

RESEARCH**BOB ECONOMICS RESEARCH | CORPORATE INVESTMENT IN FY26**

Which industries have been investing?

BOB ECONOMICS RESEARCH | CORPORATE RESULTS Q4FY26

India Inc's financial performance in Q4

SUMMARY**INDIA ECONOMICS: CORPORATE INVESTMENT IN FY26**

Investment in capital by companies is a leading indicator of overall investment in the country. FY26 was a tough one in terms of taking decisions on investment due to the tariff issue which created considerable uncertainty with the rates being altered at times.

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INDIA ECONOMICS: CORPORATE RESULTS Q4FY26

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.

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CORPORATE INVESTMENT IN FY26

08 June 2026

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Economics Research Department
Economist

Specific industries which were export oriented did hence witness headwinds. On the other hand a well poised domestic economy aided by a capital push by the centre as well as incentives to consumers to spend did open the door for fresh doses of investment by companies. Also there was an aggressive lowering of the repo rate starting in February 2025 which cumulated to 125 bps till March 2026. Against this background, it would be of interest to see which industries did focus on capital formation this year. Alongside, there was an uptick in growth in bank credit too which is a quick indicator of economic activity in the country which is used for both investment and working capital purposes.

The macro picture

For a set of 2,383 companies, cumulative gross fixed assets (including capital work in progress) increased by 5.8% from Rs 44.15 lakh crore to Rs 46.70 lakh crore. In FY25, growth was 7.4%.

There was however differences in growth in assets across different sectors. The table below gives information on the sectors which had growth of above 10% in FY26. These companies accounted for around 10% of total GFA of the sample.



CORPORATE RESULTS
Q4FY26

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India Inc's financial performance in Q4

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Aditi Gupta
Economist**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.



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Note: Recommendation structure changed with effect from 21 June 2021

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