Infra, power sectors likely to attract funding: Brickwork

Commercial real estate to drive funding flows in services, while gold loans and loans against property will strengthen NBFC lending

Infrastructure and power are expected to attract funding in the second half of FY27, supported by project execution and timely payments, according to Brickwork Ratings (BWR).

Commercial real estate is likely to drive funding flows in services, while gold loans and loans against property will support non-banking financial company (NBFC) lending. However, small NBFCs with significant microfinance exposure remain stressed, it said.

Public spending, steady domestic demand supported credit profile resilience

India Inc's credit profile remained resilient in H1FY27 despite elevated crude oil prices, deficient monsoon rainfall and tighter global monetary conditions. Data from major Indian rating agencies showed 2.7 upgrades for every downgrade during April-September 2026, compared with 2.4 a year earlier. Downgrades declined 11 per cent, while upgrades remained steady.

"Infrastructure, power, capital goods, auto components and secondary steel led upgrades, supported by public spending and steady domestic demand. Textiles, ceramics, diamonds and specialty chemicals faced pressure from weak exports and competition from cheaper imports," said KH Patnaik, Chief Ratings Officer, BWR. BWR-rated companies recorded 3.3 upgrades for every downgrade, with upgrades accounting for 35 per cent of rating reviews. Corporate debt relative to equity declined to approximately 0.7 times in FY25 from 1.1 times in FY20, providing companies with greater borrowing headroom.



KH Patnaik, Chief Ratings Officer, Brickwork Ratings

"The lesson for companies is simple: a strong credit rating is now a funding asset," added Patnaik, highlighting the importance of creditworthiness as financing conditions tighten.