



# INDIAN CORPORATE SECTOR: Q4 FY2025 PERFORMANCE REVIEW AND OUTLOOK

**India Inc. wraps FY2025 with margin  
resilience; braces for a cautious Q1  
FY2026**

**JUNE 2025**



## 1 Summary



## 2 Financial performance of the corporate sector in Q4 FY2025



## 3 Key macroeconomic trends



## 4 Key trends in the Indian corporate sector





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*Corporate India reported a moderate 7.6% YoY revenue growth in Q4 FY2025, ending FY2025 with a 6.7% YoY increase. Elevated demand across consumption and infrastructure-oriented sectors and some moderation in input costs led to expansion in OPM by 63 bps on YoY basis to 18.5% in Q4 FY2025 and by 10 bps on a YoY basis to 18.0% in FY2025.*



- **The aggregate revenues of 589 listed companies evaluated by ICRA (excluding financial sector entities) increased by 7.6% YoY during Q4 FY2025.** This was supported by improved demand across consumption-oriented sectors like consumer durables, retail, hotels, airlines as well as infrastructure-oriented sectors like power, real estate and construction. Rural demand witnessed an improvement, while urban demand remained sluggish.



- **Corporate India reported a YoY expansion in operating profit margin (OPM) in Q4 FY2025, by 63 bps to 18.5%, reaching its peak since Q4 FY2022.** The expansion was on the back of improved operating leverage owing to robust demand led by sectors like power, airlines and real estate, coupled with moderation in input costs. The recovery in the OPM witnessed over the past quarters is likely to be sustained at 18.2-18.5% in Q1 FY2026, supported by robust demand owing to improved consumer sentiments and softening of some input costs like crude oil, coal and steel.



- **Despite the variations in debt levels, India Inc. reported largely stable credit metrics over FY2021-25.** Range-bound debt levels coupled with better profitability of India Inc. across industrial, capital goods and construction sectors in FY2025 led to an improvement in gearing and total debt vis-à-vis operating profit before interest, tax and depreciation. The credit metrics for India Inc. are expected to remain stable, going forward, despite expectations of some debt addition to support growth prospects.



- **India Inc. is expected to report stable revenue growth in Q1 FY2026 supported by resilient domestic demand.** While rural demand is expected to remain healthy, urban demand looks set to recover supported by income tax relief and easing food inflation. Nonetheless, ongoing geopolitical tensions continue to impact demand sentiments, especially for export-oriented sectors such as agro-chemicals, textiles, auto and auto components, cut and polished diamonds, and IT services.



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