

INDIAN CORPORATE
SECTOR: Q1 FY2025
PERFORMANCE REVIEW
AND OUTLOOK

Improvement in revenues and margins to continue in Q2 FY2025 supported by festive season

**AUGUST 2024** 



### **Agenda**











### **Highlights**



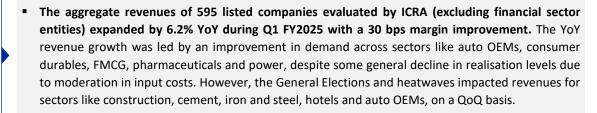


#### Click to see full report

Corporate India reported a moderate 6.2% YoY revenue growth in Q1 FY2025. Softening in input costs supported expansion in earnings by 30 bps to 17.6% in Q1 FY2025.

The evolving global economic and political scenario, potential slowdown in developed markets along with domestic rural demand will remain key monitorables over the near term.







Operating leverage benefits coupled with easing of certain input costs led to a YoY expansion in operating profit margin (OPM) of India Inc. by 30 bps to 17.6% in Q1 FY2025. Although input costs softened in recent months, they remain elevated over historic levels; consequently, India Inc.'s OPM of 19% witnessed during FY2022 is yet to be achieved.



• The interest coverage ratio of India Inc. improved marginally to 4.7 times in Q1 FY2025 over 4.5 times in Q1 FY2024. Better profitability amid the festive season and stable finance cost should aid in the improvement of the interest coverage ratio in Q2 FY2025.



ICRA expects India's gross domestic product (GDP) to grow by 6.8% in FY2025 after rising by 8.2% in FY2024. We expect a transient slowdown in growth in H1 FY2025, followed by a pick-up to above the 7.0% mark in H2 FY2025 aided by a back-ended Government capex, some pick-up in private capex, and an improvement in rural demand following visibility around the kharif crop output and farm cash flows.



Name	Designation	Email	Contact Number
Shamsher Dewan	Group Head	shamsherd@icraindia.com	0124 – 4545 328
Kinjal Shah	Co-Group Head	kinjal.shah@icraindia.com	022 – 6114 3442
Sahil Udani	Sector Head	sahil.udani@icraindia.com	022 – 6114 3465
Trisha Agarwal	Senior Analyst	trisha.agarwal@icraindia.com	022 – 6114 3457
Aman Mundhada	Analyst	aman.mundhdada@icraindia.com	022 – 6114 3451

















## **ICRA Business Development/Media Contact Details**

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860



















#### © Copyright, 2024 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



# **Thank You!**

