प्रेस प्रकाशनी PRESS RELEASE

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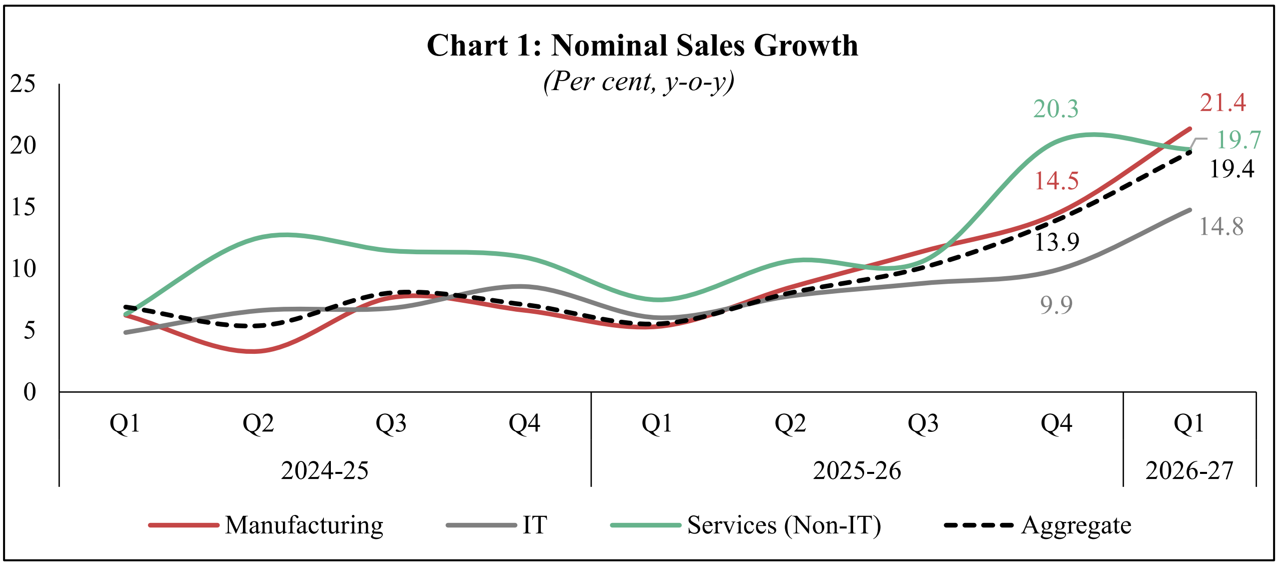
Performance of Private Corporate Business Sector during Q1:2026-27

Today, the Reserve Bank released the data on performance of the private corporate business sector during the first quarter of 2026-27, drawn from abridged quarterly financial results of 3,247 listed non-government non-financial companies[1]. This summary position also includes comparable data for Q4:2025-26 and Q1:2025-26 to enable study of sequential (q-o-q) and annual (y-o-y) change (web-link: https://data.rbi.org.in/DBIE/#/dbie/reports/Statistics/Corporate%20Sector/Listed%20Non-Government%20Non-Financial%20Companies).

Highlights

Sales

- At aggregate level, sales growth of listed private non-financial companies continued to accelerate to 19.4 per cent (y-o-y) during Q1:2026-27 from 13.9 per cent in the previous quarter (Table 1A and 2A).
- Sales of 1,827 listed private manufacturing companies expanded by 21.4 per cent (y-o-y) during Q1:2026-27, up from 14.5 per cent in the previous quarter. This acceleration was majorly driven by the automobiles, petroleum and electrical machinery industries (Table 1A, 2A and 5A).



Sources: *Capitaline and RBI staff calculations.*

[1] Source: Capitaline database

- Sales growth of Information Technology (IT) companies strengthened further and recorded a double-digit growth of 14.8 per cent (y-o-y) during Q1:2026-27 from 9.9 per cent in the previous quarter.
- Non-IT services companies continued to record a healthy double-digit growth of 19.7 per cent (20.3 per cent in the previous quarter), mainly driven by wholesale and retail trade industry.

Expenditure

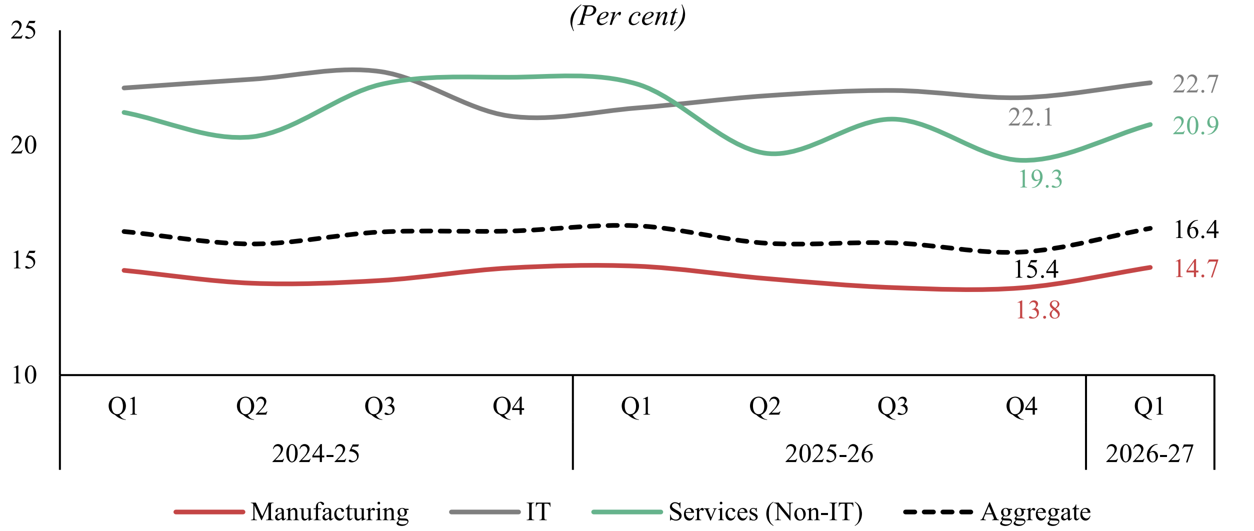
- With global supply chain disruptions, raw material expenses of manufacturing companies rose substantially by 27.5 per cent (y-o-y) during Q1:2026-27; however, raw material to sales ratio declined marginally to 58.1 per cent during Q1 from 58.5 per cent in the previous quarter (Table 2A and 2B).
- Staff cost of manufacturing, IT and non-IT services companies rose by 12.4 per cent, 7.6 per cent and 11.2 per cent, respectively, during Q1:2026-27, higher than the growth recorded during the previous quarter. Staff cost to sales ratio for manufacturing and non-IT services companies increased to 5.5 per cent and 10.1 per cent, respectively, in Q1:2026-27; however, it declined for IT companies during Q1 from the previous quarter.

Pricing power

- Despite significant increase in input costs, operating profit growth of manufacturing companies improved significantly to 21.3 per cent (y-o-y) during Q1:2026-27 from 9.4 per cent in the previous quarter. Operating profit growth of IT and non-IT services companies also improved to 19.9 per cent and 12.7 per cent, respectively, during Q1:2026-27 (Table 2A).
- On sequential basis, operating profit margin improved across all major sectors during Q1:2026-27 (Chart 2 and Table 2B).

Chart 2: Operating Profit Margin

(Per cent)



***Sources:** Capitaline and RBI staff calculations.*

Interest expenses

- With higher sequential rise in gross profits than interest expense, manufacturing companies' interest coverage ratio (ICR)[2] improved to 10.2 in Q1:2026-27. ICR of non-IT services companies increased to 2.6 and ICR of IT firms continued to remain at elevated level during Q1 (Table 2B).

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Notes:

- The coverage of companies in different quarters varies, depending on the date of declaration of results; this is, however, not expected to significantly alter the aggregate position.
- Explanatory notes detailing the compilation methodology, and the glossary (including revised definitions and calculations that differ from previous releases) are appended.

(Brij Raj)
Chief General Manager

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[2] ICR (i.e., ratio of earnings before interest and tax to interest expenses) is a measure of debt servicing capacity of a company. The minimum value for ICR is 1 for a company to be viable.