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## Corporate results Q4 FY26

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India Inc.'s Q4 financial performance paints a picture of resilience. For a sample of 1,506 companies, growth in sales improved to 9.8% this year, compared with 4.5% growth in Q4 FY25. Profitability growth also improved to 11.9% compared with 8.4% in the same period last year. In terms of broad category, the BFSI segment (224 companies) comprising of banks and NBFCs primarily, recorded an improvement in both net sales as well as profit growth. On the other hand, non-BFSI sector (1,282 companies) registered a sharp improvement in net sales. PAT growth was largely stable at 10.5% compared with 11.6% last year.

**Table 1: Summary results of India Inc in Q4 FY26 (1,506 companies)**

Category	Q4 FY25, Rs crore		Q4 FY26, Rs crore		Q4 FY25, % YoY		Q4 FY26, % YoY	
	Net sales	PAT	Net sales	PAT	Net sales	PAT	Net sales	PAT
BFSI	9,12,279	1,46,272	9,79,502	1,66,402	6.9	4.5	7.4	13.8
Non-BFSI	20,27,243	1,87,769	22,47,332	2,07,471	3.4	11.6	10.9	10.5
Total	29,39,522	3,34,042	32,26,834	3,73,873	4.5	8.4	9.8	11.9

Source: AceEquity, Bank of Baroda Research

### Non-BFSI sector: Aggregate picture

A more detailed analysis for the non-BFSI sector is presented below. Net sales registered double-digit growth of 10.9% in Q4 FY26, versus 3.4% in the same period last year. PAT growth in Q4 FY26 stood at 10.5%, compared with 11.6% in Q4 FY25. However, other profit indicators such as PBIT and PBDIT showed improvement. Growth in PBDIT, which is widely considered as a better indicator of a company's core operational profitability, rose by 9.4% in Q4 FY26 versus 7.7% in the same period last year. In terms of interest payments, interest expense registered a positive growth of 4.3% this year, after declining by 5.4% in Q4 FY25. This was notwithstanding the lower interest rates. In fact, the WALR on fresh rupee loans of SCBs averaged 8.44% in Q4 FY26, versus 9.36% in Q4 FY25. The debt servicing capacity of companies has remained broadly steady despite the higher interest expense. Interest cover ratio (ICR), defined as the ratio of PBIT and interest, of the sample has improved marginally from 9.2 in Q4 FY25 to 9.6 in Q4 FY26.

**Table 2: Summary results of non-BFSI companies in Q4 FY26 (1,282 companies)**

Indicator	Q4 FY24, Rs crore	Q4 FY25, Rs crore	Q4 FY26, Rs crore	Q4 FY25, % YoY	Q4 FY26, % YoY
Net Sales	19,60,645	20,27,243	22,47,332	3.4	10.9
PBDIT	3,05,479	3,29,140	3,60,116	7.7	9.4
PBIT	2,49,976	2,69,638	2,93,422	7.9	8.8
PAT	1,68,179	1,87,769	2,07,471	11.6	10.5
Interest expense	31,092	29,412	30,682	-5.4	4.3
Interest cover	8.0	9.2	9.6	-	-
Expenditure	17,10,222	17,61,820	19,51,055	3.0	10.7
--Cost of Services & Raw Materials	7,96,828	8,54,856	9,46,501	7.3	10.7
-- Operating & Manufacturing Expenses	2,85,914	2,99,078	3,50,472	4.6	17.2
--Employee Cost	1,59,572	1,71,819	1,83,610	7.7	6.9

Source: AceEquity, Bank of Baroda Research

In terms of expenditure, there was an increase in companies' costs. Expenditure growth increased by 10.7% in Q4 FY26, against an increase of 3.0% in the same period last year. This was led by higher operating and manufacturing expenses, while cost of services and raw material also inched up. On the other hand, the employee cost witnessed some moderation on a YoY basis.

### **Non-BFSI sector: Segment wise analysis**

A more disaggregated picture shows some interesting trends. Industries have been categorised into 8 broad categories based on the final use of the finished products. Some interesting observations which can be drawn are:

- Consumer based industries have done well in terms of both sales and profit growth. This is significant since it suggests that the demand environment has improved. A large part of the increase in PAT can be traced back to FMCG, wherein calibrated price hikes have helped producers maintain healthy growth in margins. On the other hand, there was a significant decline in PAT growth for consumer durables sector.
- For export-oriented industries such as textiles, chemicals and diamond and jewellery, the growth in net sales has been quite robust. This can partly be attributed to a weaker rupee which benefited exports. However, margin pressures are visible due to higher input costs. More industry-wise details are provided in later analysis.

**Table 3: Broad use-based category wise performance of companies (non-BFSI)**

Category	Q4 FY25, Rs crore		Q4 FY26, Rs crore		Q4 FY25, % YoY		Q4 FY26, % YoY	
	Net sales	PAT	Net sales	PAT	Net sales	PAT	Net sales	PAT
Consumer oriented	4,25,753	39,120	5,04,564	44,235	7.5	7.3	18.5	13.1
Export oriented	1,86,610	22,192	2,11,677	20,848	15.1	51.6	13.4	-6.1
Infra	3,69,920	33,514	4,11,145	40,225	4.3	-0.9	11.1	20.0
Metals and Mining	18,611	8,962	22,731	13,291	27.2	27.6	22.1	48.3
Petro	6,54,833	27,429	6,94,542	30,434	-4.0	0.9	6.1	11.0
Power	44,347	7,355	44,464	8,218	1.0	46.7	0.3	11.7
Real Estate	14,969	1,921	18,316	2,428	2.4	-14.5	22.4	26.4
Services	3,12,199	47,277	3,39,894	47,792	6.8	13.1	8.9	1.1
Total non-BFSI	20,27,243	1,87,769	22,47,332	2,07,471	3.4	11.6	10.9	10.5

Source: AceEquity, Bank of Baroda Research

- Infra and related sectors, comprising iron and steel and cement and construction materials registered strong growth in both sales and profits. Government's continued capex push and strong demand from the automotive sector were largely the primary drivers.
- For the metals and mining sector, net sales growth remained strong and increased by 22.1% on a YoY basis. PAT growth surged due to high prices of several metals including zinc and silver.
- Despite headwinds, petroleum sector comprising of OMCs, registered an improvement in both net sales and PAT due largely to a favourable base.
- For the power sector, sales performance was subdued due to seasonal factors. PAT growth too was subdued as global coal prices were higher.
- The real estate sector showed a strong performance driven by continued demand for premium housing. Demand for commercial real estate too showed improvement.

- For the services sector, growth in net sales was robust driven by IT software and trading sectors.

### **Sectoral analysis**

**Passenger vehicles:** There was a marked improvement in the performance of this sector due to the GST reforms. While export sales continued to gain momentum, there was also a marked improvement in domestic sales. Companies reported strong demand for vehicles in the 18% GST category. There were also signs of a revival in urban demand, even as rural demand growth maintained its buoyancy. Demand from both first-time buyers and replacement buyers has been strengthening. Even so, the operating environment remained challenging due to supply disruptions related to rare-earth minerals, as well as geo-political tensions. As a result, cost pressures are mounting. However, companies noted that the impact so far has been muted and that strong domestic demand is likely to offset the negative shock of the war. Overall, the outlook for the sector looks positive.

**Two wheelers:** Export performance was robust despite disruptions of exports to the Middle-East. Domestically, demand was driven by GST rate cuts and festive spending. Continued tailwinds to growth will stem from urbanization, higher penetration of e-commerce and gig economy. Segment wise, 125cc plus segment, more particularly the 150cc, continues to drive growth. There is also a shift in consumers' preference towards sports and adventure segment, which is witnessing sharp growth. At the same time, demand for electric variants has also seen massive growth. However, the volatile global situation has led to some operational issues and higher costs, particularly due to higher metal prices. Companies have responded by increasing prices. Demand has been impacted due to higher prices and migration of workforce due to LPG shortage. However, companies remain hopeful that change in demand preferences towards other categories, particularly sports and EV would help cushion the overall impact on topline growth. Rupee depreciation too has helped.

**Tractors:** This segment noted an impressive growth in sales in Q4FY26. This was supported by continued improvement in rural income, good monsoon, higher agricultural production, state support and increased focus on farm mechanization. However, there were some regional disparities. The outlook for the industry is supportive, due in part to low levels of farm mechanization and rising rural wages. However, supply chain issues due to the West Asia crisis as well as adverse weather outcomes due to possibility of EL-Nino can impact demand.

**Auto components:** Steady demand from the auto industry was reflected in good topline growth for this segment. However, elevated input prices, particularly copper prices, impacted profit growth. Apart from this, currency depreciation also impacted margins.

**IT:** For the IT sector, there was an improvement in growth performance in terms of both sales and profit. Companies reported a steady growth in large deals. Further, growth was well distributed across geographies, with Europe region outperforming. Across segments, financial services and communications led the increase. Growth levers remain strong driven by strong demand for AI and AI related services.

**Insurance:** Insurance sector continues to enjoy a steady growth momentum driven by positive demographic dividend, higher share of working population, urbanization, improvement in standard of living, digitization and increased financial literacy. Further, government's decision to exempt GST on life

insurance policies underpinned strong growth in this sector. The outlook also remains largely positive as insurance market in India remains underpenetrated.

**FMCG:** There was an improvement in sales growth led by strong demand. Low inflation, buoyancy in rural demand and benefits of GST rationalization underpinned demand growth in Q4. Further, alternate channels such as quick commerce and e-commerce continued to drive demand especially in the urban and premium portfolios. Repackaging, premiumization, emphasis on quality and aesthetics have been driving growth in the food and beverage industry. Companies expect the demand trend to continue to evolve in a broadly steady manner and well distributed across rural and urban areas. However, El-nino and its impact on monsoon can impact rural demand.

**Edible oil:** Business was impacted due to geo-political tensions. Prices of edible oil picked up sharply in Q4, with prices of all major oils i.e. pal, soyabean and sunflower oil witnessing an upward momentum of about 7-10% on a QoQ basis. A part of this was passed on to the consumers in Mar'26 and companies are likely to pass on further increases in input prices as well in a calibrated manner. Demand was robust as there was some stocking up by consumers. Companies faced disruptions due to supply chain issues due to unavailability of vessels and higher freight costs. Apart from this, input costs also increased due to higher prices of packaging materials. At the same time, exports to war-affected countries also witnessed a slowdown. The full impact is likely to be felt in the coming quarters.

**Household and personal care:** Underlying demand trends remained strong. The industry continued to witness a trend towards premiumization. Companies too have responded with introducing new products and targeted advertising.

**Infrastructure:** The performance of this sector was strong aided by strong order inflows. This in turn was aided by several large deals. Domestically, most orders came from the private sector for building and factories, minerals and metals and heavy civil infrastructure. Energy, hi-tech manufacturing, and data centres sectors continued to grow at a healthy pace. International orders also contributed significantly to growth. Within this, there was strong demand for energy transition infrastructure and core infrastructure projects. While the Middle-East crisis has led to some supply-side issues, the companies remain confident of navigating the challenge.

**Cement:** Strong demand from the housing sector supported sales of cement companies in Q4. There was also incidence of steady rural demand across regions. Further, while demand from infrastructure projects was subdued in the North and Eastern regions, other parts of the country witnessed a steady pace of acceleration in infrastructure demand. Apart from this, almost all regions registered a steady or accelerated pace of demand from the commercial sector. However, the cement industry is facing headwinds from the West Asia crisis due to rise in input prices particularly fuel costs and logistics and packaging costs. availability and higher prices of cement bags and lastly, higher diesel costs. These are expected to have a negative impact on profitability. However, the industry is confident of continuing this momentum led by strong infrastructure push by the government, continued demand from housing, and resilient rural demand. In this regard, the impact of El-Nino and below normal rainfall would be a key monitorable for the sector.

**Ceramics:** Demand trends remained strong in Q4 led by recovery in demand from urban areas as well as certain Tier-2 and Tier-3 cities. Production was disrupted in Mar'26 due to the West-Asia crisis and availability of gas. However, there has been improvement since then. Companies have reported about 30-40% increase in gas prices. Elevated input prices have led to an increase in costs, leading to price hikes for final consumers. The industry remains hopeful of continued momentum in demand despite the higher prices.

**Iron and steel:** Global steel demand showed a varying trend. China's steel imports continued to decline, albeit at a slower pace. This was offset by higher demand from elsewhere, including Asia and advanced economies such as US, EU and Japan. For India, demand from infrastructure, automotive, construction and railways sector was reflected in strong sales numbers. Exports from India also remained upbeat and were higher than imports. Further, sales growth and margins were aided by a recovery in steel prices. This helped offset a trend of rising input and freight costs. However, this can become a cause of concern going forward if the crisis persists for a longer period.

**Engineering goods:** Strong order inflows underpinned the stellar performance of this sector in Q4 FY26. Orders are primarily dominated by the power sector, however, there has been some diversification with increasing share of industrials sector. Within industry, food and beverages, chemicals and drug and pharma sector are driving the growth in new orders. Further, data centers are also emerging as a new source and offers significant potential. In terms of the operating environment, the industry faced challenges due to rising input costs, primarily higher steel prices, volatility in prices of non-ferrous metals and rupee depreciation.

**Chemicals:** For specialty chemicals, stiff competition from China impacted margins and growth. However, companies were able to offset this by technical innovation and cost reduction. Agrochemicals business continues to lag. Lower US tariff have provided some respite to the business, however the current geopolitical situation has pushed up transportation and input costs. On the positive side, companies do not expect this to have a material impact on demand.

**Fertilizers:** Sales growth was robust, driven by record-high foodgrain production and a normal monsoon. However, the industry faces significant challenges due to the ongoing tensions in West Asia. Supply chain disruptions due to the closure of Strait of Hormuz has affected both availability as well as price, since a large part of shipments traverse through this route. At the same time, domestic headwinds are also emerging. Projection of El-Nino conditions and lower than normal monsoon can have an impact on agricultural production and demand.

**Paints:** Growth in sales was driven by the decorative and premium segments. In terms of industrial segments, waterproofing and automotive coatings witnessed strong demand momentum. GST cuts on auto products provided a strong impetus to demand. Industrial activity also strong driven by government capex. In FY27, demand momentum is likely to be maintained. Companies have increased prices to account for higher input prices. Competitive intensity has also increased. West Asia crisis and rupee depreciation are key headwinds to growth.

**Drugs and Pharmaceuticals:** There was a marginal decline in sales largely due to subdued exports. However, companies have responded with price hikes and launch of new drugs to counter this. While the

West Asia crisis has impacted the availability of inputs, businesses remain hopeful due to healthy pipeline of new launches across markets.

**Diamond and jewelry:** Consumer demand remained strong despite a surge in gold prices. This was led by a surge in both wedding as well as discretionary demand. Secondary and exchange sales continued to show significant traction. Sales of coins also on an upward trajectory. Exports also expanded at a rapid pace, especially in the US. However, sales in GCC were impacted due to the ongoing crisis.

**Textiles and fiber:** Lower US tariffs resulted in India regaining some competitive advantage. However, input prices inched up led by higher prices of cotton. Lower production of cotton both in India as well as other major producers impacted supply and hence pushed up prices. However, rupee depreciation provided some tailwinds for exporters. Prices on manmade fibers have also increased due to an increase in crude oil prices. Demand conditions for India's exports of cotton fibers improved as political turmoil in Bangladesh and US sanctions resulted in huge demand from China.

**Readymade garments:** Strong demand for garments and denims. This was underpinned by a growing trend of end-users diversifying from Bangladesh and Vietnam. However, continued disruptions due to tariffs and geo-political situation impacted business growth. Potential has expanded significantly for India's exports of RMG due to the recently concluded free trade agreements (FTAs). Despite disruptions, businesses have indicated a robust order pipelines, suggesting that underlying demand remain robust. However, expected pickup in inflation in H2 across the world will need to be monitored. In terms of domestic business, focus remained on premium offerings and branded apparel.

**Home textiles:** The external demand situation was favorable led by finalization of India-US, UK and EU FTA. At the same time, businesses are on a trajectory to diversify final export markets away from the US. On the domestic side, consumer demand was robust with continued focus on premiumization and brand preference.

**Real Estate:** The sector continued to grow at a steady pace driven by strong demand. Increased demand for premium and high-ticket housing units. There has been a growing trend of branded housing led by steady wage growth, rapid urbanization as well as presence of GCCs.

**Hotels, resorts and restaurants:** Steady growth in Jan-Feb'26 led by MICE sector. However, business was impacted in Mar'26 due to West-Asia crisis leading to cancellation of MICE events. Tourism was also impacted as flight routes were disrupted. Domestic tourism largely lifted growth in Mar'26 with a healthy growth in RevPar. Increased discretionary spending and affluence contributed to domestic demand momentum. LPG crisis was managed by using alternate fuels. Input cost pressures are increasing. Outlook will depend on how the crisis unfolds, and air routes are normalized.

**Air conditioners:** Strong demand for air conditioning and cooling equipment from individuals and industrial segments. Within unitary cooling products (UCP), demand picked up ahead of the start of summer months. Margins were impacted due to elevated input costs. Companies are focusing on premium and new-age products using AI. In the commercial segment, demand from government and industrial segment was strong. Outlook for the sector remains uncertain amidst increasing input costs and rupee depreciation which can impact profit growth. However, early trends indicate healthy seasonal demand in

the retail segment. Commercial sector too will benefit from increased penetration of GCCs and data centers.

**IT and hardware:** Demand remained muted. Input costs were elevated due to supply chain issues. Prices of key inputs such as semi-conductors and memory chips increased. However, the market is showing signs of an improvement and companies are hopeful of a strong recovery in FY27.

**Home appliances:** Demand for TVs and LEDs showed increasing preference for premium products. Input costs were elevated. For refrigerators, revised PE norms and energy efficiency norms led to price hikes. There was a trend of destocking of old inventories.

**Conclusion:**

India's corporate sector's financial performance in Q4 FY26 highlighted the underlying strength of the economy despite a challenging external environment. Profit and net sales growth improved for most of the sectors, even as new global headwinds emerged. At the same time, the depreciation of rupee against the dollar has also impacted some industries, while benefiting the export intensive sectors.

Expenditure growth was higher as companies spent more on operating and manufacturing expenses and raw materials. A major theme emerging from the companies' commentary was the impact of the West Asia crisis. The crisis creates a two-fold problem for India Inc. through higher inputs and freight costs and disruption of shipping routes. However, most companies believe that the impact of the crisis would be transitory and are taking actions to mitigate it. This includes finding alternate source of raw materials and shipping routes and also cost reduction strategies. Others have responded to the higher costs by increasing prices.

Nonetheless, the impact of the crisis is likely to be felt in the coming quarters and would be spread disproportionately across sectors based on their respective exposure. Overall, the mood remains cautiously positive.

## Annexure 1: Growth in net sales Q4 FY26

Sector	Number of companies	Q4 FY26, Rs. crore	Q4 FY26, % YoY
Crude Oil	16	6,94,542	6.1
Bank	41	5,69,958	3.6
Automobile & Ancillaries	100	2,63,388	23.2
Insurance	9	2,61,744	12.0
IT	102	1,82,295	9.2
Iron & Steel	45	1,65,050	10.3
Finance	174	1,47,800	15.2
FMCG	68	1,15,150	15.7
Capital Goods	111	90,468	19.4
Infrastructure	39	90,107	6.3
Chemicals	114	73,215	10.2
Construction Materials	39	63,346	11.2
Healthcare	94	56,257	0.4
Power	20	44,464	0.3
Gas Transmission	5	43,330	-0.7
Retailing	24	39,351	24.8
Trading	72	36,971	34.1
Diamond & Jewellery	8	31,677	53.3
Textile	80	29,963	5.2
Consumer Durables	24	23,360	5.8
Alcohol	11	23,155	6.2
Non - Ferrous Metals	13	20,265	24.6
Electricals	17	19,448	24.7
Realty	43	18,316	22.4
Agri	31	16,870	7.0
Telecom	12	16,803	0.9
Diversified	6	16,655	25.6
Logistics	24	15,151	18.8
Business Services	33	13,425	6.7
Plastic Products	38	11,840	12.5
Inds. Gases & Fuels	2	9,746	-22.7
Media & Entertainment	38	8,050	3.0
Hospitality	38	6,936	5.7
Paper	10	5,270	9.1
Mining	5	2,466	5.2
<b>Total</b>	<b>1506</b>	<b>32,26,834</b>	<b>9.8</b>

Source: AceEquity, Bank of Baroda Research

## Annexure 2: Growth in PAT Q4 FY26

Sector	Number of companies	Q4 FY26, Rs. crore	Q4 FY26, % YoY
Bank	41	1,06,760	12.6
Finance	174	32,603	10.2
IT	102	32,229	6.2
Crude Oil	16	30,434	11.0
Insurance	9	27,040	23.7
Automobile & Ancillaries	100	23,001	15.4
FMCG	68	14,241	18.7
Capital Goods	111	13,715	19.2
Iron & Steel	45	12,855	25.1
Healthcare	94	10,879	-11.9
Power	20	8,218	11.7
Non - Ferrous Metals	13	7,242	36.0
Chemicals	114	6,644	-12.4
Infrastructure	39	6,339	-7.0
Construction Materials	39	6,171	16.2
Mining	5	6,049	66.3
Telecom	12	4,897	*
Business Services	33	3,111	*
Retailing	24	2,529	21.8
Realty	43	2,428	26.4
Logistics	24	1,974	18.2
Diamond & Jewellery	8	1,847	52.0
Gas Transmission	5	1,830	-34.4
Electricals	17	1,624	20.7
Textile	80	1,400	-3.4
Inds. Gases & Fuels	2	1,351	25.7
Hospitality	38	1,317	6.0
Agri	31	1,158	-10.2
Alcohol	11	1,157	29.4
Plastic Products	38	980	28.1
Trading	72	718	-85.0
Paper	10	346	168.3
Diversified	6	305	*
Consumer Durables	24	279	-81.9
Media & Entertainment	38	201	-41.2
<b>Total</b>	<b>1506</b>	<b>3,73,873</b>	<b>11.9</b>

Source: AceEquity, Bank of Baroda Research | Note: \* indicates abnormally high or low growth rates

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