

OUTLOOK

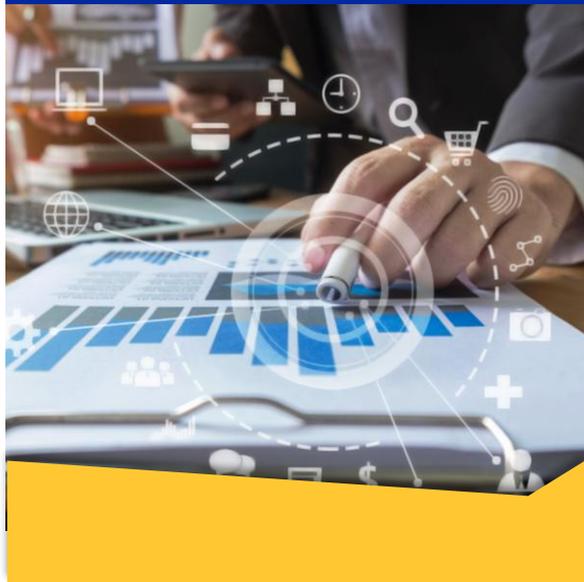
FY2027

#ICRAOutlookFY2027

April 2026



Summary

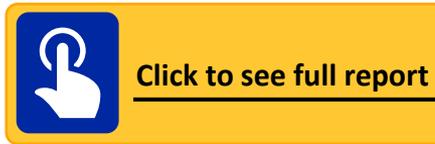


Macro Outlook



Sectoral Outlook





Abbreviations 1/2

\$: United States dollar	EPC: Engineering procurement and construction
2W: Two-wheeler	F&O: Futures & options
AAAL: Alliance Air Aviation Ltd	FAE: First Advance Estimate
AHPS: Allied health professionals	FAR: Fully Accessible Route
AI: Artificial intelligence	FC: Finance Commission
AIASL: AI Airport Services Limited	FCI: Food Corporation of India
AIESL: Air India Engineering Services Limited	FII: Foreign institutional investment
BCD: Basic customs duty	FPI: Foreign portfolio investment
BE: Budget estimate	FRBM: Fiscal Responsibility and Budget Management
BESS: Battery energy storage system	FY: Financial year
BFSI: Banking, financial services and insurance	GDP: Gross domestic product
bps: Basis points	GMB: Gross market borrowings
CAGR: Compound annual growth rate	Gol: Government of India
Capex: Capital expenditure	G-Sec: Government securities
CCPS: Coastal Cargo Promotion Scheme	GST: Goods and services tax
CCUS: Carbon capture, utilisation and storage	GSTCC: GST compensation cess
CGA: Controller General of Accounts	GTR: Gross tax revenues
CGST: Central goods and services tax	GVA: Gross value added
CGTMSE: Credit Guarantee Fund Trust for Micro and Small Enterprises	IDBI: IDBI Bank Limited
CMB: Cash management bills	IEBR: Internal and Extra Budgetary Resources
CPSE: Central Public Sector Enterprise	IGST: Integrated Goods and Services Tax
CT: Corporate tax	InvIT: Infrastructure Investment Trust
CTD: Central tax devolution	IP: Intellectual property
CV: Commercial vehicle	IPO: Initial public offering
DFPD: Department of Food and Public Distribution	IWAI: Inland Waterways Authority of India
e-Bus: Electric bus	JJM: Jal Jeevan Mission
ELI: Employment Linked Incentive	MGNREGA: Mahatma Gandhi National Rural Employment Guarantee Act
EOI: Expression of Interest	MoD: Ministry of Defence

Abbreviations 2/2

MoF: Ministry of Finance	PM-Kisan: Pradhan Mantri Kisan Samman Nidhi Yojana
MoR: Ministry of Railways	PMSGMBY: PM Surya GharMuft Bijli Yojana
MoRTH: Ministry of Road Transport and Highways	PPP: Public-private partnership
MPC: Monetary Policy Committee	PSU: Public sector undertaking
MSME: Micro, small and medium enterprises	PV: Passenger vehicle
MTFP: Medium Term Fiscal Policy	QoQ: Quarter-on-quarter
NBFC: Non-banking financial company	R&D: Research and development
NBS: Nutrient-Based Subsidy	RBI: Reserve Bank of India
NCHMCT: National Council for Hotel Management and Catering Technology	RDSS: Reform-Linked Distribution Scheme
NDDKG: National Destination Digital Knowledge Grid	RE: Revised estimate
NHAI: National Highways Authority of India	REIT: Real estate investment trust
NHM: National Health Mission	Revex: Revenue expenditure
NIP: National Infrastructure Pipeline	SDG: Supplementary Demand for Grants
NMB: Net market borrowings	SGS: State government securities
NMDC: National Mineral Development Corporation	SME: Small and medium enterprises
NSO: National Statistical Office	STT: Securities transaction tax
NSSF: National Small Saving Fund	SWAMIH: Special Window for Affordable and Mid-Income Housing
NTR: Net tax revenues	TAN: Tax Deduction and Collection Account Number
OEM: Original equipment manufacturer	T-Bill: Treasury bills
OMO: Open market operations	TCS: Tax collected at source
PA: Provisional actual	TDS: Tax deducted at source
PAN: Permanent Account Number	TOT: Toll-Operate-Transfer
PDIL: Projects & Development India Limited	TReDS: Trade Receivables electronic Discounting System
PIT: Personal income tax	TTM: Trailing 12 months
PLI: Production-linked incentive	UT: Union Territory
PMAY: Pradhan Mantri Awas Yojna	VB-G RAM-G: Viksit Bharat—Guarantee for Rozgar and Ajeevika Mission (Gramin)
PMAY-Urban: Pradhan Mantri Awas Yojana—Urban	WMA: Ways and Means Advances
PMGKAY: Pradhan Mantri Gareeb Kalyan Ann Yojana	YoY: Year-on-year
PMGSY: Pradhan Mantri Gram Sadak Yojana	YTD: Year-to-date



SUMMARY

Macro outlook for FY2027 contingent on duration of West Asia crisis; ICRA has factored in average crude oil price @\$85/barrel in FY2027 in base case



Macro Outlook (baseline projections*)

GDP	INFLATION	REPO RATE	FISCAL DEFICIT	EXTERNAL ACCOUNT
				
<p>Real GDP growth FY2026: 7.5% FY2027: 6.5%</p> <p>Nominal GDP growth FY2026: 8.6% FY2027: 10.5%</p>	<p>CPI FY2026: 2.1% FY2027: 4.3%</p> <p>WPI FY2026: 0.7% FY2027: 3.5%</p>	<p>A prolonged pause on the policy repo rate</p>	<p>Govt's fiscal deficit FY2026: 4.5% of GDP FY2027: 4.5% of GDP, amid downward revision in nominal GDP as per 2022-23 base</p>	<p>Current account deficit FY2026: 1.0% of GDP FY2027: ~1.7% of GDP</p>

*Baseline projections assume of average crude oil price (Indian Basket) at \$85/bbl in FY2027; Source: ICRA Research



MACRO OUTLOOK

Baseline macro outlook for FY2027, assuming average crude oil price of \$85/bbl and near-term disruption even if crisis de-escalates rapidly



GDP

ICRA expects India's GDP growth to ease to 6.5% in FY2027 from 7.5% estimated in FY2026, owing to the adverse impact of elevated energy prices and strained availability amid the ongoing conflict in West Asia, even as developments around tariffs, and the impact of GST rationalisation, repo rate cuts, subdued food inflation, and upbeat farm sector trends augur well for private consumption.



Inflation

The average CPI inflation is anticipated to more-than-double to 4.3% in FY2027 from the 2.1% estimated for FY2026, with risks tilted to the upside owing to the extent of the revision in retail fuel prices as well as potential El Nino developments in the latter part of the fiscal. Besides, WPI inflation is expected to surge to 3.5% in FY2027 from 0.7% estimated in FY2026, led by rising global energy and commodity prices.



Repo Rate

Amid the projected uptrend in CPI inflation in FY2027, ICRA expects an extended pause on policy rates by the Monetary Policy Committee (MPC) throughout the fiscal despite the anticipated slowdown in GDP growth. However, ICRA expects the RBI to continue to intervene on the liquidity front in FY2027.



Fiscal Deficit

Higher global energy prices will adversely impact the Government of India's (GoI) fiscal deficit in FY2027, led by a rise in fertiliser and fuel subsidy requirement, lower dividend pay-out by oil marketing companies (OMCs), and lower excise duty and corporate tax collections. ICRA expects upside risks to its baseline projection for the fiscal deficit of 4.5% of GDP in FY2027 (against the Budget Estimate of 4.3%).

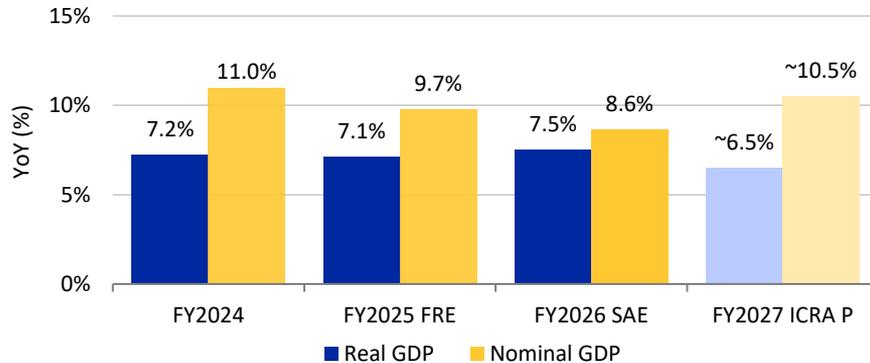


External Account

India's current account deficit (CAD) is anticipated to widen to ~1.7% of GDP in FY2027 from ~1.0% expected in FY2026, on account of a rise in the net oil import bill. The USD/INR pair is likely to witness high volatility and trade with a downward bias in the near term, amid continued sour global sentiment and consequent sell-off by FPIs from the Indian equities.

ICRA expects GDP growth to slow to 6.5% in FY2027

Exhibit: Annual YoY trends in real and nominal GDP



P: Projected, FRE: First Revised Estimate; SAE: Second Advance Estimate; Source: NSO; ICRA Research

Exhibit: Real GDP projections for FY2027

Crude oil (\$/bbl; Indian Basket)	Real GDP growth
\$85/bbl (baseline)	~6.5%
\$105/bbl	~5.8%
\$125/bbl	~5.0%

Source: ICRA Research

- Assuming an average crude oil price of \$85/bbl in FY2027, ICRA projects the real GDP growth to ease to ~6.5% in the fiscal from 7.5% estimated for FY2026. Favourable developments on the trade front, including the interim deal with the US with a lower tariff rate, improved prospects for domestic investment aided by the robust hike in Central Government capex included in the Union Budget, and the favourable outlook for domestic consumption owing to lower GST rates, cumulative rate cuts of 125 bps by the RBI, subdued food inflation, and upbeat farm sector trends, augur well for the growth outlook. However, the ongoing conflict in West Asia has led to a surge in energy prices and impacted availability, which would hurt corporate profitability and could lead to higher inflation, impacting consumer demand.
- In nominal terms, the GDP growth (2022-23 base) is projected to improve to ~10.5% in FY2027 from 8.6% estimated for FY2026, amid the expected pickup in WPI and CPI inflation compared to FY2026.
- A prolonged conflict in West Asia poses downside risks to ICRA's growth estimate for FY2027, with the extent of downside contingent on the duration of the conflict and consequent implications on energy prices/availability, domestic investment, inflation and external trade.

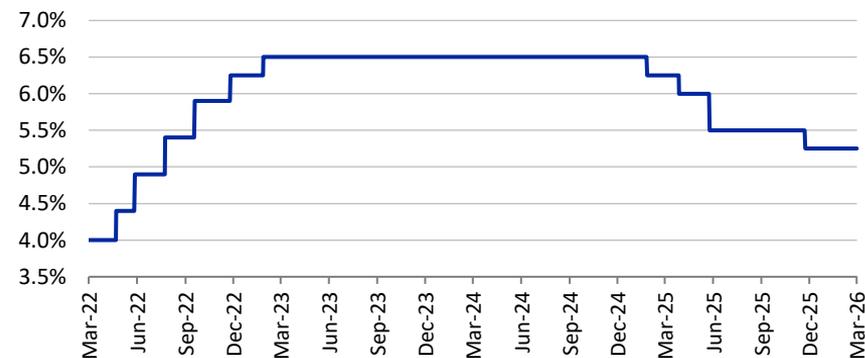
CPI inflation to rise to 4.3% in FY2027, with risks tilted to the upside; ICRA expects an extended pause on policy rates throughout the fiscal

Exhibit: CPI and WPI projections for FY2027*

Crude oil (\$/bbl; Indian Basket)	CPI inflation	WPI inflation
\$85/bbl (Baseline)	~4.3%	~3.5%
\$105/bbl	~4.6%	~4.2%
\$125/bbl	~5.0%	~5.0%

*Projections do not assume a full pass-through; Source: NSO, CEIC, ICRA Research

Exhibit: Movement in policy repo rate



Source: RBI, DBIE, ICRA Research

- The new CPI 2024 base series assigned a slightly higher weight of 6.84% to the fuel items against 4.2% included in the previous 2012 base series. Nevertheless, fuel items have a lower weight in the CPI (6.84%; including petrol, diesel, LPG cylinder and piped natural gas, CNG, coal and kerosene) vis-à-vis WPI (10.4%; including crude oil, natural gas, and crude derivatives). Consequently, changes in crude oil prices will have a larger impact on WPI compared to CPI.
- ICRA estimates that for every 10% increase in crude oil prices, the WPI inflation rises by 80-100 bps, against the 40-60 bps uptick in the CPI inflation assuming that a full transmission into retail selling prices (RSPs) of fuels takes place. The quantum of the impact on the CPI inflation trajectory will particularly depend on the extent of the change in RSPs of petrol, diesel and LPG, in terms of immediate transmission. Additionally, higher fuel prices would lead to an increase in transportation costs, thereby pushing up the prices of goods and services.
- **Assuming an average crude oil price of \$85/bbl, with no pass-through to RSPs, ICRA pegs the WPI at 3.5% and the CPI at 4.3% in FY2027, with risks tilted to the upside. Given the projected uptrend in CPI inflation, ICRA expects an extended pause on the policy rates throughout the fiscal in spite of the anticipated slowdown in growth, although the RBI would continue to intervene on the liquidity front.**

High crude prices to adversely impact Gol's fiscal deficit via lower dividend receipts, tax collections and increased subsidy burden

Possibility of higher subsidy burden

The rise in ammonia as well as LNG prices may impact the profitability of phosphorus and potassium (P&K) fertiliser players unless subsidy corrections are made in the upcoming Nutrient-Based Subsidy (NBS) rate revision. This could push up the fertiliser subsidy bill of the Gol in FY2027 beyond the BE of Rs. 1.7 trillion.

Impact on tax collections

Elevated level of crude oil prices, if sustained for a long period, could potentially exert some pressure on corporate margins (including marketing margins of OMCs) and hence corporate tax collections of the Gol to some extent. Besides, the recent excise duty cut on fuels would compress excise duty collections in FY2027.

Lower dividends by OMCs

As per ICRA's estimates, the OMCs would incur significant losses at current diesel and petrol price if crude oil prices persist above \$85/bbl for a sustained period. This would also lead to lower dividend payouts by these companies to the Gol.

- In the 2nd Supplementary Demand for Grants for FY2026, the Gol has created an Economic Stabilisation Fund (ESF) to act as a shock absorber. This could prevent the need for urgent revision in RSPs, while partly offsetting the loss from the recent excise duty cuts (estimated at ~Rs. 1.0-1.2 trillion). However, lower OMC dividends and corporate tax collections, as well as higher outgo for fertiliser/LPG subsidies complicates the Gol's fiscal math.
- At the current gas prices, ICRA estimates the fertiliser subsidy to be pegged at Rs. 2.1-2.2 trillion in FY2027 in the base case, overshooting the FY2027 BE (Rs. 1.7 trillion) for the same by Rs. 0.4-0.5 trillion, with upside risks if the conflict persists for an extended period or if gas prices rise further and the USD/INR pair depreciates sharply.
- In the base case, ICRA expects the Gol's fiscal deficit to print at 4.5% of GDP in FY2027 (amid downward revision in the nominal GDP in the 2022-23 series) against the BE of 4.3% for the fiscal. A higher average crude oil price (vis-à-vis the baseline of \$85/bbl) would intensify the pressure on the Gol's finances.

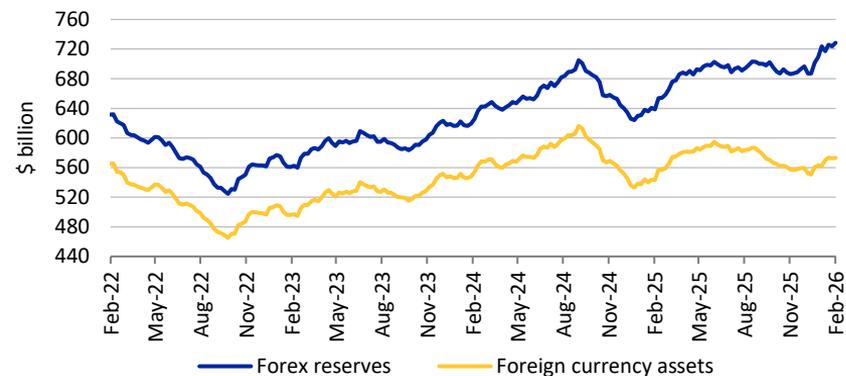
CAD to widen to 1.7% of GDP in FY2027, with sizeable upside risks

Exhibit: CAD projections for FY2027

Crude oil (\$/bbl; Indian Basket)	CAD as % of GDP
\$85/bbl (baseline)	~1.7%
\$105/bbl	~2.4%
\$125/bbl	~3.1%

ICRA's nominal GDP proj. has been used for FY2027; Source: RBI, CEIC, ICRA Research

Exhibit: Trends in foreign exchange reserves (\$ billion)



Source: RBI, ICRA Research

- In the baseline scenario, ICRA expected the crude oil price (Indian Basket) to average at \$85/bbl in FY2027 (~\$68/bbl in FY2026). **Based on this, the net oil import bill is projected to surge to ~\$161 billion in FY2027 from \$124 billion estimated for FY2026. This would cause CAD to widen to ~1.7% of GDP in FY2027 from ~1.0% of GDP projected for FY2026.**
- The possibility of the West Asian conflict lasting for an extended period poses sizeable upside risks to ICRA's projections for crude oil prices, and consequently for India's import bill and CAD. **ICRA's analysis suggests that every \$10 increase in the average price of crude oil for the year (vis-à-vis the baseline estimate) would widen CAD in the range of 30-40 bps. For instance, an average price of ~\$105/bbl would push up the CAD to ~2.4% of GDP.**
- Amid muted net capital inflows, a CAD of ~1.7% of GDP would lead to a sizeable drawdown of forex reserves. This would have a bearing on the USD/INR pair, which is expected to witness high volatility and trade with a downward bias in the near term, amid continued sour global sentiment.



SECTORAL OUTLOOK

 Positive	
	Capital goods
	Defence
	Hospitals
 Negative	
	Power – Distribution
	Chemicals (basic)
	Chemicals (petrochemicals)
	Cut & polished diamonds
	NBFC-Microfinance institutions (NBFC-MFI)
	Paper - Printing and writing paper
	Airlines
	Fertilisers
	Refining and marketing

 Stable					
	Construction & construction equipment		Tyres		Retail (fashion)
	Cement		Renewable energy/Power transmission/Thermal		Insurance (life & general)
	Ferrous metals		Upstream oil & gas		Airport infra
	Non-ferrous metals		Oil & gas		IT services
	Roads & road logistics		Gas utilities		Telecom services
	Real estate – Residential, commercial & retail		Ports		Telecom towers
	Jewellery – Retail		Pharma		Chemicals (speciality)
	Brokerage		Sugar		Banks
	Automobile & automobile dealership		Bulk tea		NBFCs (infra, retail NBFCs, HFC) & SFB
	Auto components		Textile (apparel exports)		
	Hotels		Media – Broadcasting		

Revisions in outlooks in FY2026

Month-on-month outlook for past one year

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Hospitals	Stable	Stable	Stable	Positive								
Hotels	Positive	Stable										
Media (Print)	Negative	Negative	Negative	Negative	Negative	Negative	Stable	Stable	Stable	Stable	Stable	Stable
Paper - Printing and writing paper	Stable	Stable	Stable	Negative								
Telecom towers	Negative	Stable										
Textiles (apparel exports)	Stable	Stable	Stable	Stable	Stable	Negative	Negative	Negative	Negative	Negative	Stable	Stable
Airlines	Stable	Negative										
Fertilisers	Stable	Negative										
Refining and marketing	Stable	Negative										

Mar 2025

Mar 2026

Positive

2 sectors
(Capital Goods, Hotels)



3 sectors
(Capital Goods, Defence*, Hospitals)

Negative

7 sectors
(NBFC - MFI, Media – Print, Power - Distribution, Telecom Towers, Cut and Polished Diamonds, Basic Chemicals, Petrochemicals)



9 sectors
(NBFC-MFI, Power - Distribution, Cut and Polished Diamonds, Basic Chemicals, Petrochemicals, Paper - Printing and Writing Paper, Airlines, Fertilisers, Refining and Marketing)

Positive Outlook



Defence

Drivers

- Continued Government thrust with a sustained rise in outlay, various policy initiatives with Atmanirbhar Bharat at its core (increasing focus on indigenisation, relaxed FDI norms, offset policies and setting up of Defence Industrial Corridors etc.), support revenue outlook.
- Healthy order book of players, driven by indigenisation efforts and focus on value addition, support the sector.

Challenges

- Elevated working capital requirements as sizeable funds get blocked in inventories remain a strain on cash flows. Continued dependence on global supply chains for critical raw materials and/or components pose challenges to the operational profiles of the players in the sector, especially in the backdrop of supply chain disruption amid geopolitical tension.



Capital Goods

- Consistent capex in sectors like power, cement, real estate, and data centres, along with strong Government spending, supports growth.
- The order book-to-operating income ratio exceeds 1.0x (~1.3x in FY2025 and ~1.4x in 9M FY2026), indicating slower progress from bigger infrastructure and energy projects.

- A slowdown in end-user industry capex can translate into weaker order flows for the capital goods industry, which remains a challenge.



Hospitals

- India's healthcare market is underserved, which is inducing significant investments by large organised healthcare chains, driving organic and inorganic revenue and earnings growth.
- Drivers of healthcare spending include an ageing population, growing incidence of lifestyle diseases, rising incomes, and increasing penetration of medical insurance.

- New regulations like price caps or taxes could constrain earnings.
- Increase in debt from investments or acquisitions is a monitorable.
- Slow start of new centres and healthcare staff shortage are supply-side concerns.

Government support needed for negative outlook sectors

Negative Outlook



Basic chemicals

Drivers

- Robust domestic demand and healthy economic growth are likely to drive profitability.

Challenges

- The profitability will remain under pressure due to over-supply situation with dumping in India, weak global demand and volatility in prices.



Petrochemicals

- Healthy economic growth is expected to drive demand.
- Rationalisation of significant global capacity is expected to keep demand upbeat.

- Rising global capacity may disrupt demand-supply balance.
- Lifting quality control order permits continued imports.
- Skipping anti-dumping duties could reduce margins.



Cut & polished diamonds

- Lower US tariffs and BIS diamond labelling norms could support demand recovery.
- Retailers increasing restocking levels is also expected to have a positive impact.

- Macroeconomic headwinds in key markets, i.e., the US and China, are concerns.
- Industry faces growing competition from lab grown diamonds.
- Trade-related adverse developments remain an overhang.



NBFCs (MFI)

- Adequate capitalisation is a positive factor.
- Sufficient funding and liquidity will have a positive impact.

- Asset quality concerns remain, despite signs of stabilisation.
- Weak earnings amid elevated credit costs is a concern.
- Sociopolitical, climatic and operational challenges related to the microfinance segment remain monitorable factors.

Negative outlook due to geopolitical risks in airlines, fertilisers and R&M sectors

Negative Outlook



Airlines

Drivers
<ul style="list-style-type: none"> ▪ Favourable demand from the leisure segment for domestic travel is a positive factor. ▪ Sustained corporate travel will boost the industry's performance.

Challenges
<ul style="list-style-type: none"> ▪ An increase in air fares, given the expectation of a rise in ATF prices and depreciation of INR against the USD, will affect the industry. ▪ Closure of certain international airspaces, following the initiation of the West Asian conflict, will hit operations. ▪ Grounding of aircraft, flight cancellations and delays related to airline-specific reasons, airport infrastructure and weather disruptions can impact the sector.



Fertilisers

<ul style="list-style-type: none"> ▪ Subsidy has been adequate with timely release. Additional allocations during the year support industry credit metrics. ▪ Remunerative NBS rates and improved gas availability may support a recovery in performance in FY2027.

<ul style="list-style-type: none"> ▪ Strong El Nino development may disrupt monsoons and remains a key risk. ▪ Delays in subsidy payments increase the short-term debt and push up interest costs. ▪ Inadequate NBS rates result in muted profitability in the non-urea segment.



Refining and marketing

<ul style="list-style-type: none"> ▪ Domestic consumption is expected to remain steady owing to economic growth, increasing mobility and air travel.

<ul style="list-style-type: none"> ▪ Elevated crude prices due to geopolitical risks will impact volume recovery. ▪ Constrained availability of crude and LPG will affect performance.
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Delayed tariff revisions weighing on profitability in power sector while input cost pressure and cheaper imports impacting margins in paper industry

Negative Outlook



Power Distribution

Drivers	Challenges
<ul style="list-style-type: none"> Support from the Central Government through efficiency improvement and infrastructure upgradation schemes is a positive factor. Timely release of state subsidy, as per budgetary allocations, is important. 	<ul style="list-style-type: none"> Weak operating efficiency, reflected through high distribution losses in certain states, is a challenge. Lack of timely and adequate tariff revisions impacts the profitability of the utilities. Further, a large debt burden used to fund past losses constrains the financial profile of discoms.



Paper - Printing and Writing Paper

Drivers	Challenges
<ul style="list-style-type: none"> Long-term demand outlook for paper in the domestic market remains favourable because of low per-capita consumption in India. Adoption of New Education Policy (NEP) is expected to support demand for printing and writing paper (PWP). 	<ul style="list-style-type: none"> Rising digitisation remains the biggest threat to the PWP segment. Challenges in raw material availability of virgin paper, leading to pressure on input costs, and weak pricing power owing to cheaper imports, will impact margins. Profitability is exposed to forex rate movements in the absence of a hedging policy.

UK FTA

- Around 90% of Indian imports from the UK will face reduced tariffs or zero tariffs. Indian consumers may benefit from lower costs on such UK goods.
- Around 99% of Indian exports will benefit from zero duty, opening export opportunities for various sectors.
- Trade is expected to witness a significant boost with FTA commitment from the UK in services such as IT/ITeS, financial, professional, other businesses and educational services.

US FTA

- The proposed US-India Free Trade Agreement is expected to impact several key sectors central to bilateral trade.
- Manufacturing and engineering goods could benefit from tariff rationalisation and improved market access.
- Removal of tariff by the US would benefit multiple sectors including auto components, metals, chemicals, textiles, CPD, seafood, footwear and leather products, etc.

EU FTA

- The pact establishes a large free-trade zone by eliminating tariffs on over 90% of the goods exchanged between the two regions. This represents a major win for India, especially for sectors that currently face EU import duties ranging from 4% to 26%.

Sector	Impact of EU FTA
Textiles	↑
Chemicals	↑
Pharmaceuticals and healthcare	↑
Iron and steel – Finished steel	↔
Iron and steel – Scrap	↑
Petroleum products	↔
Cut and polished diamonds (CPD)	↔
Alcobev	↔
Auto and auto comp	↔
Agricultural products	↑
Plastic and rubber products	↑
Leather & footwear	↑
Furniture	↑
Marine products	↑

Sectoral outlook remains influenced by evolving Government policies and geopolitical tensions

US-Israel-Iran conflict

- The recent strikes on Iran by the US and Israel have led to retaliatory actions by Iran across several West Asian countries, including Saudi Arabia, the UAE, Kuwait, Qatar, Iraq, Bahrain, and Oman. Iran's response, including disruptions in the Strait of Hormuz, has affected a key global shipping route that is vital for India's imports and exports.
- With West Asia accounting for 14-20% of India's trade, higher oil prices could widen CAD, raise inflation, weaken consumption, and pose downside risks for multiple sectors if the conflict persists.

PLI scheme

- For sectors such as drones and mobile phones, the outlay utilisation was high as of March 2025. However, utilisation was lower for some other capital-intensive sectors like solar PV modules and ACC batteries.
- About 16% of the incentive scheme outlay will be utilised by the end of FY2026, as per the GoI's budget estimates.
- Out of the total expected capex (GoI's estimates in FY2022 at the scheme launch) of close to Rs. 4.0 trillion to be incurred by corporates under the incentive-linked scheme, Rs. 1.8 trillion had been invested as of March 2025. ICRA projects Rs. 2.5 trillion of aggregate capex to be incurred by March 2026, which is 65% of the total estimated capex for the scheme.

Sector	Impact of US-Israel-Iran Conflict
Airlines	↓
Basmati rice	↓
Ceramic tiles	↓
Cut and polished diamonds (CPD)	↓
Upstream	↑
Downstream	↓
Fertilisers	↓
Gas utilities	↓
Hospitality	↔
Shipping	↔
Tea	↓
Textiles	↓
Tyres	↓



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