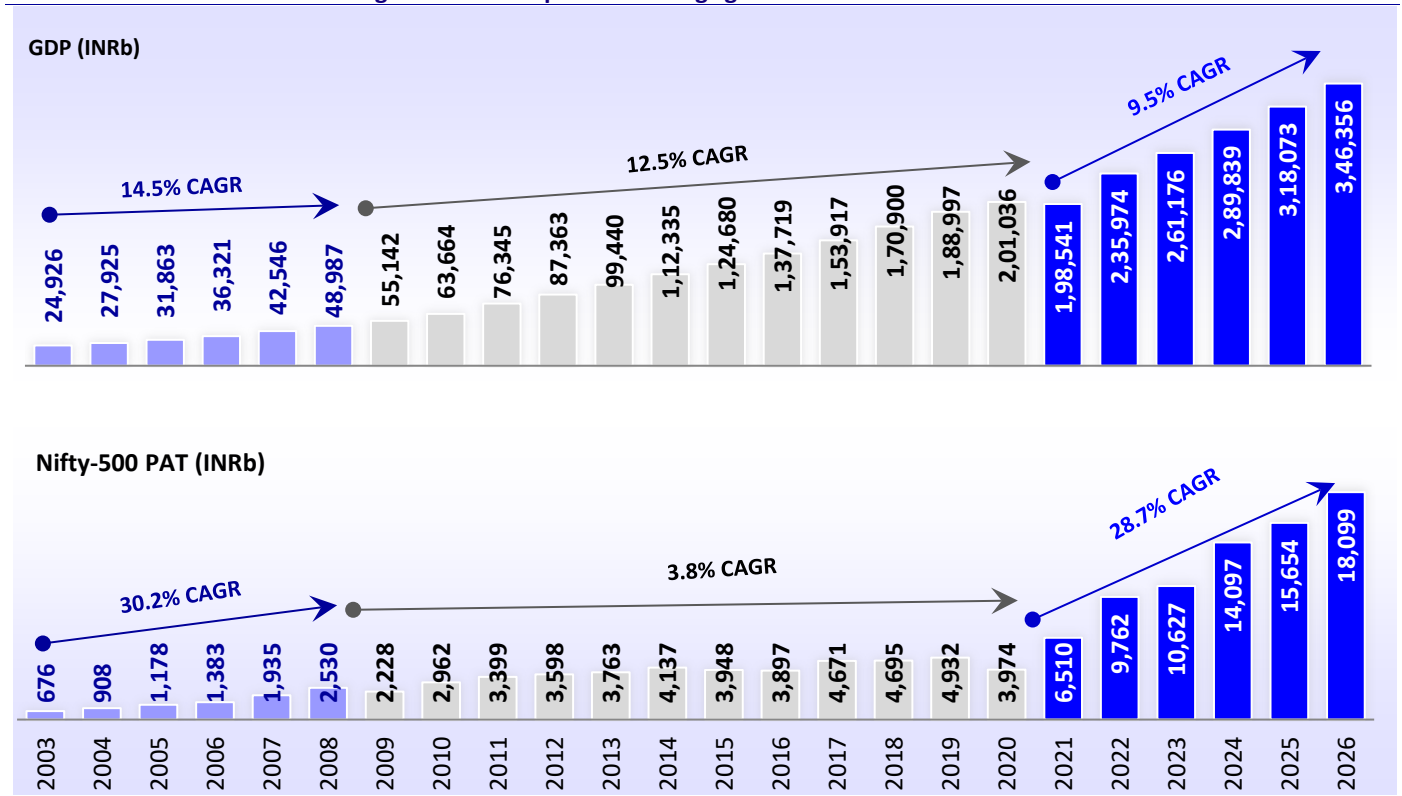
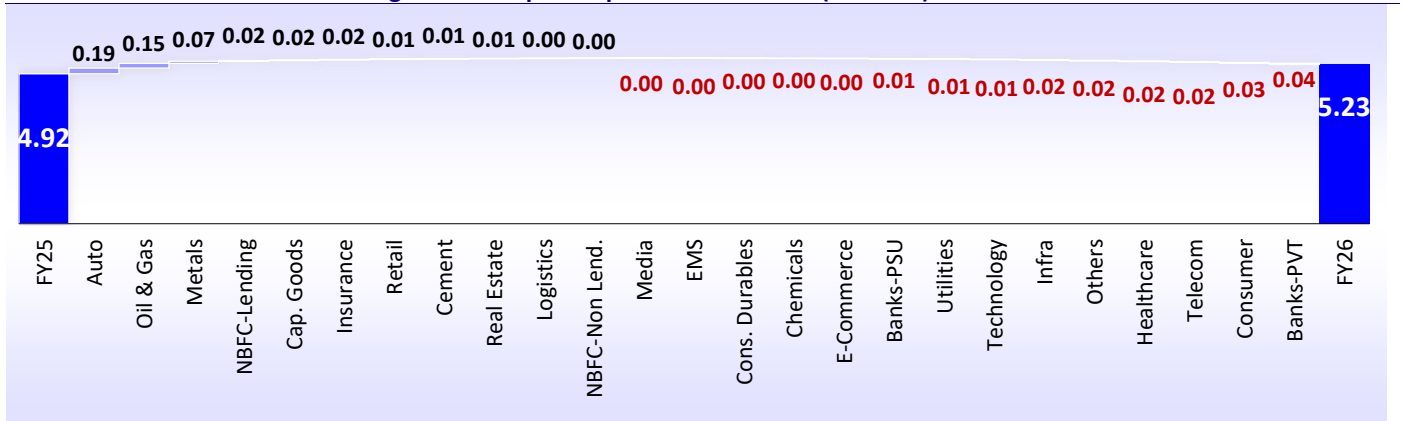


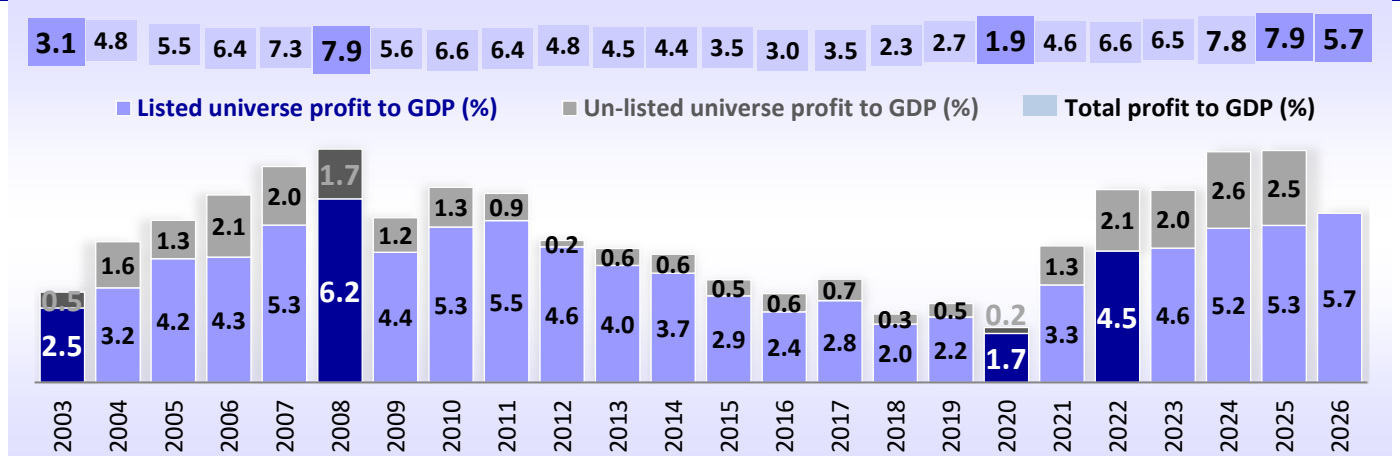
Exhibit 4: Contributors to the change in the corporate profit-to-GDP ratio (FY25–26)



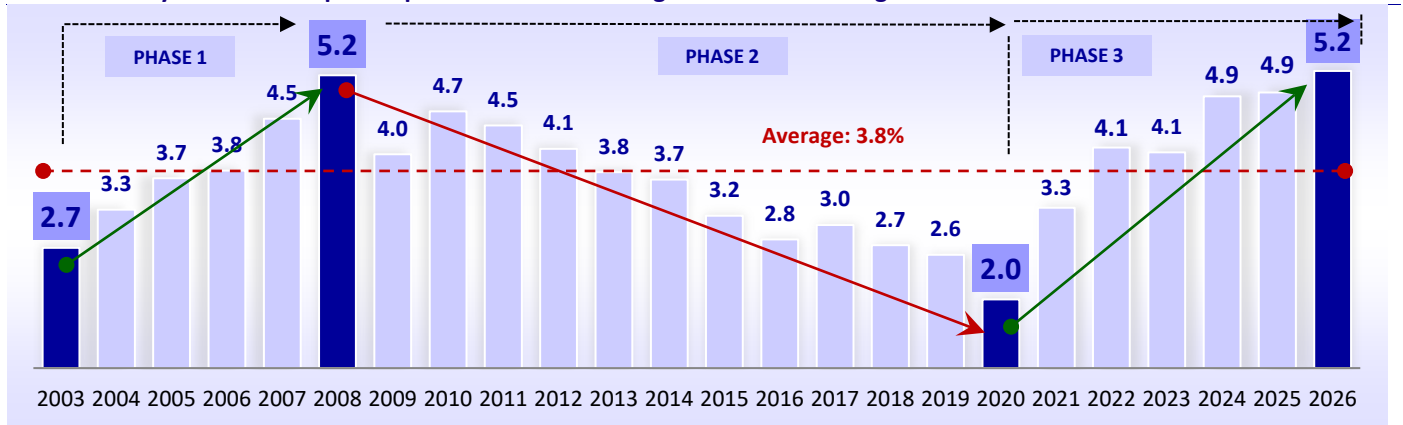
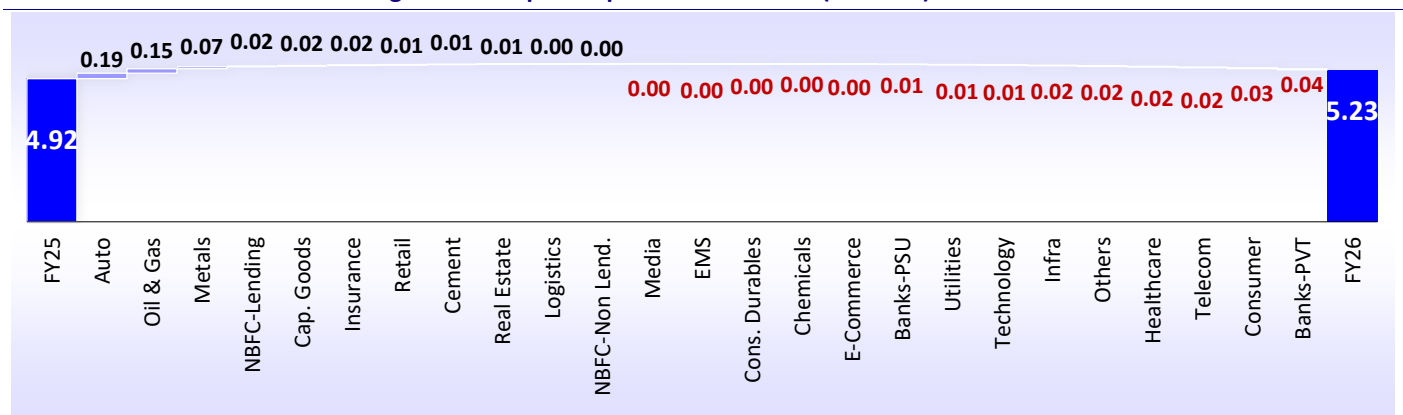
Corporate profit-to-GDP ratio scales a historic peak in FY26

- In 2026, the corporate profit-to-GDP ratio for the Nifty-500 universe surged to 5.2%, marking an all-time high. Notably, for the listed India Inc., the ratio stood at 5.7%, at an 18-year high.** The YoY increase in the profit-to-GDP ratio for the Nifty-500 was influenced by Automobiles (with a 0.19% increase in the ratio), Oil & Gas (+0.15%), Metals (+0.07%), NBFC Lending (+0.02%), Capital Goods (+0.02%), Insurance (+0.02%), et al. In contrast, sectors that experienced a decline in the ratio included Private Banks (a 0.04% decline), Consumer (-0.03%), Telecom (-0.02%), Healthcare (-0.02%), and Infrastructure (-0.02%).
- The top-5 sectors contributed 76% to the aforementioned ratio,** with BFSI (1.94% of the GDP), Oil & Gas (0.68%), Automobiles (0.52%), Metals (0.42%), and Technology (0.40%) being the key contributors. In contrast, e-commerce was the only sector that contributed adversely to the corporate profit-to-GDP ratio.
- The corporate profit for the Nifty-500 universe grew at a faster pace of 15.6% YoY in FY26,** after slowing down to 11% YoY in FY25 (high base of +32.6% YoY in FY24). We note that the nominal GDP grew 8.9% YoY, slower than the corporate profit growth in FY26 and 9.7% YoY GDP growth in FY25 (vs. 11% recorded in FY24).
- Nifty-500 profits, which have remained stagnant at INR4-6t over FY14-21,** saw a big leap to INR9.8t in 2022 and further to INR18.1t in 2026 (~up 2x in the last four years). **Notably, during 2020–26,** the corporate profit CAGR of 28.7% was much higher than the GDP CAGR of 9.5%.
- India's corporate profit-to-GDP ratio for the listed universe further expanded to 5.7% in FY26 from 5.3% in FY25.** Notably, the ratio for both the listed and unlisted universes remains flat at 7.9% in FY25 vs. 7.8% in FY24.

Exhibit 5: India Inc. (listed/unlisted) – the corporate profit-to-GDP ratio trend



Note: Corporate profit compiled from Capitaline for available listed and unlisted companies; FY26 earnings from unlisted companies are yet to be available.

Exhibit 6: Nifty-500 – the corporate profit-to-GDP ratio surged to an all-time high of 5.2% in FY26

Exhibit 7: Contributors to the change in the corporate profit-to-GDP ratio (FY25–26)

Exhibit 8: Profits for Nifty-500 rose 15.6% YoY and clocked a 28.7% six-year CAGR in 2026

Sector	PAT (INR b)		Change		Profit to GDP (%)	
	2025	2026	(x)	YoY (%)	2025	2026
Automobiles	1,070	1,813	1.7	69	0.3	0.5
BFSI	6,173	6,702	1.1	9	1.9	1.9
Banks - Private	1,913	1,948	1.0	2	0.6	0.6
Banks - Public	1,982	2,121	1.1	7	0.6	0.6
Insurance	664	787	1.2	19	0.2	0.2
NBFC - Lending	1,416	1,621	1.1	14	0.4	0.5
NBFC - Non Lending	198	225	1.1	14	0.1	0.1
Capital Goods	580	696	1.2	20	0.2	0.2
Cement	190	241	1.3	27	0.1	0.1
Chemicals	161	166	1.0	3	0.1	0.0
Consumer	783	742	0.9	-5	0.2	0.2
Consumer Durables	75	74	1.0	-1	0.0	0.0
E-Commerce	-20	-31	Loss	Loss	0.0	0.0
EMS	54	53	1.0	-1	0.0	0.0
Healthcare	692	674	1.0	-3	0.2	0.2
Infrastructure	107	46	0.4	-57	0.0	0.0
Logistics	153	179	1.2	16	0.0	0.1
Media	23	23	1.0	-2	0.0	0.0
Metals	1,108	1,449	1.3	31	0.3	0.4
Oil & Gas	1,678	2,362	1.4	41	0.5	0.7
Real Estate	134	170	1.3	27	0.0	0.0
Retail	73	126	1.7	72	0.0	0.0
Technology	1,320	1,390	1.1	5	0.4	0.4
Telecom	189	124	0.7	-35	0.1	0.0
Utilities	758	788	1.0	4	0.2	0.2
Others	353	313	0.9	-11	0.1	0.1
Nifty-500	15,654	18,099	1.2	16	4.9	5.2

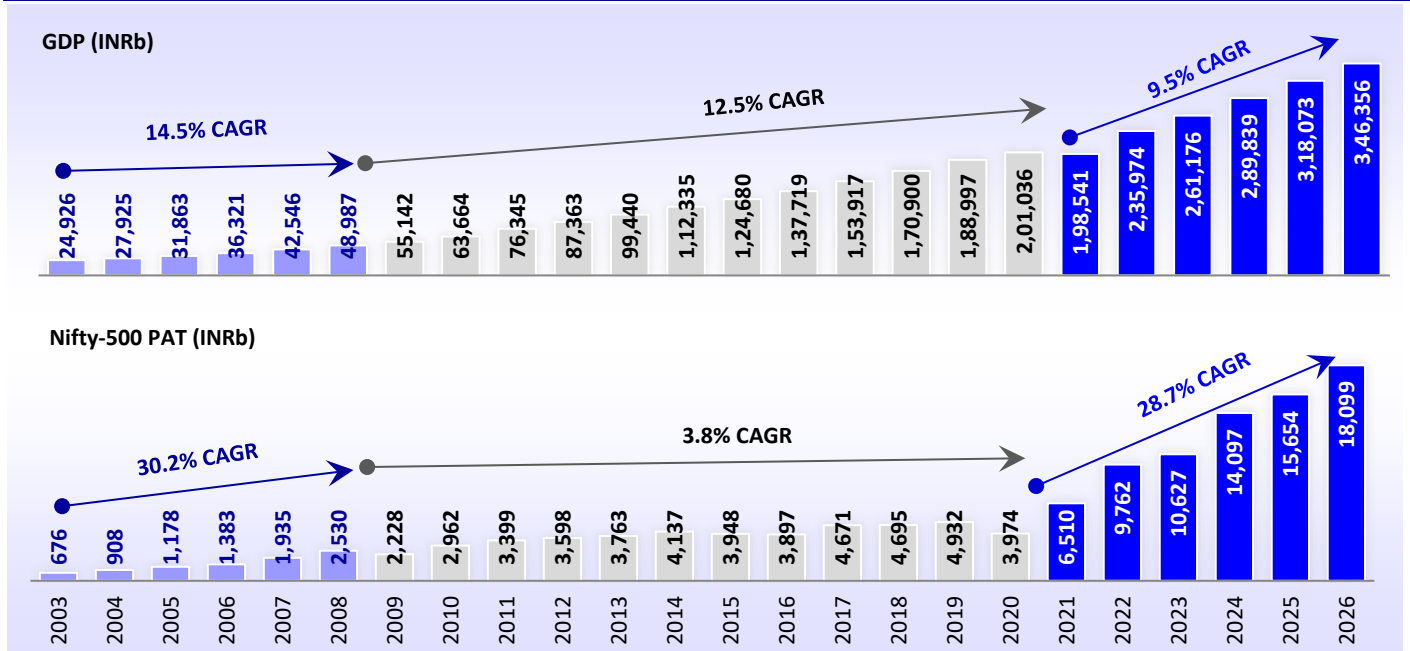
Exhibit 9: Stocks with a positive contribution to change

Company	Sector	Contributors to change (FY25-26)	
		pp	%
Tata Motors PV	Automobiles	0.15	49.5
IOCL	Oil & Gas	0.08	25.9
JSW Steel	Metals	0.05	17.6
BPCL	Oil & Gas	0.03	10.8
HPCL	Oil & Gas	0.03	10.2
Tata Steel	Metals	0.02	6.7
Vodafone Idea	Telecom	0.02	5.5
Reliance Inds.	Oil & Gas	0.01	4.7
LIC of India	Insurance	0.01	4.6
Muthoot Fin.	NBFC - Lending	0.01	4.5
HUL	Consumer	0.01	3.3
Tata Motors	Automobiles	0.01	2.9
M&M	Automobiles	0.01	2.9
Meesho	Retail	0.01	2.8
CPCL	Oil & Gas	0.01	2.7

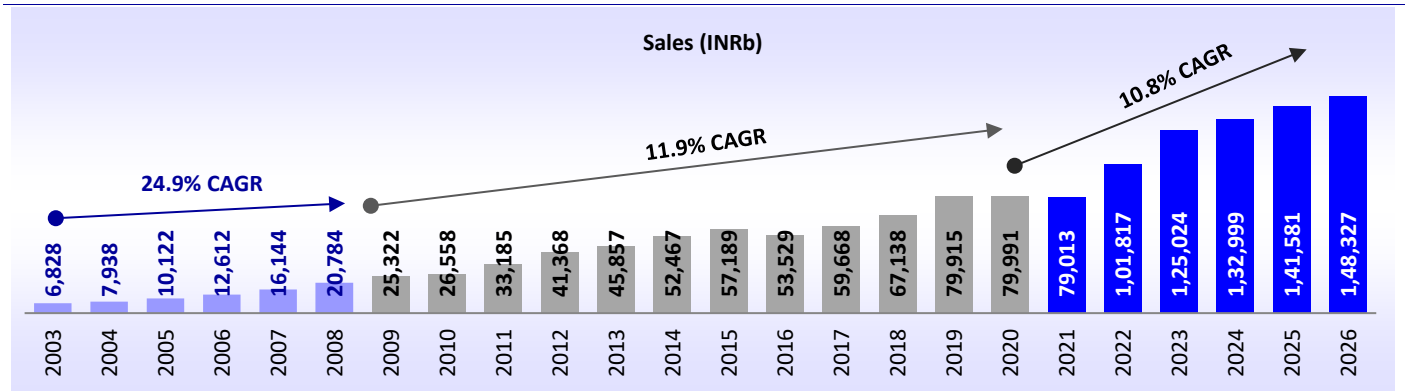
Exhibit 10: Stocks with a negative contribution to change

Company	Sector	Contributors to change (FY25-26)	
		pp	%
ITC	Consumer	-0.05	-16.3
Interglobe	Others	-0.03	-9.8
Bharti Airtel	Telecom	-0.03	-9.3
Coal India	Metals	-0.02	-7.0
IRB Infra	Infrastructure	-0.02	-5.9
GAIL	Oil & Gas	-0.02	-5.7
Aster DM Health.	Healthcare	-0.02	-5.2
Sammaan Capital	NBFC - Lending	-0.01	-4.9
Kotak Mah. Bk	Banks - Private	-0.01	-4.6
Axis Bank	Banks - Private	-0.01	-4.0
Hindalco Ind.	Metals	-0.01	-3.8
Indus Towers	Telecom	-0.01	-3.5
TCS	Technology	-0.01	-3.5
Reliance Power	Utilities	-0.01	-3.4
BOB	Banks - Public	-0.01	-2.6

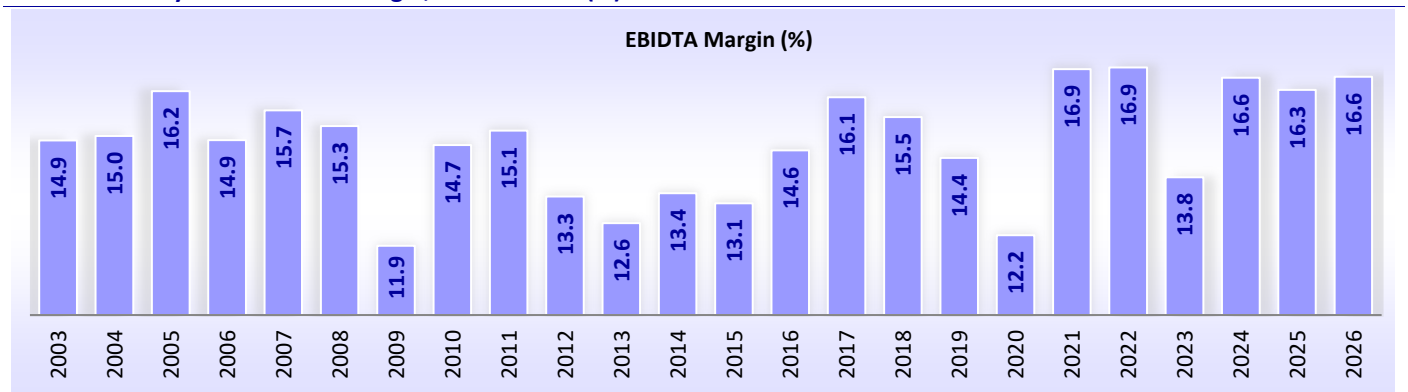
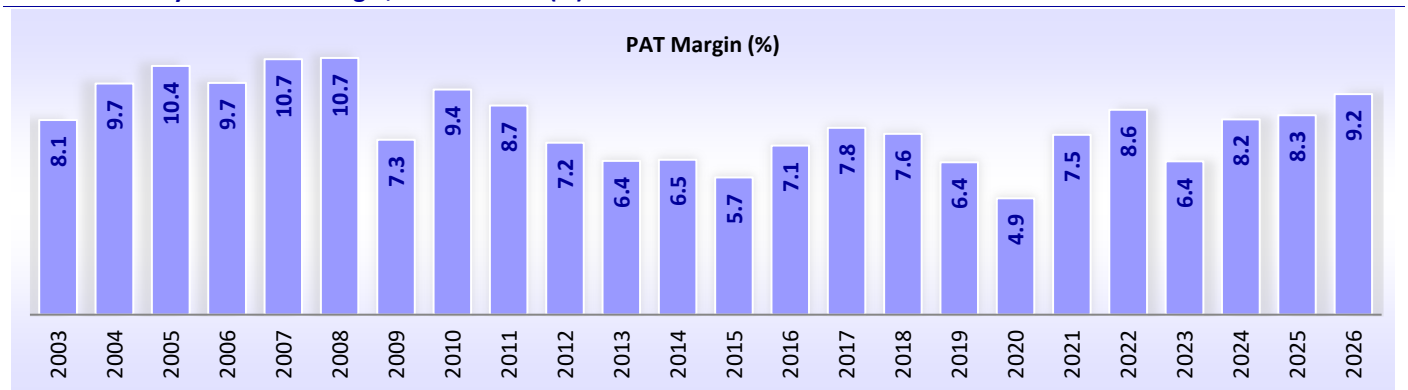
- As we can infer from Exhibit 11, profits for Nifty-500, which have remained stagnant at INR4-6t over FY14-21, saw a big leap to INR9.8t in 2022 and further to INR18.1t in 2026 (~up 2x in the last four years).
- **Notably, during 2020–26**, the corporate profit CAGR of 28.7% was much higher than the GDP CAGR of 9.5%.

Exhibit 11: Contrast between GDP growth and corporate earnings growth


- The revenue growth of the Nifty-500 index remained at 1.8% YoY in FY26, mainly due to a correction in commodity prices and a slowdown in revenue growth across consumer-oriented sectors.
- However, over FY20–26, revenue growth registered a CAGR of 10.8%, primarily driven by BFSI, Automobiles, and Global Commodities.

Exhibit 12: Trend in Nifty-500 sales (INR b)


- Corporate margins have continued to experience volatility since the onset of the pandemic.
- After scaling multi-year highs of 16.9% in FY21-22, operating margins saw a marginal expansion of 30bp YoY to 16.6% in FY26 (down 30bp from the FY21-22 high), while profit margins expanded 90bp YoY to 9.2% in FY26

Exhibit 13: Nifty-500 – EBITDA margin, ex-Financials (%)

Exhibit 14: Nifty-500 – PAT margin, ex-Financials (%)


Large- and mid-caps add to the ratio as small-caps' weight moderates

- According to SEBI's categorization, large-, mid-, and small-cap stocks accounted for 3.94%, 0.87%, and 0.42% of the total Nifty-500's corporate profit-to-GDP ratio, respectively.
- The Nifty-500 ratio was driven higher by large- and mid-caps, while small-caps moderated. The large- and mid-cap ratios grew to 3.94% and 0.87% in FY26 from 3.71% and 0.76% in FY25, respectively. Small-caps witnessed a slowdown to 0.42%, down marginally from 0.45% recorded in FY25.
- Large-cap stocks have posted substantial gains since the 2020 lows, more than doubling in value (rising 2.3x), in contrast to their earlier trend of sustained weakness from the highs of 2008 through 2020.
- The mid- and small-cap shares have also experienced a healthy increase in the corporate profit-to-GDP ratio since the lows of 2020, rising 32.8x and 1.6x, respectively. This marks a reversal from the period between 2008 and 2020, during which mid-caps faced a significant decline, while small-caps exhibited range-bound performance.

Exhibit 15: Large-caps' earnings expanded 16% YoY in 2026

Sector	LARGE-CAP						
	PAT (INR b)			Change (%)	Profit to GDP (%)		
	2020	2025	2026		2020	2025	2026
Automobiles	92	854	1,543	80.7	0.05	0.27	0.45
Banks - Private	473	1,720	1,759	2.3	0.24	0.54	0.51
Banks - Public	160	1,523	1,588	4.3	0.08	0.48	0.46
Insurance	54	525	618	17.7	0.03	0.17	0.18
NBFC - Lending	292	860	1,036	20.6	0.15	0.27	0.30
NBFC - Non-Lending	23	51	62	20.5	0.01	0.02	0.02
Capital Goods	158	399	446	11.8	0.08	0.13	0.13
Cement	123	139	179	28.4	0.06	0.04	0.05
Consumer	317	623	550	-11.7	0.16	0.20	0.16
Consumer Durables	8	20	27	32.3	0.00	0.01	0.01
E-Commerce	-24	5	4	-30.6	-0.01	0.00	0.00
EMS	19	22	17	-23.5	0.01	0.01	0.00
Healthcare	103	285	276	-2.9	0.05	0.09	0.08
Logistics	38	111	128	15.5	0.02	0.03	0.04
Metals	262	836	1,088	30.1	0.13	0.26	0.31
Oil & Gas	617	1,453	1,977	36.1	0.31	0.46	0.57
Real Estate	1	71	78	10.0	0.00	0.02	0.02
Retail	29	76	98	28.6	0.01	0.02	0.03
Technology	753	1,146	1,183	3.2	0.37	0.36	0.34
Telecom	-322	336	267	-20.4	-0.16	0.11	0.08
Utilities	221	584	635	8.8	0.11	0.18	0.18
Others	13	163	90	-44.5	0.01	0.05	0.03
Nifty-500	3,409	11,802	13,650	15.7	1.70	3.71	3.94

The large-cap ratio expanded to 3.94% in FY26 to an all-time high

Exhibit 16: Mid-caps' earnings expanded 25% YoY in 2026

Sector	MID-CAP						
	PAT (INR b)			Change (%)	Profit to GDP (%)		
	2020	2025	2026		2020	2025	2026
Automobiles	49	122	146	19.0	0.02	0.04	0.04
Banks - Private	-126	128	130	1.7	-0.06	0.04	0.04
Banks - Public	-256	398	464	16.5	-0.13	0.13	0.13
Insurance	22	115	141	23.3	0.01	0.04	0.04
NBFC - Lending	0	414	458	10.6	0.00	0.13	0.13
NBFC - Non Lending	15	92	113	22.8	0.01	0.03	0.03
Capital Goods	-27	92	150	62.9	-0.01	0.03	0.04
Cement	23	27	39	45.3	0.01	0.01	0.01
Chemicals	68	79	94	18.5	0.03	0.02	0.03
Consumer	137	115	131	13.8	0.07	0.04	0.04
Consumer Durables	17	36	35	-2.5	0.01	0.01	0.01
E-Commerce	-38	-31	-40	Loss	-0.02	-0.01	-0.01
EMS	1	14	18	29.8	0.00	0.00	0.01
Healthcare	93	234	275	17.1	0.05	0.07	0.08
Infrastructure	8	13	9	-31.7	0.00	0.00	0.00
Logistics	-13	37	43	16.7	-0.01	0.01	0.01
Metals	58	209	269	28.3	0.03	0.07	0.08
Oil & Gas	105	179	292	63.2	0.05	0.06	0.08
Real Estate	17	51	68	33.5	0.01	0.02	0.02
Retail	5	-13	26	LP	0.00	0.00	0.01
Technology	46	89	112	26.4	0.02	0.03	0.03
Telecom	-212	-141	-142	Loss	-0.11	-0.04	-0.04
Utilities	67	92	96	3.7	0.03	0.03	0.03
Others	-6	56	82	47.2	0.00	0.02	0.02
Nifty-500	53	2,408	3,009	25.0	0.03	0.76	0.87

Mid-caps ratio grew to 0.87%, marking a 15-year high

Exhibit 17: Small-caps' earnings decline marginally YoY in 2026

Sector	SMALL-CAP						
	PAT (INR b)			Change (%)	Profit to GDP (%)		
	2020	2025	2026		2020	2025	2026
Automobiles	47	94	125	33.3	0.02	0.03	0.04
Banks - Private	42	65	59	-9.0	0.02	0.02	0.02
Banks - Public	-24	60	69	14.4	-0.01	0.02	0.02
Insurance	18	24	28	13.7	0.01	0.01	0.01
NBFC - Lending	94	142	126	-11.3	0.05	0.04	0.04
NBFC - Non-Lending	15	54	50	-8.1	0.01	0.02	0.01
Capital Goods	24	89	100	12.1	0.01	0.03	0.03
Cement	24	24	24	-2.8	0.01	0.01	0.01
Chemicals	122	82	73	-11.5	0.06	0.03	0.02
Consumer	18	45	61	35.4	0.01	0.01	0.02
Consumer Durables	15	19	13	-34.8	0.01	0.01	0.00
E-Commerce	1	6	5	-13.8	0.00	0.00	0.00
EMS	8	18	19	3.2	0.00	0.01	0.01
Healthcare	61	173	123	-28.8	0.03	0.05	0.04
Infrastructure	19	94	37	-60.9	0.01	0.03	0.01
Logistics	-3	5	7	31.2	0.00	0.00	0.00
Media	20	23	23	-2.4	0.01	0.01	0.01
Metals	19	62	92	48.2	0.01	0.02	0.03
Oil & Gas	-24	46	93	100.6	-0.01	0.01	0.03
Real Estate	7	11	24	108.1	0.00	0.00	0.01
Retail	2	10	2	-81.1	0.00	0.00	0.00
Technology	27	85	95	11.4	0.01	0.03	0.03
Telecom	-34	-6	-2	Loss	-0.02	0.00	0.00
Utilities	-34	82	57	-30.7	-0.02	0.03	0.02
Others	47	135	141	4.6	0.02	0.04	0.04
Nifty-500	512	1,444	1,440	-0.3	0.25	0.45	0.42

Small-caps' weight moderated in FY26

Private and PSU companies bolster the ratio

- We analyze India’s corporate profit-to-GDP distribution across three categories of **ownership**, i.e., 1) Private Corporate, 2) PSU Corporate, and 3) MNCs.
- On an **ownership basis**, the corporate profit-to-GDP ratio for **Private** companies within the Nifty-500 reached an all-time high of 3.2% in FY26, up from 3.0% in FY25. The ratio for **PSUs** also increased to 1.8% in FY26 from 1.7% in FY25. For **MNCs**, notably, the ratio stood at a new high of 0.24% in FY26 (0.23% in FY25).
- PSUs recorded the sharpest increase in the corporate profit-to-GDP ratio since the lows of 2020, fueled by a broad-based earnings recovery, particularly among PSUs Banks, Insurance, and Oil & Gas sectors. The ratio surged more than threefold to reach 1.8% in 2026 from 0.5% in 2020. In comparison, Private and MNC companies within the Nifty-500 universe also recorded notable gains, with their ratios surging 2.5x to 3.2% and 1.4x to 0.24% in 2026 (from 1.3% and 0.18% in 2020), respectively.

Exhibit 18: Corporate profit-to-GDP ratio (%) – by business group

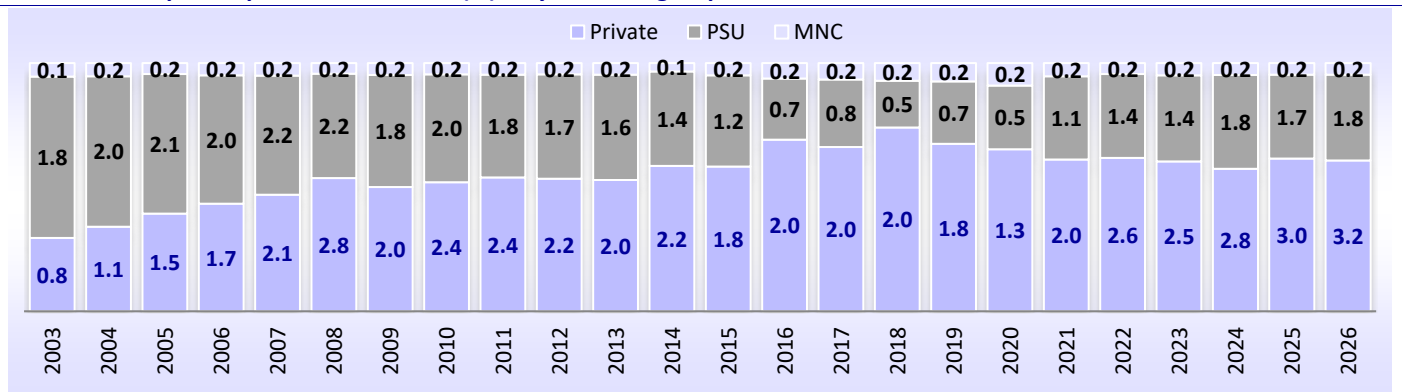
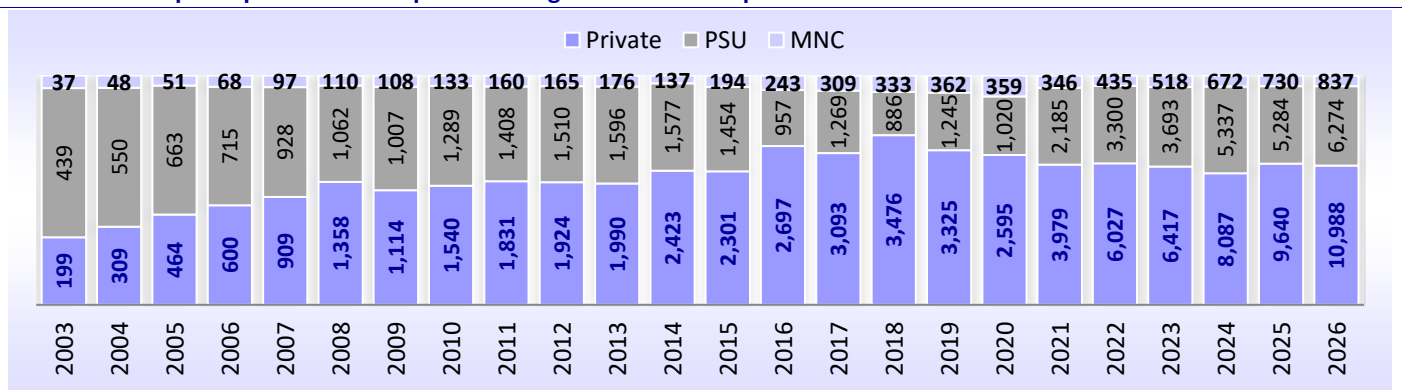


Exhibit 19: The profit pool of PSU corporates has grown at a faster pace over FY20-26



PSU profits surge 6.2x while those of Private jump 4.2x over Phase 3

- The Indian PSUs have made a successful comeback fueled by a sharp 6.2x jump in profits, reaching INR6.3t from INR1t during FY20-26. More than 36% of these incremental profits originated from PSU banks alone.
- PSU corporate's profit-to-GDP ratio decreased to 0.5% in 2020 from 2.2% in 2008, given the significant value migration from public to private sectors such as Banking, Telecom, and Airlines. This occurred even as PSU-heavy sectors, such as Oil & Gas and Utilities, underperformed in terms of profit growth compared to the underlying GDP growth. However, the sectors recovered to 1.8% in 2026.
- The private corporate sector's profit-to-GDP ratio improved to 2.8% in 2008 from a meager 0.8% in 2003. However, the ratio contracted to 1.3% in 2020 before rebounding to an all-time high of 3.2% in 2026. The corporate profit of Nifty-500 companies jumped 4.6x in the past six years.

Exhibit 20: Private companies' earnings within Nifty-500 up 14% YoY in 2026

Sector	Private						
	PAT (INR b)			Change (%)	Profit to GDP (%)		
	2020	2025	2026		2020	2025	2026
Automobiles	91	822	1,555	89.3	0.05	0.26	0.45
Banks - Private	389	1,913	1,948	1.8	0.19	0.60	0.56
Insurance	54	96	102	5.8	0.03	0.03	0.03
NBFC - Lending	184	838	982	17.1	0.09	0.26	0.28
NBFC - Non-Lending	45	178	202	13.3	0.02	0.06	0.06
Capital Goods	81	308	383	24.5	0.04	0.10	0.11
Cement	169	190	241	26.8	0.08	0.06	0.07
Chemicals	171	151	156	3.1	0.08	0.05	0.05
Consumer	356	589	484	-17.8	0.18	0.19	0.14
Consumer Durables	34	72	71	-0.6	0.02	0.02	0.02
E-Commerce	-60	-20	-31	Loss	-0.03	-0.01	-0.01
EMS	4	27	31	17.7	0.00	0.01	0.01
Healthcare	234	647	624	-3.7	0.12	0.20	0.18
Infrastructure	13	78	18	-77.2	0.01	0.02	0.01
Logistics	13	125	150	19.8	0.01	0.04	0.04
Media	20	23	23	-2.4	0.01	0.01	0.01
Metals	118	624	952	52.5	0.06	0.20	0.27
Oil & Gas	399	710	823	16.0	0.20	0.22	0.24
Real Estate	23	133	168	26.8	0.01	0.04	0.05
Retail	36	72	126	75.5	0.02	0.02	0.04
Technology	794	1,267	1,325	4.5	0.39	0.40	0.38
Telecom	-571	188	117	-37.6	-0.28	0.06	0.03
Utilities	-31	299	273	-8.7	-0.02	0.09	0.08
Others	29	310	265	-14.6	0.01	0.10	0.08
Nifty-500	2,595	9,640	10,988	14.0	1.29	3.03	3.17

Private players' corporate profit-to-GDP ratio improved YoY

Exhibit 21: PSU companies' profits up 19% YoY for Nifty-500

Sector	PSU						
	PAT (INR b)			Change (%)	Profit to GDP (%)		
	2020	2025	2026		2020	2025	2026
Banks - Public	-120	1,982	2,121	7.0	-0.06	0.62	0.61
Insurance	40	568	685	20.7	0.02	0.18	0.20
NBFC - Lending	194	554	609	10.0	0.10	0.17	0.18
Capital Goods	55	194	221	13.8	0.03	0.06	0.06
Chemicals	10	0	0	PL	0.00	0.00	0.00
Infrastructure	13	25	22	-14.1	0.01	0.01	0.01
Logistics	9	26	26	1.2	0.00	0.01	0.01
Metals	221	483	496	2.8	0.11	0.15	0.14
Oil & Gas	291	959	1,529	59.5	0.14	0.30	0.44
Telecom	3	1	6	652.6	0.00	0.00	0.00
Utilities	286	459	514	12.1	0.14	0.14	0.15
Others	19	32	43	33.6	0.01	0.01	0.01
Nifty-500	1,020	5,284	6,274	18.8	0.51	1.66	1.81

PSU companies' ratio improved YoY for the Nifty-500

Exhibit 22: MNCs' earnings expanded 15% in 2026

Sector	MNC						
	PAT (INR b)			Change (%)	Profit to GDP (%)		
	2020	2025	2026		2020	2025	2026
Automobiles	98	248	258	3.9	0.05	0.08	0.07
NBFC - Lending	8	24	30	26.1	0.00	0.01	0.01
NBFC - Non-Lending	8	20	23	16.5	0.00	0.01	0.01
Capital Goods	19	78	92	17.4	0.01	0.02	0.03
Chemicals	9	10	11	13.7	0.00	0.00	0.00
Consumer	115	194	258	33.0	0.06	0.06	0.07
Consumer Durables	5	4	3	-18.2	0.00	0.00	0.00
EMS	23	27	22	-19.0	0.01	0.01	0.01
Healthcare	22	45	50	13.0	0.01	0.01	0.01
Infrastructure	0	4	6	60.3	0.00	0.00	0.00
Logistics	0	3	2	-2.0	0.00	0.00	0.00
Oil & Gas	8	9	9	2.4	0.00	0.00	0.00
Real Estate	3	1	2	104.3	0.00	0.00	0.00
Retail	1	1	0	PL	0.00	0.00	0.00
Technology	32	53	65	23.4	0.02	0.02	0.02
Others	6	10	5	-53.9	0.00	0.00	0.00
Nifty-500	359	730	837	14.6	0.18	0.23	0.24

MNCs' corporate profit-to-GDP ratio stable YoY

Improvement in the corporate profit-to-GDP likely to continue

- India's nominal GDP grew 8.9% in FY26, a moderation from the 9.7% growth achieved in FY25. Corporate India's earnings strength has become evident despite markets being unsettled by geopolitical challenges and their subsequent impact on the Indian economy and corporate earnings.
- However, in the near term, the market will remain hostage to volatile developments arising from the West Asian crisis. Higher commodity prices will be the key monitorables, as a prolonged elevated level could affect India's macro parameters and engender a tight monetary policy stance.
- We expect corporate earnings to outpace GDP growth, with Nifty earnings forecasted to grow ~15-16% YoY in FY27. This growth is anticipated alongside a nominal GDP growth rate of ~11.0-11.5% YoY in FY27E, which will further enhance the corporate profit-to-GDP ratio in the coming years.
- The Nifty is trading at a 12-month forward P/E ratio of 18.2x, below its LPA of 21x (at a 13% discount).
- Our **model portfolio** broadly reflects our preference for growth visibility, structural domestic growth plays, and select global value names. We firmly believe that this is a bottom-up market, despite India witnessing both time and price corrections relative to EM peers.

Exhibit 23: MOFSL Universe – profit pool (INR b)

Sector	PAT (INR b)				Chg. YoY (%)				CAGR (%) (FY26-FY28)
	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	
Auto (27)	987	942	1,064	1,320	44.1	-4.5	13.0	24.0	18.4
Capital Goods (19)	405	479	550	683	25.8	18.3	14.7	24.3	19.4
Cement (12)	171	226	266	313	-27.5	32.5	17.9	17.4	17.7
Chemicals (13)	68	68	93	113	-0.9	0.8	35.6	21.8	28.5
Consumer (26)	585	628	666	749	-2.3	7.3	6.1	12.4	9.2
Consumer Durables (8)	87	88	108	133	32.7	1.2	22.6	23.1	22.9
EMS (7)	18	22	31	46	66.8	23.6	40.6	48.3	44.4
Financials (75)	5,140	5,643	6,521	7,698	14.1	9.8	15.6	18.1	16.8
Banks-PVT (12)	1,775	1,807	2,256	2,717	6.5	1.8	24.8	20.5	22.6
Banks-PSU (6)	1,597	1,703	1,765	2,018	23.4	6.6	3.7	14.3	8.9
Insurance (9)	574	671	745	856	19.3	16.8	11.0	15.0	12.9
NBFC - Lending (29)	929	1,153	1,360	1,644	6.8	24.1	18.0	20.9	19.4
NBFC - Non Lending (19)	264	310	396	463	37.9	17.3	27.8	17.0	22.2
Healthcare (29)	533	565	634	751	21.2	6.0	12.2	18.6	15.3
Healthcare - BPO (3)	17	23	27	33	31.6	33.5	19.3	22.9	21.1
Infrastructure (3)	18	18	23	33	3.1	0.7	26.5	44.7	35.3
Logistics (9)	146	177	205	272	22.9	20.9	15.7	32.9	24.0
Media (3)	23	21	25	29	-3.3	-12.2	22.8	13.2	17.9
Metals (12)	1,042	1,366	1,591	1,783	16.6	31.1	16.5	12.0	14.3
Oil & Gas (14)	1,647	2,264	1,703	2,019	-30.5	37.5	-24.8	18.6	-5.6
Ex OMCs (11)	1,336	1,424	1,449	1,573	-12.9	6.5	1.8	8.5	5.1
Plastic Pipes (3)	15	16	21	27	-14.2	4.3	34.2	26.8	30.5
Real Estate (15)	143	163	210	275	46.6	14.0	28.6	31.1	29.8
Retail (26)	111	149	183	225	12.0	34.4	22.9	22.9	22.9
Staffing (4)	8	8	10	11	45.8	9.8	18.4	13.2	15.8
Technology (16)	1,246	1,354	1,510	1,614	7.9	8.7	11.5	6.8	9.2
Telecom (5)	-15	126	293	453	Loss	LP	133.0	54.5	89.7
Utilities (10)	473	494	571	663	13.6	4.6	15.6	16.1	15.9
Others (32)	168	174	283	407	2.9	3.9	62.4	43.8	52.8
MOFSL (371)	13,035	15,015	16,589	19,651	6.9	15.2	10.5	18.5	14.4

Analyzing two decades of corporate profit-to-GDP trends

- We segregate the 2003 to 2026 period into three phases: 1) 2003-08, 2) 2008-20, and 3) 2020-26.

Corporate profit-to-GDP doubles in Phase 1 (2003-08)...

- The corporate profit-to-GDP ratio almost doubled to 5.2% from 2.7%, with profits of the Nifty-500 surging 30.2%. This was twice the pace of the underlying GDP CAGR of 14.5% over the same period.
- The investments, exports, and capex-oriented sectors propelled this surge. During 2003–08, the global economy was growing at a faster rate, supporting the export-oriented players. Capex investments across sectors were also significant as the investment cycle took off steadily.
- Of the 2.5% improvement in the corporate profit-to-GDP ratio over this period, 1.5% was contributed by Metals, Technology, Real Estate, Capital Goods, and Cement.
- The Technology sector benefited from global growth and the inflection point in Indian IT when the sector built scale and took rapid strides.
- The top 5 contributors to the profit delta during this phase were RIL, Tata Steel, SAIL, DLF, and Bharti Airtel.

Exhibit 24: Contributors to the rise in the corporate profit-to-GDP ratio (Phase 1)

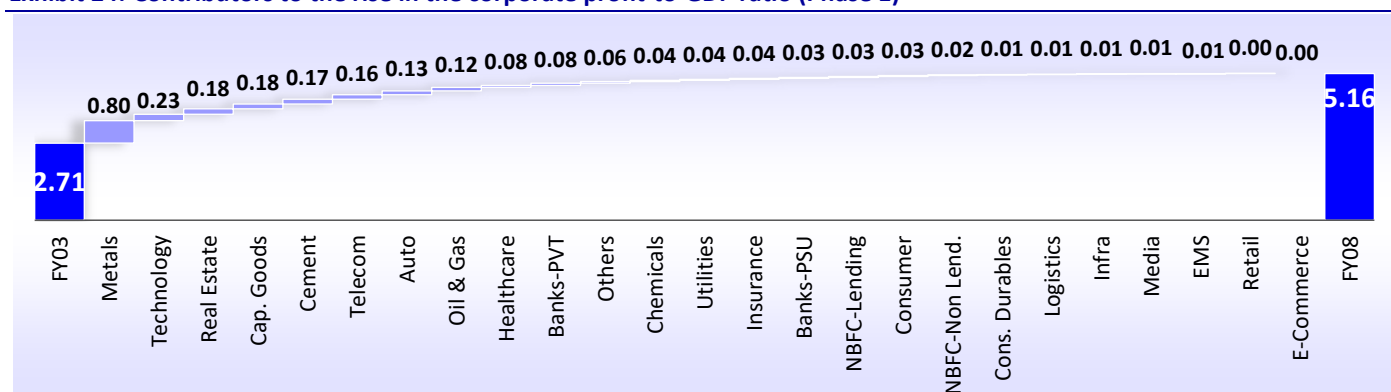


Exhibit 25: Stocks with a positive contribution to change

Company	Sector	Contributors to change (FY03-08)	
		pp	%
Reliance Inds	Oil & Gas	0.24	9.7
Tata Steel	Metals	0.21	8.6
SAIL	Metals	0.17	7.1
DLF	Real Estate	0.16	6.3
Bharti Airtel	Telecom	0.14	5.7
TCS	Technology	0.10	4.2
Coal India	Metals	0.10	4.0
Hindustan Zinc	Metals	0.08	3.4
Infosys	Technology	0.06	2.3
NMDC	Metals	0.05	2.2
Grasim Inds	Cement	0.05	1.9
MRPL	Oil & Gas	0.04	1.7
BHEL	Capital Goods	0.04	1.7
JSW Steel	Metals	0.04	1.5
Wipro	Technology	0.03	1.4

Exhibit 26: Stocks with a negative contribution to change

Company	Sector	Contributors to change (FY03-08)	
		pp	%
IOCL	Oil & Gas	-0.10	-4.2
Tata Comm	Telecom	-0.03	-1.3
HPCL	Oil & Gas	-0.03	-1.3
HUL	Consumer	-0.03	-1.2
BPCL	Oil & Gas	-0.03	-1.1
NLC India	Utilities	-0.02	-1.0
Power Fin.Corp.	NBFC - Lending	-0.02	-0.9
ONGC	Oil & Gas	-0.01	-0.6
Bajaj Holdings	NBFC - Lending	-0.01	-0.4
GAIL	Oil & Gas	-0.01	-0.4
J&K Bank	Banks - Public	-0.01	-0.3
TVS Motor Co.	Automobiles	-0.01	-0.2
Dr Reddy's Labs	Healthcare	-0.01	-0.2
REC	NBFC - Lending	-0.01	-0.2
IDBI Bank	Banks - Public	-0.01	-0.2

Export-, investment-, and capex-oriented sectors drive the ratio in Phase 1
Exhibit 27: Nifty-500 earnings expand at 30% CAGR over 2003–08

Sector	PAT (INR b)		Change		Profit to GDP (%)	
	2003	2008	(x)	CAGR (%)	2003	2008
Automobiles	21	107	5.1	38	0.1	0.2
BFSI	163	419	2.6	21	0.7	0.9
Banks - Private	22	80	3.7	30	0.1	0.2
Banks - Public	106	225	2.1	16	0.4	0.5
Insurance	4	25	7.1	48	0.0	0.1
NBFC - Lending	32	78	2.5	20	0.1	0.2
NBFC - Non Lending	1	11	18.9	80	0.0	0.0
Capital Goods	22	131	5.9	43	0.1	0.3
Cement	5	91	17.8	78	0.0	0.2
Chemicals	3	26	7.5	50	0.0	0.1
Consumer	43	98	2.3	18	0.2	0.2
Consumer Durables	1	9	7.0	47	0.0	0.0
E-Commerce	0	0	NA	NA	0.0	0.0
EMS	0	3	18.9	80	0.0	0.0
Healthcare	18	74	4.0	32	0.1	0.2
Infrastructure	1	8	6.2	44	0.0	0.0
Logistics	3	12	3.7	30	0.0	0.0
Media	2	7	3.3	27	0.0	0.0
Metals	26	440	17.1	77	0.1	0.9
Oil & Gas	268	585	2.2	17	1.1	1.2
Real Estate	2	94	51.6	120	0.0	0.2
Retail	0	3	6.7	46	0.0	0.0
Technology	25	160	6.4	45	0.1	0.3
Telecom	-4	71	LP	LP	0.0	0.1
Utilities	63	143	2.3	18	0.3	0.3
Others	10	48	4.7	36	0.0	0.1
Nifty-500	676	2,530	3.7	30	2.7	5.2

...but more than halved over Phase 2 (2008-20)

- During 2008–20, the downturn in domestic corporate earnings led to a compression in the Nifty-500 profit-to-GDP ratio to 2% from 5.2%.
- Similar to Phase 1, the movement in the ratio over Phase 2 was led by certain sectors – **83% of the decline was attributed to Oil & Gas (27%), Metals (23%), PSU Banks (16%), Telecom (13%), and Capital Goods (6%).**
- Technology, Chemicals, Consumer, NBFC, Private Banks, and Retail were the only sectors that have seen an improvement in the ratio during Phase 2.
- **The PSU banks** had been hit by asset quality issues (especially in corporate-oriented banks) and lower loan growth, which led to a significant deterioration in profitability and return ratios.
- **The Metals sector** has seen significant swings in profitability since 2008. It declined to 0.1% in 2015 from 0.9% in 2008 and bottomed out in 2017. The fortunes of sectoral profitability are inextricably linked to underlying commodity prices and have fluctuated accordingly. Between 2016 and 2019, the sector experienced a significant increase in profitability due to rising commodity prices, coupled with a period of deleveraging among some large companies.
- **Telecom’s** profitability plummeted due to elevated competitive intensity after the entry of Reliance Jio. This, coupled with rising capex intensity and a lower operating margin, pushed the sector towards losses.
- NBFCs, meanwhile, have delivered a solid performance over the last decade, with consistent market share gains and rising penetration in several segments (Home Finance / Vehicle Finance, etc.). The profit-to-GDP ratio for NBFCs expanded consistently over the last decade. In fact, the Nifty-500 NBFC Universe PAT clocked a 14% CAGR over 2008–20.
- Key stocks contributing to the decline in the ratio in Phase 2 were ONGC (-11%), Bharti Airtel (-9%), Tata Steel (-8%), RIL (-6%), and IOCL (-5%).

Exhibit 28: Contributors to the decline in the corporate profit-to-GDP ratio (Phase 2; pp)

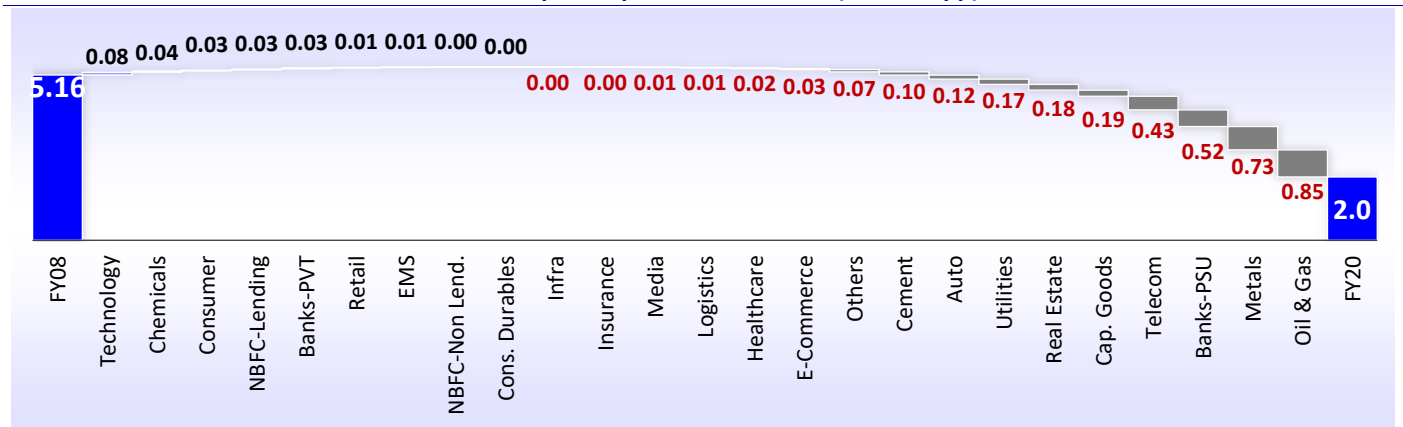


Exhibit 29: Stocks with a positive contribution to change

Company	Sector	Contributors to change (FY08-20)	
		pp	%
HDFC Bank	Banks - Private	0.10	3.2
TCS	Technology	0.06	1.8
Patanjali Foods	Consumer	0.03	1.1
HCL Tech.	Technology	0.03	1.1
Bajaj Finance	NBFC - Lending	0.03	0.8
Power Grid Corp	Utilities	0.03	0.8
Kotak Mah. Bk	Banks - Private	0.02	0.7
IndusInd Bk	Banks - Private	0.02	0.6
Bajaj Finserv	NBFC - Lending	0.02	0.5
Indus Towers	Telecom	0.02	0.5
Tata Chemicals	Chemicals	0.02	0.5
Bandhan Bk	Banks - Private	0.02	0.5
Adani Ports	Logistics	0.01	0.5
Muthoot Fin.	NBFC - Lending	0.01	0.4
LIC of India	Insurance	0.01	0.4

Exhibit 30: Stocks with a negative contribution to change

Company	Sector	Contributors to change (FY08-20)	
		pp	%
ONGC	Oil & Gas	-0.35	-11.0
Bharti Airtel	Telecom	-0.29	-9.1
Tata Steel	Metals	-0.24	-7.7
Reliance Inds	Oil & Gas	-0.20	-6.4
IOCL	Oil & Gas	-0.17	-5.2
DLF	Real Estate	-0.16	-5.1
SAIL	Metals	-0.14	-4.5
Vodafone Idea	Telecom	-0.13	-4.1
Tata Motors PV	Automobiles	-0.10	-3.3
NTPC	Utilities	-0.09	-3.0
Yes Bank	Banks - Private	-0.09	-2.7
SBI	Banks - Public	-0.08	-2.7
IDBI Bank	Banks - Public	-0.08	-2.5
Piramal Fin.	NBFC - Lending	-0.07	-2.2
IOB	Banks - Public	-0.07	-2.1

Corporate profit-to-GDP ratio dips to 2% in Phase 2 from 5.2% in 2008, led by just five sectors

Exhibit 31: A meager 4% CAGR in profits over Phase 2

Sector	PAT (INR b)		Change		Profit to GDP (%)	
	2008	2020	(x)	CAGR (%)	2008	2020
Automobiles	107	189	1.8	5	0.2	0.1
BFSI	419	802	1.9	6	0.9	0.4
Banks - Private	80	389	4.9	14	0.2	0.2
Banks - Public	225	-120	PL	PL	0.5	-0.1
Insurance	25	94	3.8	12	0.1	0.0
NBFC - Lending	78	386	5.0	14	0.2	0.2
NBFC - Non Lending	11	53	4.7	14	0.0	0.0
Capital Goods	131	156	1.2	1	0.3	0.1
Cement	91	169	1.9	5	0.2	0.1
Chemicals	26	190	7.4	18	0.1	0.1
Consumer	98	471	4.8	14	0.2	0.2
Consumer Durables	9	39	4.5	13	0.0	0.0
E-Commerce	0	-60	PL	PL	0.0	0.0
EMS	3	28	8.7	20	0.0	0.0
Healthcare	74	256	3.5	11	0.2	0.1
Infrastructure	8	27	3.5	11	0.0	0.0
Logistics	12	21	1.7	5	0.0	0.0
Media	7	20	2.7	9	0.0	0.0
Metals	440	339	0.8	-2	0.9	0.2
Oil & Gas	585	698	1.2	1	1.2	0.3
Real Estate	94	26	0.3	-10	0.2	0.0
Retail	3	37	11.4	22	0.0	0.0
Technology	160	826	5.2	15	0.3	0.4
Telecom	71	-569	PL	PL	0.1	-0.3
Utilities	143	255	1.8	5	0.3	0.1
Others	48	54	1.1	1	0.1	0.0
Nifty-500	2,530	3,974	1.6	4	5.2	2.0

Financials & Automobiles lead the surge in Phase 3 (2020-26)

- During Phase 3 (2020-26), the ratio improved for 19 of 25 sectors, of which 82% was driven by PSU Banks (21%), Automobiles (13%), Private Banks (11%), Oil & Gas (10%), Telecom (10%), NBFC Lending (8%), and Metals (8%).
- Technology, Cement, Chemicals, and Consumer were the only sectors to witness a compression in the ratio.

Top-5 contributors to the rise in Phase 3 (%)

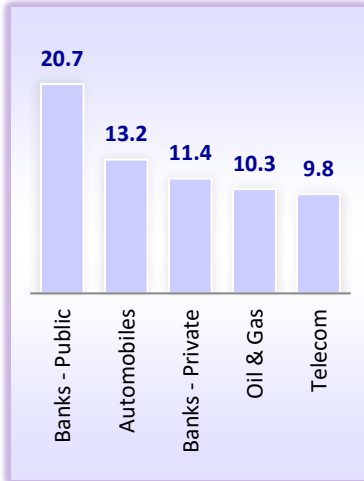


Exhibit 32: Nifty-500 earnings clocked 29% CAGR over 2020-26

Sector	PAT (INR b)		Change		Profit to GDP (%)	
	2020	2026	(x)	CAGR (%)	2020	2026
Automobiles	189	1,813	9.6	46	0.1	0.5
BFSI	802	6,702	8.4	42	0.4	1.9
Banks - Private	389	1,948	5.0	31	0.2	0.6
Banks - Public	-120	2,121	LP	LP	-0.1	0.6
Insurance	94	787	8.4	42	0.0	0.2
NBFC - Lending	386	1,621	4.2	27	0.2	0.5
NBFC - Non Lending	53	225	4.2	27	0.0	0.1
Capital Goods	156	696	4.5	28	0.1	0.2
Cement	169	241	1.4	6	0.1	0.1
Chemicals	190	166	0.9	-2	0.1	0.0
Consumer	471	742	1.6	8	0.2	0.2
Consumer Durables	39	74	1.9	11	0.0	0.0
E-Commerce	-60	-31	Loss	Loss	0.0	0.0
EMS	28	53	1.9	12	0.0	0.0
Healthcare	256	674	2.6	17	0.1	0.2
Infrastructure	27	46	1.7	9	0.0	0.0
Logistics	21	179	8.4	43	0.0	0.1
Media	20	23	1.1	2	0.0	0.0
Metals	339	1,449	4.3	27	0.2	0.4
Oil & Gas	698	2,362	3.4	23	0.3	0.7
Real Estate	26	170	6.6	37	0.0	0.0
Retail	37	126	3.4	23	0.0	0.0
Technology	826	1,390	1.7	9	0.4	0.4
Telecom	-569	124	LP	LP	-0.3	0.0
Utilities	255	788	3.1	21	0.1	0.2
Others	54	313	5.8	34	0.0	0.1
Nifty-500	3,974	18,099	4.6	29	2.0	5.2

Exhibit 33: Contributors to the rise in the corporate profit-to-GDP ratio (in Phase 3)

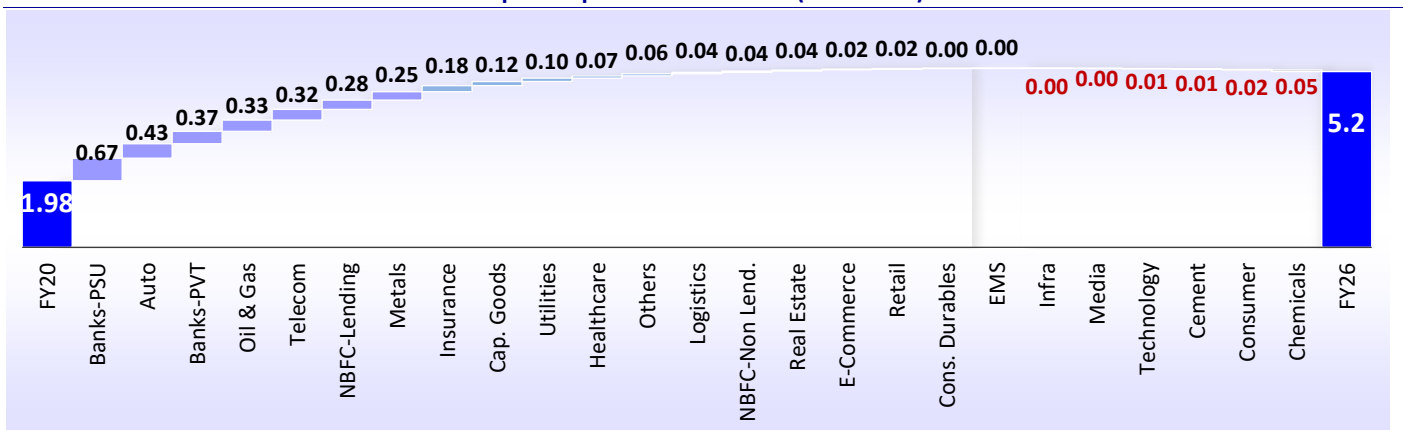


Exhibit 34: Stocks with a positive contribution to change

Company	Sector	Contributors to change (FY20-26)	
		pp	%
Tata Motors PV	Automobiles	0.30	9.2
Bharti Airtel	Telecom	0.24	7.3
LIC of India	Insurance	0.15	4.7
SBI	Banks - Public	0.14	4.4
IOCL	Oil & Gas	0.13	3.9
ICICI Bank	Banks - Private	0.11	3.4
Yes Bank	Banks - Private	0.09	2.8
IDBI Bank	Banks - Public	0.09	2.8
HDFC Bank	Banks - Private	0.08	2.6
Vedanta	Metals	0.08	2.6
Union Bank	Banks - Public	0.07	2.2
Piramal Fin.	NBFC - Lending	0.07	2.2
Axis Bank	Banks - Private	0.07	2.1
ONGC	Oil & Gas	0.07	2.0
Canara Bank	Banks - Public	0.06	1.9

Exhibit 35: Stocks with a negative contribution to change

Company	Sector	Contributors to change (FY20-26)	
		pp	%
Tata Chemicals	Chemicals	-0.04	-1.2
Patanjali Foods	Consumer	-0.03	-1.0
Sammaan Cap.	NBFC - Lending	-0.03	-1.0
GAIL	Oil & Gas	-0.02	-0.8
IndusInd Bk	Banks - Private	-0.02	-0.6
TCS	Technology	-0.02	-0.6
ITC	Consumer	-0.02	-0.5
Bandhan Bk	Banks - Private	-0.01	-0.4
Wipro	Technology	-0.01	-0.3
Power Grid	Utilities	-0.01	-0.3
Grasim Inds	Cement	-0.01	-0.2
HCL Tech	Technology	-0.01	-0.2
Tech Mah	Technology	-0.01	-0.2
SJVN	Utilities	-0.01	-0.2
Interglobe	Others	-0.01	-0.2

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