

Corporate India's capex cycle shifts into top gear

At 13.1%, fixed asset creation by leading listed firms hit six-year high in H1FY26

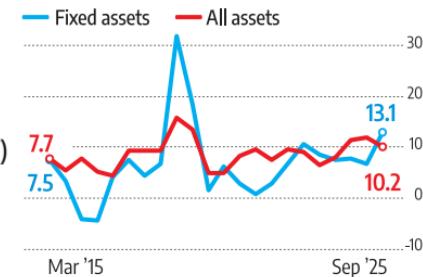
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Mumbai, 9 February

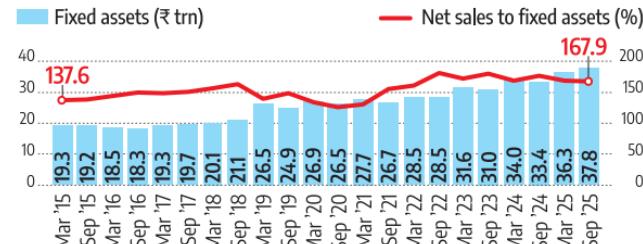
The half-yearly numbers of India's top listed companies point to a clear pick-up in corporate capital expenditure. The combined fixed assets of listed companies — excluding banks, financial services and insurance (BFSI) and oil & gas — rose 13.1 per cent year-on-year (Y-o-Y) during April-September 2025 (H1FY26), expanding at the fastest pace in six years.

The combined fixed assets of 702 companies in the *Business Standard* sample climbed to ₹37.78 trillion at the end of September 2025, from ₹33.41 trillion a year earlier and ₹36.33 trillion at the end of March 2025. By comparison, fixed assets, seen as a proxy for capex, had grown 7.9 per cent Y-o-Y in H1FY25 and 6.9 per cent in H2FY25. The capex acceleration in H1FY26 was driven by capital-intensive sectors such as cement, power, construction and infrastructure, mining and metals, and automobiles. Turn to Page 6 ▶

Capex on the rise
Listed companies' half-yearly assets growth (% Y-o-Y)



Assets utilisation: Ebb & flow



Note: Based on a common sample of 702 companies (ex-BFSI and oil & gas) from BSE 500, BSE Midcap and BSE Smallcap indices; the sample excludes subsidiaries of other listed companies

Source: Capitaline, Compiled by *BS* Research Bureau

India Inc's bank pivot spurs corporate credit growth

After a period of subdued growth, major Indian lenders are seeing a sharp pickup in their corporate loan books, supported by an uptick in economic activity following the rationalisation of the goods and services tax (GST), which has led to higher working capital utilisation by corporations. Companies have shifted towards bank loans.

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Grasim Industries emerged as the single largest contributor to capex growth, followed by Adani Enterprises, NTPC, Tata Steel and Power Grid Corporation. Together, these five companies accounted for nearly 30 per cent of total capex within the sample.

Grasim's consolidated fixed assets rose 30 per cent Y-o-Y to ₹1.25 trillion at the end of September 2025, from about ₹96,500 crore a year earlier. The expansion was largely led by its listed cement arm, UltraTech Cement, which saw its fixed assets jump 41.2 per cent Y-o-Y in H1FY26 to around ₹95,500 crore, reflecting the completion of its acquisition of Kesoram Industries' cement assets and the commissioning of new projects.

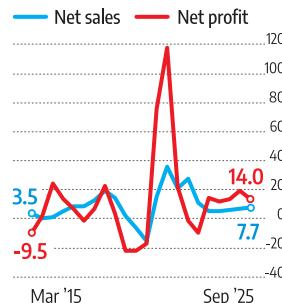
Adani Enterprises reported a 25.2 per cent Y-o-Y increase in fixed assets to ₹1.42 trillion by the end of H1FY26. NTPC's fixed assets rose 8 per cent to ₹3.82 trillion as of September 2025, while Tata Steel and Power Grid Corporation posted Y-o-Y capex growth of 13.6 per cent and 7.5 per cent, respectively, in the first half of the current financial year.

For many individual companies, acquisitions were a key driver of fixed asset growth in the first half. This was evident among firms such as UltraTech Cement, Adani Ports, Dr Reddy's Laboratories, Coromandel International, JSW Energy and Tata Consumer Products.

The pace of corporate capex was even stronger — at 20 per cent Y-o-Y — when oil and gas companies such as Reliance Industries, Indian Oil Corporation and Oil & Natural Gas Corporation (ONGC) are included.

Total fixed assets of non-financial companies, including oil and gas, rose 20 per cent Y-o-Y to ₹60.8 trillion at the

Sales pick up; profit growth slows (% Y-o-Y)



Note: Based on a common sample of 702 companies (ex-BFSI and oil & gas) from BSE 500, BSE Midcap and BSE Smallcap indices; the sample excludes subsidiaries of other listed companies
Source: Capitaline; compiled by BS Research Bureau

end of September 2025, up from ₹50.65 trillion a year earlier and ₹54.72 trillion at the end of March 2025.

Indeed, incremental capex by 14 oil and gas companies amounted to ₹5.78 trillion in H1FY26, exceeding the combined capex of all other listed non-financial companies. On a Y-o-Y basis, fixed asset additions by the 702 listed companies excluding BFSI and oil & gas stood at ₹4.36 trillion in H1FY26.

Reliance Industries dominated the capex cycle. Its fixed assets surged 84.2 per cent Y-o-Y to ₹12.89 trillion in H1FY26, from around ₹8.1 trillion a year earlier. The company added roughly ₹4.9 trillion to its asset base over the period — more than any other firm — accounting for 48 per cent of total capex by all non-BFSI companies in the sample.

The sharp expansion in Reliance's asset base was led by its newer businesses, including media, broadcasting, entertainment and new energy ventures, followed by its oil-to-chemicals operations.

Overall, the numbers suggest that corporate capex gathered momentum in H1FY26 despite a slowdown in topline growth and a decline in capacity utilisation, as measured by the ratio of revenues to fixed assets. As a result, the net sales-to-fixed-assets ratio fell to a two-and-a-half-year low of 167.9 per cent in H1FY26, from 180.6 per cent

in H1FY24 and a decade-high 181.2 per cent in H1FY23. The ratio is calculated using annualised net sales and fixed assets at the end of the respective half-year period.

According to analysts, any further decline in the net sales-to-fixed-assets ratio could dampen incentives for companies to step up investment in fresh capex.

Family biz groups bullish on expansion, growth

Senior leaders, the survey said, slowed the preparedness of these Indian enterprises with next generation members feeling under-enabled despite strong aspirations. And, 27 per cent said there was a lack of interest from the next generation in joining the business.

What comes out is that the primary challenge revolves around internal preparedness, more than external shocks related to global uncertainty.

Giving its perspective, PwC said that succession must be redesigned as a patient institutional process covering both leadership and ownership succession. The survey noted that the Indian family enterprises had made significant progress in digitising core operations with 39 per cent prioritising digital transformation and artificial intelligence (AI). It

showed that only 15 per cent of Indian family businesses identify themselves as early adopters, while 30 per cent follow a selective approach and 30 per cent prefer a wait-and-see stance.

The report said, generational misalignment, limited expertise in emerging areas including technology, and a slower culture of experimentation shape the country's resilience profile while highlighting that gaps in capabilities linked to technology and sustainability have persisted. Family values have emerged as the strategic anchor for 91 per cent of the respondents in India compared with 83 per cent globally. That, according to PwC, signals that decisions are shaped by relationships, legacy, and reputation, not just commercial priorities.

Luxury hotel rates soar as Delhi awaits global AI elite

"The upcoming India AI Impact Summit has led to exceptionally high demand for hotel rooms, as about 35,000 delegates from across the world are likely to attend. This has resulted in a sharp spike in room rents in luxury and premium-end hotels," said Rajiv Mehra, general secretary of the Federation of Associations in Indian Tourism and Hospitality, which represents 10 national hospitality and tourism bodies.

Ravi Gosain, president of the Indian Association of Tour Operators, which facilitates

bookings for overseas travellers to India, said: "We are seeing a strong surge in last-minute bookings around the AI Summit, especially from corporate and official delegations. While the G20 was on a much larger scale, this event is also creating visible pressure on premium hotel inventory in key business zones. As expected during such peak periods, room tariffs have moved up due to limited availability."

Luxury hotel chains including Indian Hotels Company Ltd, The Leela Resorts