



# HOW INDIA LENDS

CREDIT LANDSCAPE IN INDIA

JUNE 2025

# CHAIRMAN'S FOREWORD

India's retail lending sector continues to reflect resilience, adaptability, and a deepening commitment to inclusive growth. The first quarter of FY2026 reaffirmed this trajectory, with consumption-linked credit products expanding steadily and portfolio quality showing signs of sustained improvement.

Public sector banks, buoyed by competitive pricing and policy support, gained meaningful ground-particularly in secured lending segments such as housing and gold loans. While home loans remain the largest category by value, growth in other consumption loans such as two-wheeler and auto finance outpaced them this quarter, signaling evolving borrower preferences and demand dynamics.

Unsecured lending segments, including personal loans and credit cards, saw a moderation in growth alongside rising risk levels. These developments underscore the importance of proactive risk management and regulatory vigilance, as lenders recalibrate portfolios to balance expansion with stability.

Encouragingly, the retail lending sector continues to innovate. Digital origination platforms and tailored credit products are expanding access for new-to-credit and rural borrowers, driving operational efficiency and strengthening financial inclusion. CRIF High Mark's latest analysis highlights resilient rural demand, rising ticket sizes, and growing consumer confidence-clear indicators of a maturing and responsive credit ecosystem.

I hope this report offers meaningful insights and proves useful in guiding decisions, shaping strategies, and curating products that meet the evolving needs of India's borrowers.



## **SACHIN SETH**

Chairman - CRIF High Mark Credit Information Company

Regional MD - CRIF India and South Asia

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# DEFINITIONS

This version of How India Lends is based on data reported as of June'25

The following criteria and filters have been applied in this report:

## Consumption Lending

Includes Home Loans, Personal Loans, Two-Wheeler Loans, Auto Loans, Consumer Durable Loans, Credit Cards and Gold Loans

## Auto Loans

Only Auto Loans (Personal) are considered in this report

## Consumer Durable Loans

Only key lender types are considered in this report

## Gold Loans

Both Gold Loans & Priority Sector Gold Loans are considered in this report

Through out this report:

## Portfolio Outstanding or Value

Refers to the current outstanding balance of the loan account

## Active Loans or Volume

Refers to the number/count of active loans

## Market Share by Value

Refers to the share of different lender types/financiers in the current outstanding balance

## Market Share by Volume

Refers to the share of different lender types/financiers in the number of active loans

## Originations Value

Refers to the total sanctioned amount, unless otherwise mentioned

## Originations Volume

Refers to the number of loans sanctioned, unless otherwise mentioned

## PAR

Or Portfolio at Risk refers to the proportion of delinquent portfolio

## ATS

Or Average ticket size refers to the average sanctioned amount





# CONSUMPTION LENDING

## CONSUMPTION LOAN PRODUCTS

Following major consumption Loan products are considered for deep dive analysis in this report:

	Portfolio as of Jun'25 (₹ Lakh Cr)	Growth % Jun'24 to Jun'25	Originations Value Q1 FY26 (₹ Lakh Cr)	Growth % Q1 FY25 to Q1 FY26	Originations Volume Q1 FY26 (Lakh)	Growth % Q1 FY25 to Q1 FY26
<b>Consumption Loans*</b>	<b>105.6</b>	<b>14.5%</b>	<b>15.4</b>	<b>19.0%</b>	<b>1,165.3</b>	<b>8.7%</b>
Home Loans	41.2	12.8%	2.5	10.9%	7.8	5.2%
Personal Loans	14.9	8.7%	2.2	9.8%	375.8	13.0%
Gold Loan	13.4	34.6%	5.9	38.4%	381.0	11.7%
Auto Loans	8.3	14.5%	0.8	3.3%	9.3	-0.8%
Two-Wheeler Loans	1.7	14.9%	0.3	1.0%	28.0	-2.4%
Consumer Durable Loans	0.8	7.9%	0.5	6.0%	223.9	4.2%

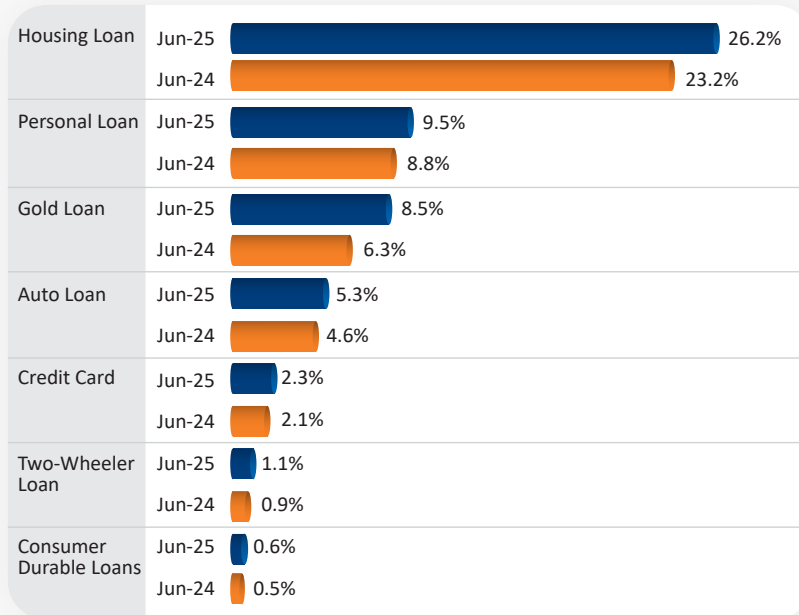
Within secured loans, non-housing retail loans led POS growth in June'25, with gold loans at the forefront, followed by two-wheeler and auto segments. Originations value growth slowed across housing and non-housing loans, with gold loans remaining the sole outlier.

	Portfolio as of Jun'25 (₹ Lakh Cr)	Growth % Jun'24 to Jun'25	Cards in Circulation (Lakh) as of Jun'25	Growth % Jun'24 to Jun'25	New Cards issued in Q1 FY26 (Lakh)	Growth % Q1 FY25 to Q1 FY26
Credit Cards	3.7	12.7%	1,082.6	7.2%	40.6	-27.9%

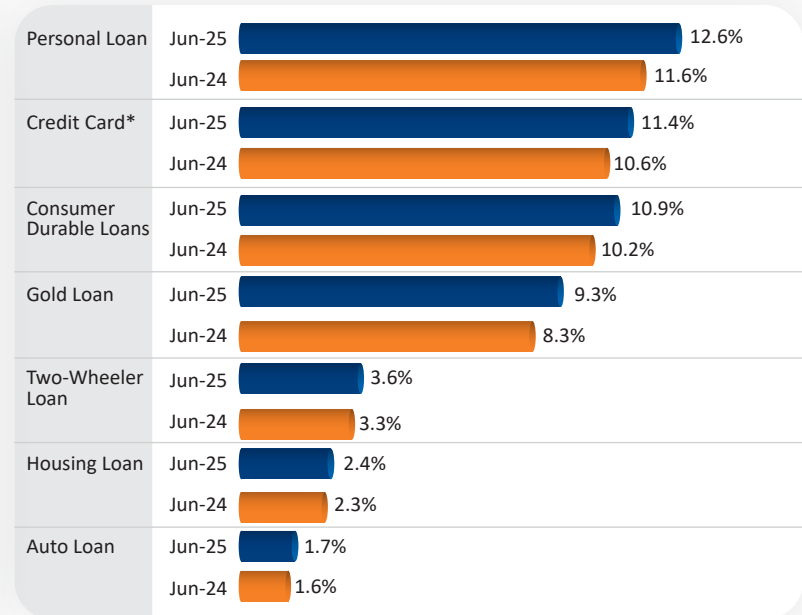
\*Consumption Loans refers to loans given to individuals for wide variety of consumption needs like Home, Vehicle, Personal, Gold, CD etc. These loans are reported to Consumer Bureau. There are other consumption loans like Agri KCC and Educational loans that are not presented in this analysis

## TOP CONSUMPTION LENDING PRODUCTS

Top Consumption Loans – By Portfolio Outstanding (Value)



Top Consumption Loans – By # Active Loans (Volume)



Portfolio Outstanding & # Active Loans as of Jun'24 & Jun'25

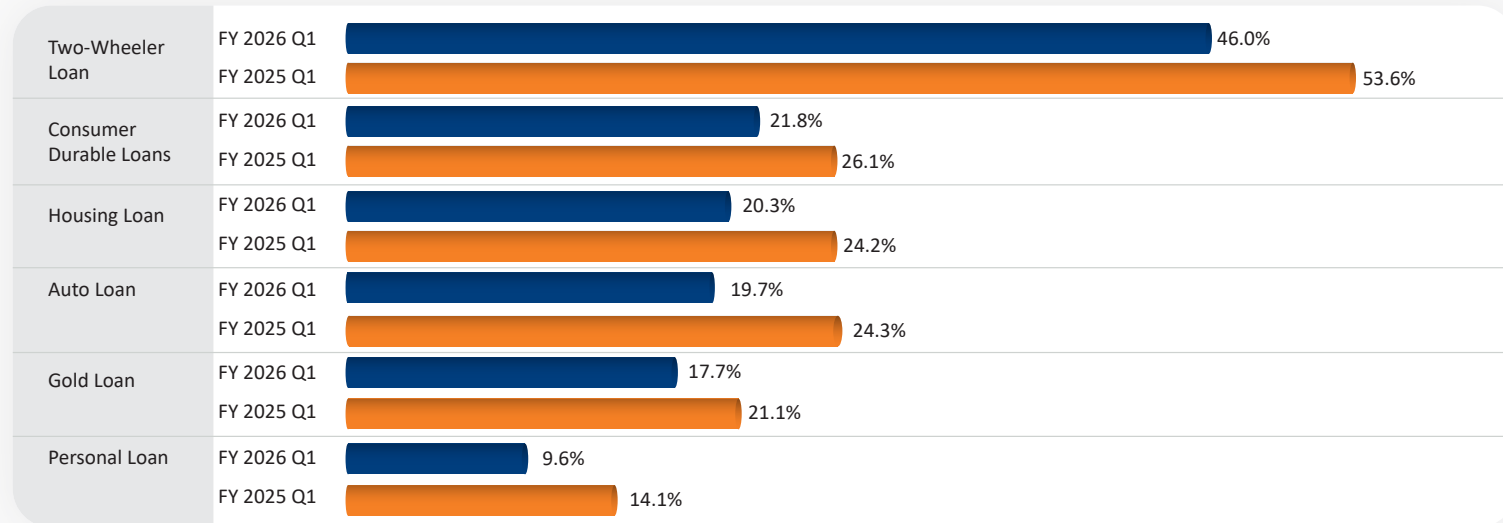
### HIGHLIGHTS

- While lending trends indicate a shift toward secured and asset-backed products, we also see increase in personal loans POS (by value) which grew from 8.8% in June'24 to 9.5% in June'25.
- Unsecured loans (personal loans and credit cards)-recorded a stronger increase in active loan volume share.

\*Cards in Circulation

## CONSUMPTION LOAN PRODUCTS - NTC SHARE

% NTC Share (Originations Value)



% NTC Share (New Cards Issued)



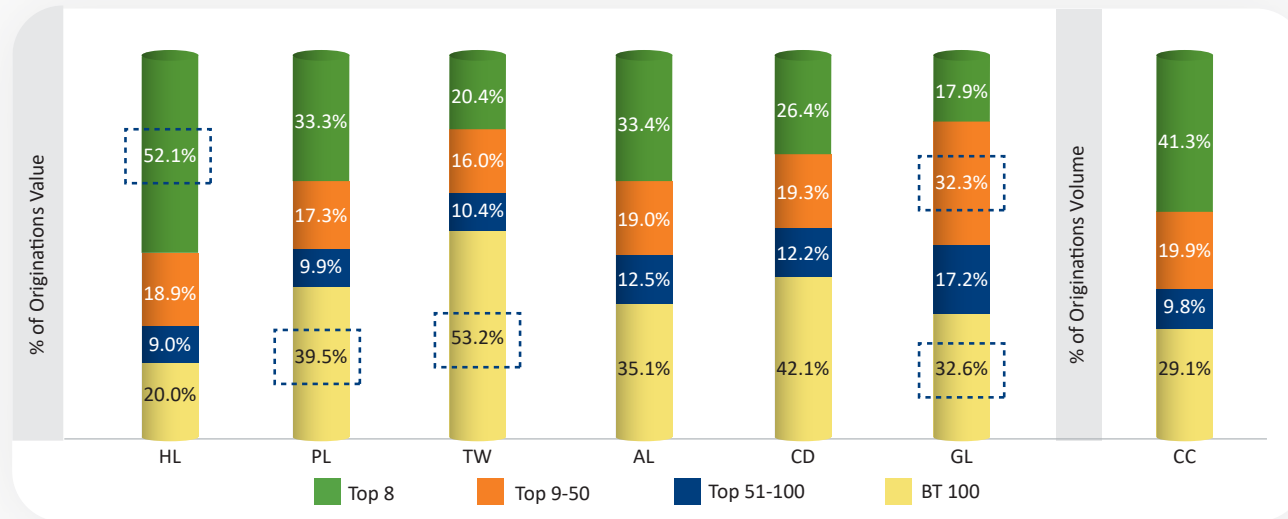
### HIGHLIGHTS

- NTC Share highest for TW Loans, followed by CD Loans & Home Loans.
- NTC Share decreased across all products in Q1 FY 26 compared to Q1 FY 25. This was witnessed across all age groups.

\*Note: Customers with insufficient credit history at the time of Originations are considered as NTC Customers

## CONSUMPTION LOAN PRODUCTS – GEOGRAPHY WISE PENETRATION

% Originations Share across City Classification, Q1 FY26



CD share rose from 39% in Q1 FY25 to 42% in Q1 FY26; otherwise, origination mix across city tiers remained broadly stable.

### HIGHLIGHTS

- Home loans accounted for the largest share of originations value in the Top 8 cities, at 52.1% in Q1 FY26—driven by elevated home prices in urban markets.
- Within BT 100 locations, two-wheeler loans led in penetration at 53.2% (driven by rural demand), followed by personal loans at 39.5% of origination value as of Q1 FY26 (likely indicating demand for small ticket loans).
- Gold loans showed near-equal originations value share in both Top 9–50 cities and BT 100 locations, indicating balanced penetration across urban and rural areas—at approximately 32.3%.

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India's consumption loans grew by 14.5% YoY as of June 2025, driven by rising aspirations, a young population, and strong digital infrastructure. Banks disbursed about ₹15 lakh crore in Q1 FY26 in total loans. Borrowers under 35 are shifting from personal to higher-value home and vehicle loans, reflecting rising incomes and evolving lifestyle preferences. However, the recent increase in delinquencies across unsecured lending has led to a moderation in credit growth.

Given geopolitical headwinds, potential tariff impacts, and a slowdown in IT and services sector hiring and salary growth, there remains cautious optimism around credit growth—particularly in salaried and SME segments.

**MR. AMIT TALGERI**

Group Chief Risk Officer, Axis Bank





# EXECUTIVE SUMMARY



## CONSUMPTION LENDING TRENDS

India's consumption lending portfolio reached ₹105.6 lakh crore as of June'25, growing 14.5% YoY. Aggregate portfolio outstanding growth (among the loan categories presented in this deck) was led by gold loans (34.6% YoY growth), followed by two-wheeler (14.9% YoY growth) and auto loans (14.5% YoY growth). Home loans remain the largest segment by value, rising steadily with a 12.8% YoY increase to ₹41.2 lakh crore as of June'25, although this time they grew slower than other secured consumption loans (Home, TW, AL). Personal loans and credit cards experienced moderating growth and increased risk (especially personal loans), reflecting ongoing shifts in borrower behavior and regulatory recalibration.

## HOME LOANS

Home loan originations value grew by 10.9% YoY to ₹2.5 lakh crore in Q1 FY26, with public sector banks surging from 37.6% to 46.2% market share between Q1 FY25 and Q1 FY26. Asset quality improved across delinquency buckets; however, stress persists in smaller ticket segments, emphasizing the need for ongoing risk monitoring. The ₹75 lakh+ ticket size now dominates originations value, accounting for 38% in Q1 FY26, while ₹5–35 lakh loans lead in volume.

## PERSONAL LOANS

Personal loan growth slowed sharply to 8.7% YoY to ₹14.9 lakh crore in Q1 FY26, with rising long-term risks (PAR 360+) and higher NBFC market share (originations value increased from 38% in Q1 FY25 to 40.6% in Q1 FY26). Originations value also grew 9.8% YoY to ₹2.2 lakh crore in Q1 FY26, driven by NBFCs, though ticket sizes declined 2.8% YoY to ₹58,522. The market showed a dichotomy between very low-ticket (<₹1 lakh) and high-ticket (≥₹10 lakh) originations (based on the rising share of originations value), with elevated early-stage (PAR 31–90) delinquencies in both NBFCs and PSU banks. However, NBFCs showed improvement from 2.27% to 2.11% (between June'24 and June'25).

## GOLD LOANS

As of June'25 gold loans surged 34.6% YoY to ₹13.4 lakh crore and Originations value growth jumped 38.4% YoY in Q1 FY26 driven by rising gold prices and valuations. PSU banks lead in originations value share (51.9% in Q1 FY26), while NBFCs are strong in small-ticket gold lending volumes. Asset quality remained resilient, with early-stage delinquencies (PAR 31–90) improving and late-stage stress (PAR 91–180) concentrated outside the ₹5 lakh+ ticket segment.



## AUTO LOANS

In Q1 FY26, auto loans posted a stable 14.5% YoY portfolio growth to ₹8.3 lakh crore, but originations value growth slowed to 3.3% YoY to ₹0.81 lakh crore in Q1 FY26, down from 6.2% YoY growth in Q1 FY25. PSU banks gained originations value share, rising from 34.3% to 36.1% between Q1 FY25 and Q1 FY26. PAR metrics for asset quality remained broadly stable across lender types and ticket sizes, although NBFCs saw rising stress in later-stage buckets.

## CREDIT CARDS

Credit card balances grew 12.4% YoY to ₹3.7 lakh crore, with card issuance and new originations declining sharply (down 28% YoY in Q1 FY26 to 40.6 lakh) due to regulatory tightening and lender self-moderation. Private banks strengthened their dominance, accounting for 75.2% of originations share, albeit with a decline in absolute volume (new cards issued). Delinquencies (PAR 1–90) for private banks remained moderated, improving from 5.07% in June'24 to 4.54% in June'25.

## TWO-WHEELER LOANS

In Q1 FY26, growth in two-wheeler loans slowed to 14.9% YoY at ₹1.7 lakh crore in portfolio outstanding. Originations value grew only 1.0% YoY as lenders pulled back amid rising stress. NBFCs remained the dominant lender type. Delinquency rates increased across most ticket-size segments (especially in ticket sizes > ₹75K) and the ₹75K–₹1L category now accounts for the largest originations value share (39.6%) in Q1 FY26.

## CONSUMER DURABLE LOANS

Consumer durable loan growth moderated to 7.9% YoY in June 2025 to ₹79.8K crore, and originations growth slowed further to 5.1% YoY to ₹46.1K crore in Q1 FY26. NBFCs dominate, capturing 85% market share in originations value. Lower ticket-size loans below ₹10K showed some of the highest delinquency rates, while higher ticket-size segments also showed early signs of stress.



**HOME LOANS**

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The Indian home loan market continues to chart an impressive growth trajectory, with expectations of strong expansion over the next five to ten years. This momentum is driven by robust housing demand, supportive government policies, and a resilient economic environment. Already a significant segment within retail lending, the home loan market is projected to grow at a compounded annual rate of 15–16%, underpinned by structural fundamentals and the rising aspiration for homeownership, particularly in affordable and mid-income segments.

Amidst this growth, data has emerged as a critical enabler—strengthening every stage of the housing finance lifecycle. From smarter customer selection and sharper underwriting practices to more timely and effective recoveries, data ensures that lenders can manage risks while deepening financial inclusion. These insights not only enhance portfolio quality but also fuel confidence in the sustainability of credit expansion.

The efforts put in by the CRIF team is quite commendable. I have always watched How India Lends with interest – this report is not just a collection of data but provides actionable intelligence that empowers decision making. This will pave the way for responsible growth in the years ahead.

**MR. LAKHSMINARAYAN DURAISWAMY**

Managing Director – Sundaram Home Finance Limited

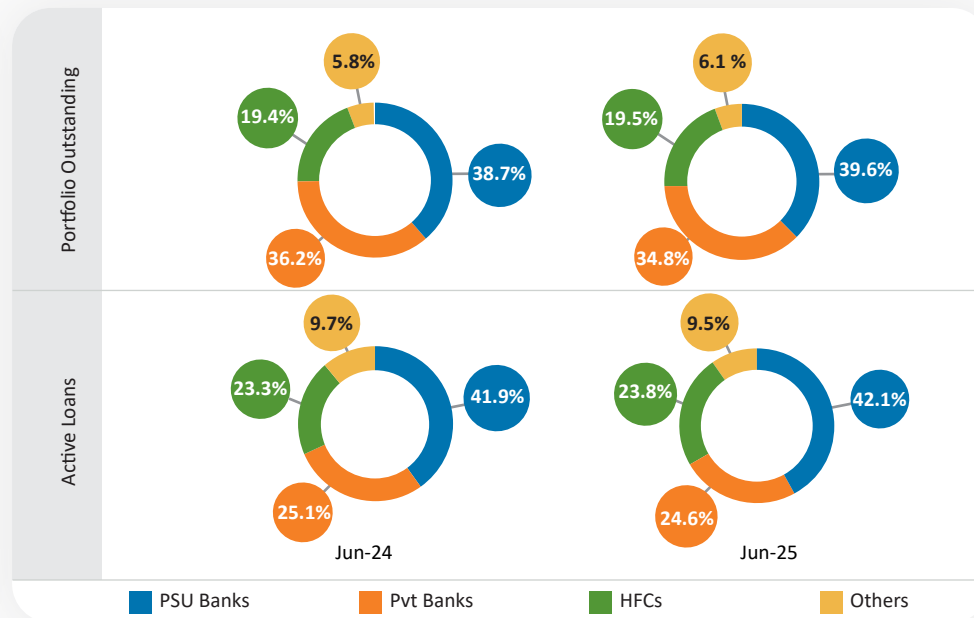


## Steadily growing home loan market with improving asset quality

Home Loans - Portfolio Snapshot

	Jun-23	Jun-24	Jun-25
Portfolio Outstanding (₹ L Cr)	32.4	36.5	41.2
Y-o-Y Growth %		12.8%	12.8%
Active Loans (Lakh)	210.9	219.5	229.4
Y-o-Y Growth %		4.0%	4.5%
PAR 31-90	2.2%	2.4%	2.2%
PAR 91-180	0.8%	0.4%	0.3%
PAR 181-360	0.3%	0.2%	0.2%
PAR 360+	1.8%	1.7%	1.6%

Home Loans - Market Share



\*Others include NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

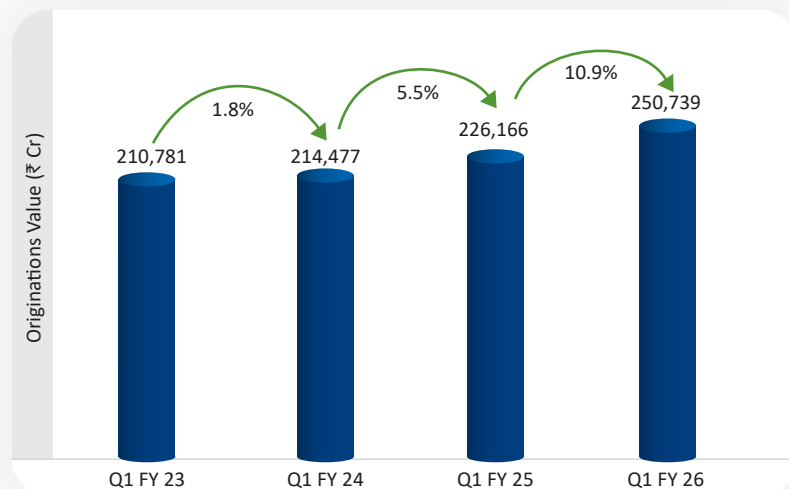
### HIGHLIGHTS

- **POS trends:** As of June'25, the outstanding home loan portfolio grew at a steady 12.8% YoY, reaching ₹41.2 lakh crore.
- **Lender-wise distribution:** Public sector banks continue to lead in home loan lending and have further expanded their market share.
- **Performance:** Asset Quality Showed Improvement/remained stable across delinquency buckets between June'24 and June'25.

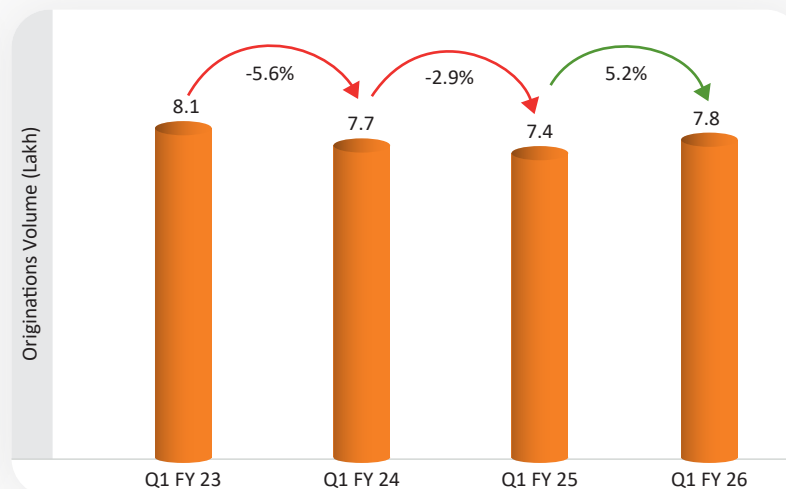
## Steady growth in originations value in Q1 FY26 compared to Q1 FY25

### Both originations Value & Volume increased Q1 FY26 over Q1 FY25

Originations Value



Originations Volume

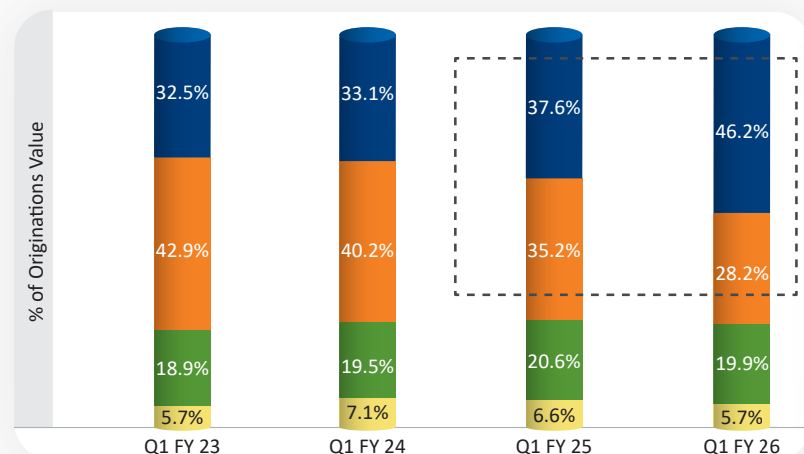


### HIGHLIGHTS

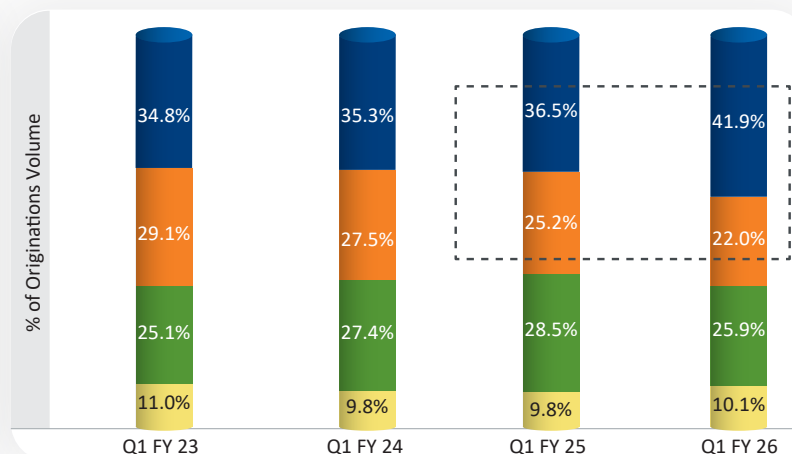
- **Consistent Value Growth:** Total home loan originations value grew by 10.9% YoY to ₹2,50,739 crore in Q1 FY26. Originations volumes also rebounded by 5.2% YoY in Q1 FY26, following declines of 2.9% YoY in Q1 FY25 and 5.6% YoY in Q1 FY24.
- The growth in originations value has been primarily driven by PSBs, which recorded a growth of 36.1% YoY, compared to -11.2% degrowth for private banks, and 7.1% increase for HFCs in Q1 FY26.
- **Average Ticket Size – Uptrend:** The Average Ticket Size increased from ₹30.4 lakh in Q1 FY25 to ₹32.0 lakh in Q1 FY26, up from ₹28.0 lakh in Q1 FY24, indicating a clear shift toward higher ticket sizes among borrowers.

## PSU banks continue to gain sustained market share in home loan originations

Originations Value by Lender Type



Originations Volume by Lender Type



\*Others include NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

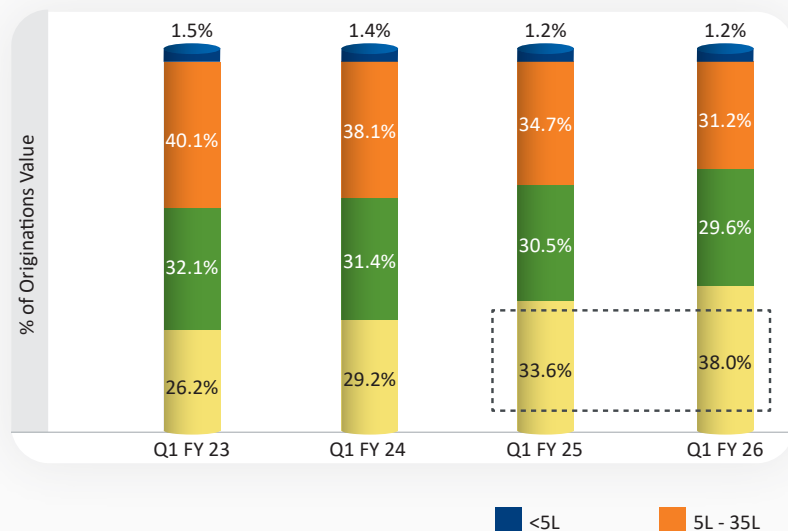
■ PSU Banks ■ Pvt Banks ■ HFCs ■ Others

### HIGHLIGHTS

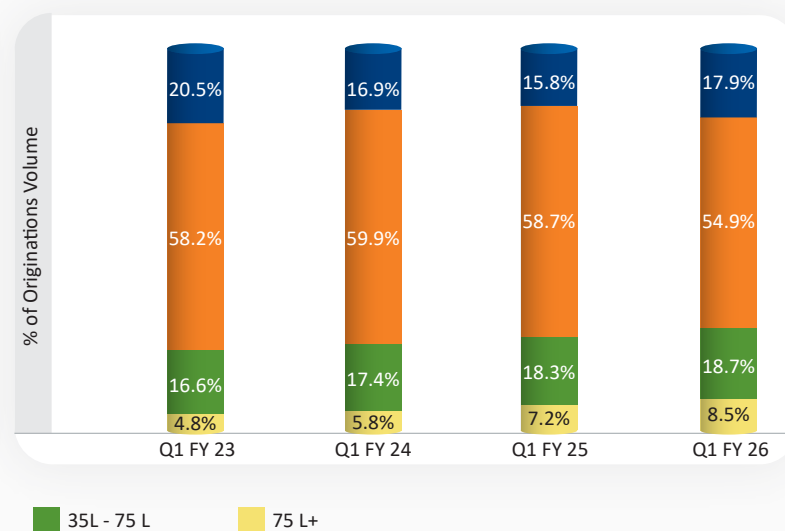
- PSU Banks continue to gain market share:** In Q1 FY26, PSU banks increased their home loan originations share from 37.6% to 46.2% by value and from 36.5% to 41.9% by volume (YoY), driven by competitive rates and government-backed initiatives. Private banks saw declines, with value share falling from 35.2% to 28.2% and volume from 25.2% to 22.0% between Q1 FY25 and Q1 FY26.
- Ticket size:** Private banks continued to lead with the highest average ticket size at ₹41.0 lakhs, despite a 3.3% YoY decline. PSU banks followed at ₹35.3 lakhs, registering a 12.6% YoY increase. HFCs reported an average ticket size of ₹24.6 lakhs, up 11.8% YoY.

## The ₹75L+ ticket size segment emerged as the dominant category by originations value in Q1 FY26

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)

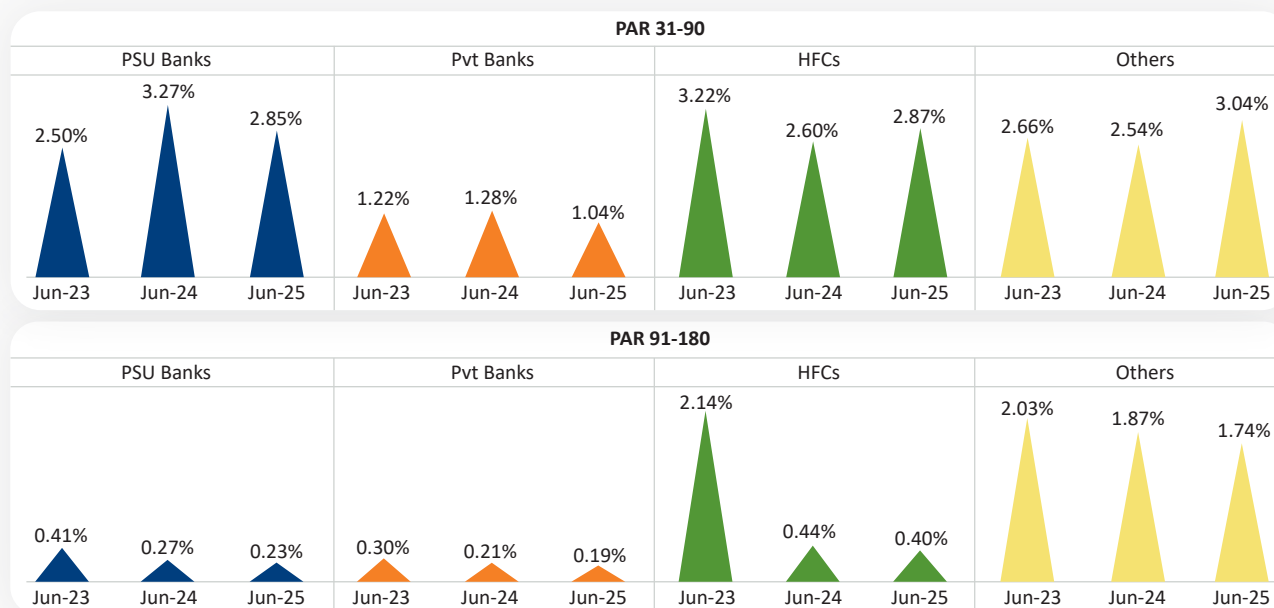


### HIGHLIGHTS

- **Composition:** The ₹75L+ segment has emerged as the dominant category by originations value, rising to 38% in Q1 FY26 from 33.6% in Q1 FY25, overtaking the ₹5L–₹35L segment which was the dominant segment till Q1 FY25.
- Growth in this segment (₹75L+) was led by PSU banks, which increased their value share from 38% to 51% between Q1 FY25 and Q1 FY26 within this segment. Private banks' share declined from 44% to 33%, while HFCs remained stable at ~12% across both periods.
- **Volume Dominance:** The ₹5L–₹35L range continues to lead in originations volume, reflecting sustained demand for affordable housing.

## PSU banks, despite recent improvements, continue to report one of the highest PAR 31–90 delinquency rates

Delinquency - Lender Type



\*Others include NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

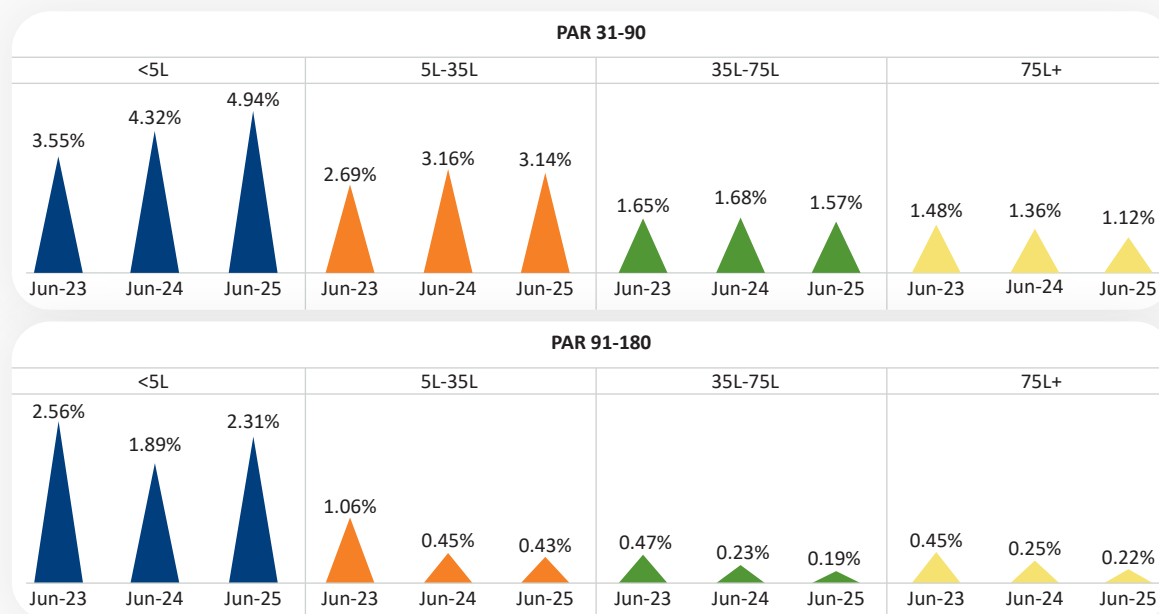
### HIGHLIGHTS

- **Private Banks:** Reported the lowest delinquency rates across both PAR 31–90 and PAR 90–180 buckets, indicating robust underwriting and early risk detection.
- **PSU Banks:** This segment witnessed elevated PAR 31–90 levels, though some improvement was noted in June'25. Stress remained concentrated in ticket sizes below ₹35 lakh, with PSU banks showing the highest delinquency among lender types in this segment. However, PAR 91–180 (overall) for PSUs declined in June'25, indicating improved recovery and collection efficiency.
- **HFCs:** HFCs saw a slight deterioration in PAR 31–90 during June'25 but achieved notable improvements in later-stage delinquency buckets.



## Credit stress remains concentrated in smaller loans, whereas higher-value loans continue to show resilience

Delinquency - Ticket Size (₹)



### HIGHLIGHTS

- **Delinquency improving with higher ticket size:** Delinquency levels improve with increasing ticket size. For instance, ₹75L+ home loans sustained low delinquency levels, indicating stronger borrower credit profiles.
- **To be monitored:** The ₹5L–₹35L segment, which accounted for ~30% of originations in June'25, posted a PAR 31–90 of 3.14%, with an upward trend (comparing to Jun'23) requiring close watch. Delinquencies in sub-₹5L loans rose sharply, though these loans comprised less than 2% of FY25 originations value.
- **Later-stage delinquency bucket:** PAR 91–180 declined overall, reflecting better recovery performance excluding the sub-₹5L loans.



# PERSONAL LOANS

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The personal loan market is evolving from a phase of hyper-growth to one of purposeful and sustainable expansion. While delinquencies in certain segments remain a key focus area, lenders should proactively fortify underwriting frameworks, sharpen risk models, and leverage digital-first recovery strategies to create resilience at scale.

At the same time, consumer behaviour is reshaping the credit landscape, with rising demand for instant, personalised, and shorter-tenure credit solutions. It is critical that Organization harness advanced analytics, deep data insights, and cutting-edge digital innovation.

This is the driving philosophy at YES BANK where we are moving beyond the pursuit of sheer volumes to build robust, high-quality portfolios that exemplify responsible growth. Our vision is to create profitable, inclusive, and future-ready retail portfolios that not only serve evolving customer needs but also define the next era of responsible and innovative lending in a maturing credit ecosystem.

**DR. RAJAN PENTAL**

Executive Director, YES BANK



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The past financial year was turbulent for the personal loan industry, with rising credit risk and regulatory changes prompting product-level recalibrations. Amidst widespread speculation, this CRIF report confirms this hypothesis with data. A standout insight was that small-ticket loans up to ₹1 lakh fared better than those above ₹2 lakhs, reflecting a shift in borrower behaviour and resilience at the lower end of the credit spectrum.

As the industry moves toward recovery, CRIF's advanced credit intelligence and customized analytics will be instrumental in enabling lenders to balance growth with prudent risk management.

**MR. MADHU**

Chief Executive Officer, KrazyBee

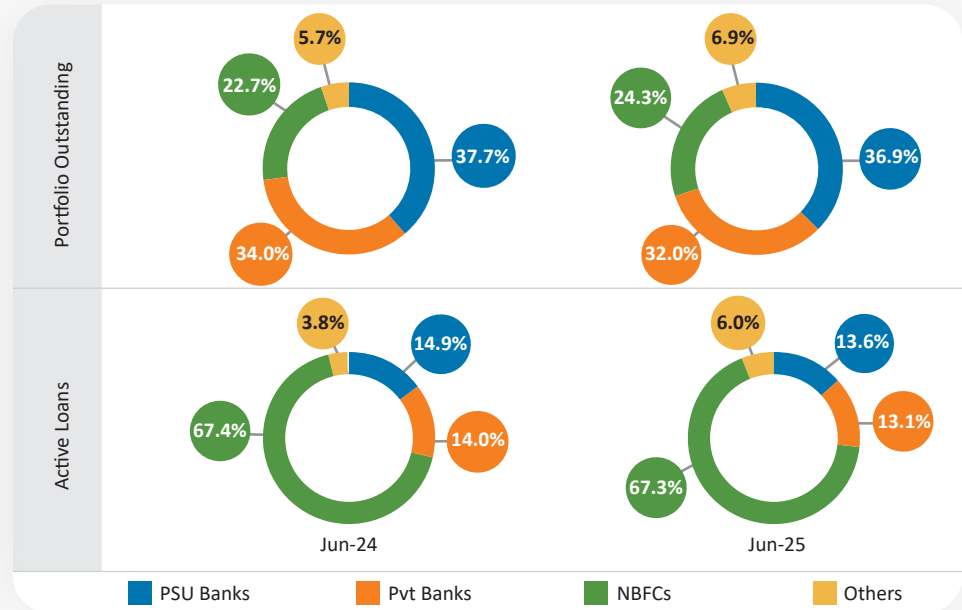


## Growth moderates, with no significant improvement in delinquency across key ticket-size bands

Personal Loans – Portfolio Snapshot

	Jun-23	Jun-24	Jun-25
Portfolio Outstanding (₹ L Cr)	11.3	13.8	14.9
Y-o-Y Growth %		21.7%	8.7%
Active Loans (Lakh)	1,071	1,105	1,200
Y-o-Y Growth %		3.2%	8.6%
PAR 31-90	1.8%	1.8%	1.8%
PAR 91-180	0.9%	1.1%	1.1%
PAR 181-360	0.6%	0.8%	0.7%
PAR 360+	3.0%	4.5%	4.6%

Personal Loans – Market Share



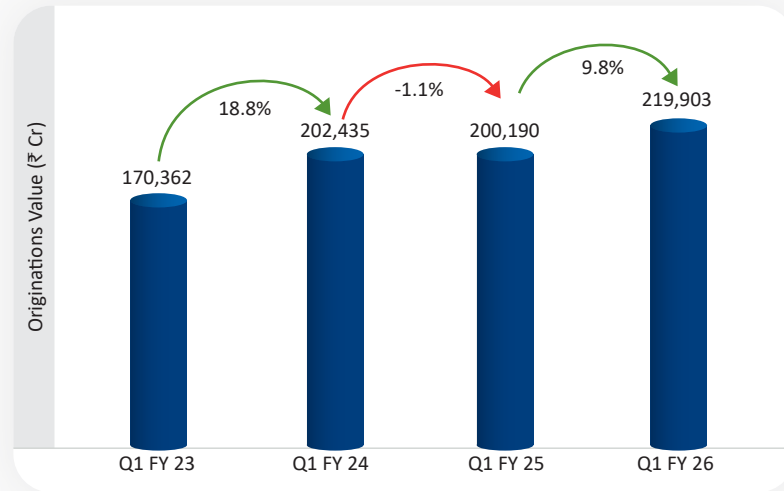
\*Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

### HIGHLIGHTS

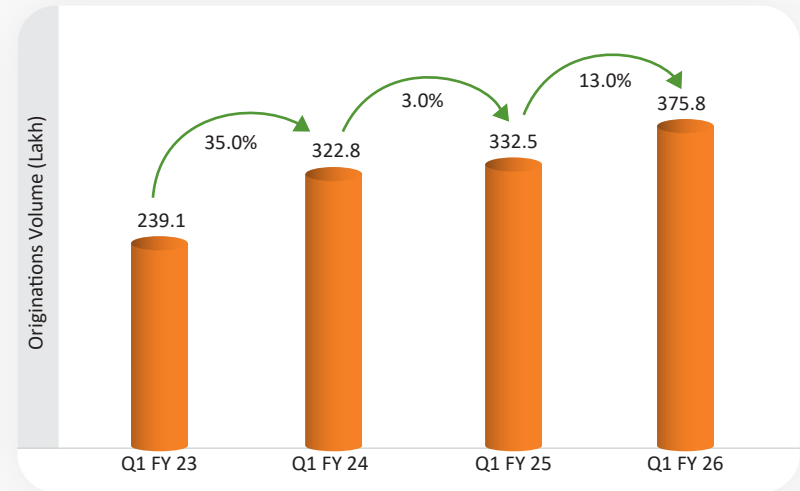
- **Sharp Growth Slowdown:** Personal loan POS increased from ₹13.8 lakh crore to ₹14.9 lakh crore between June'24 and June'25. However, YoY growth decelerated sharply, falling from 21.7% in June'24 to 8.7% in June'25.
- **Risk:** Delinquency levels across ticket-size bands showed limited improvement though they did not deteriorate significantly either. PAR 360+ continued to rise, especially when compared to June'23, indicating persistent long-term stress in collections and a growing share of non-performing accounts.
- **Market Share:** NBFCs gained share in portfolio outstanding, while private and public sector banks slowed.

## Originations values increased by 9.8% YoY in Q1 FY26 led by NBFCs

Originations Value



Originations Volume

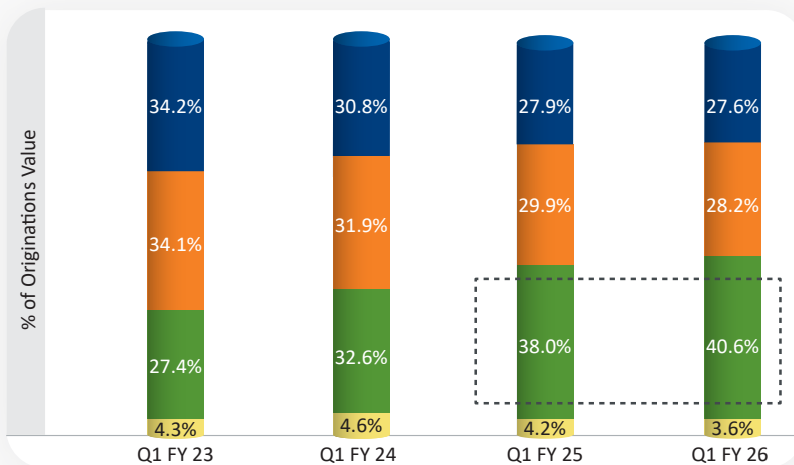


### HIGHLIGHTS

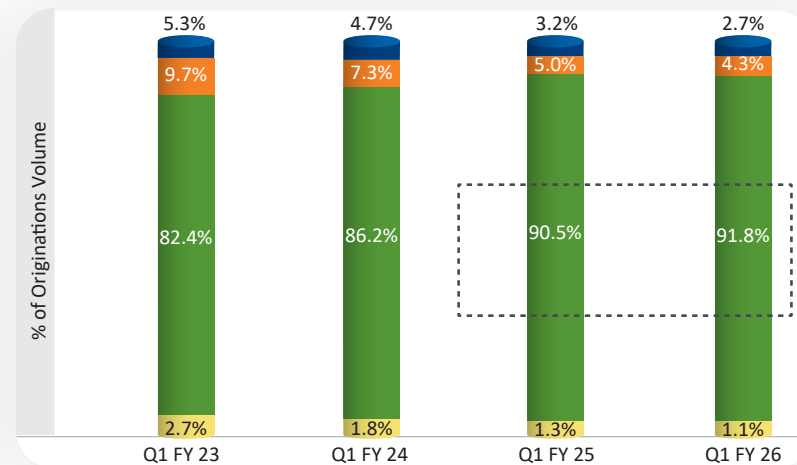
- NBFCs driving Growth:** Personal loan originations saw strong expansion in Q1 FY26, with total value rising 9.8% YoY to ₹2,19,903 crore and volumes increasing 13.0% YoY. This contrasts with Q1 FY25, which recorded a 1.1% decline in value and 3.0% growth in volume.
- NBFCs led the growth, posting a 17.2% YoY increase in originations value and a 14.7% YoY rise in volume. While PSU banks followed with 8.7% YoY growth in value but a 2.3% drop in volume, and private banks registered 3.8% growth in value alongside a 2.8% decline in volume in Q1 FY26.
- Decline in Average Ticket Size:** The average ticket size for personal loans fell 2.8% YoY, from ₹60,214 in Q1 FY25 to ₹58,522 in Q1 FY26. Compared to Q1 FY23, this represents a sharper 17.9% decline.

## Growing market share of NBFCs in PL originations

Originations Value by Lender Type



Originations Volume by Lender Type



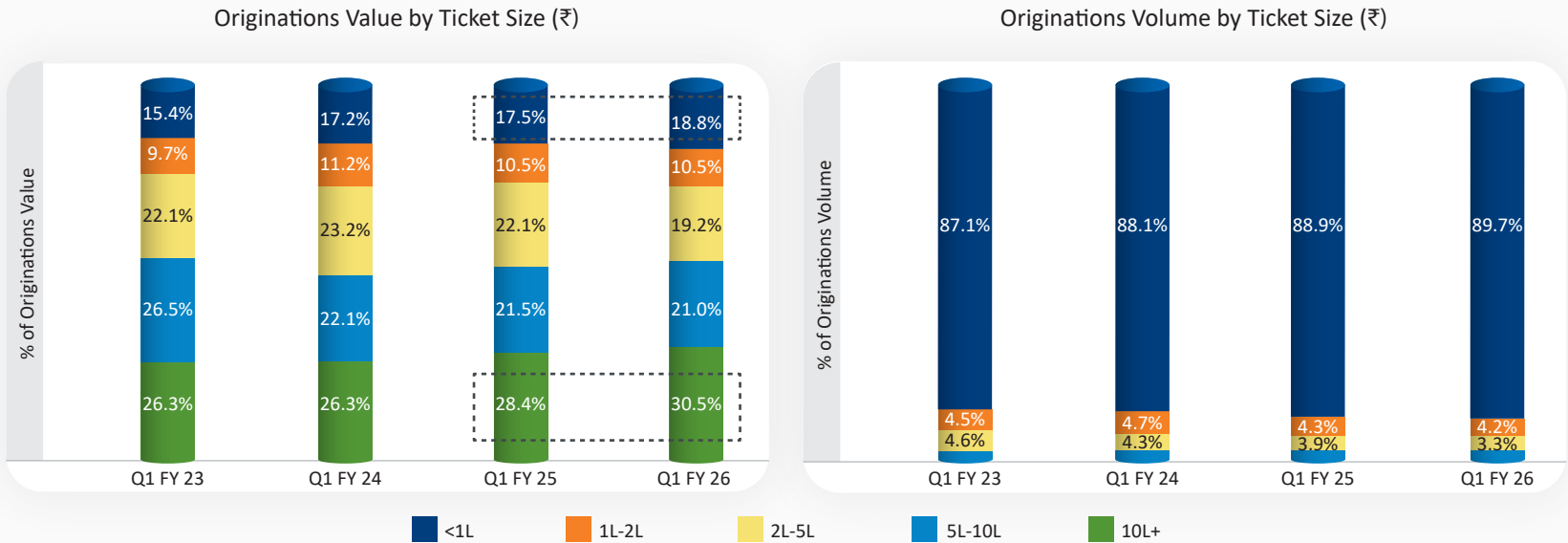
\*Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs etc.

■ PSU Banks ■ Pvt Banks ■ NBFCs ■ Others

### HIGHLIGHTS

- **NBFCs growth in personal loans:** NBFCs have significantly increased their market share in personal loans, with originations value rising from 38.0% in Q1FY25 to 40.6% in Q1FY26, and volume further increasing from 90.5% to 91.8% during the same period.
- **Key drivers:** Growth in NBFCs was primarily propelled by ticket size segments (that are growing)—most notably those below ₹1 lakh and above ₹10 lakh. The ₹5–10 lakh bracket also recorded strong momentum for NBFCs. Across these ranges, NBFCs gained substantial market share, often at the cost of PSU and private sector banks.

## Share of <₹1L and ₹10L+ loans increases in originations value share



NBFCs are dominant in <₹5L Loans, PSU Banks are dominant in ₹5L-₹10L Loans while Private Banks dominate the >₹10L Loans

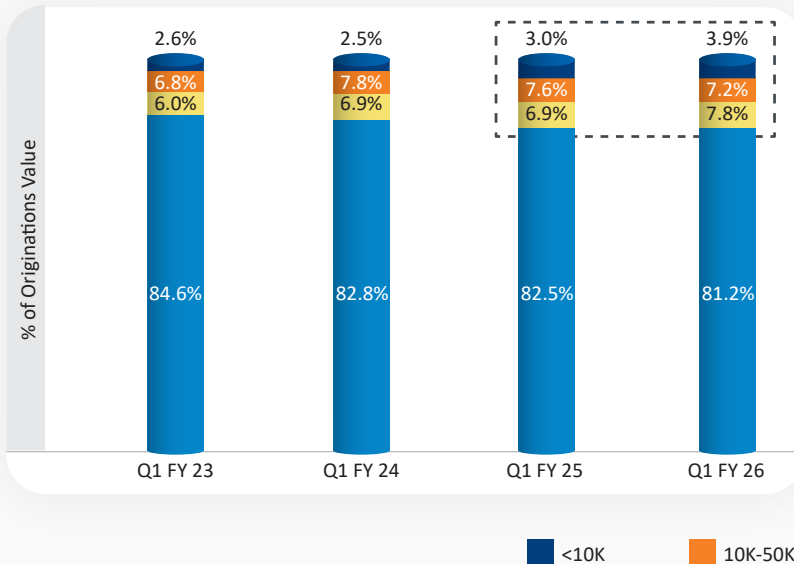
### HIGHLIGHTS

- **Shift toward very low ticket and high-ticket loans:** The share of personal loans ≥₹10L in originations value rose from 28.4% in Q1 FY25 to 30.5% in Q1 FY26. In parallel, loans <₹1L also increased in value share from 17.5% to 18.8%, while the ₹1L-₹10L segment declined—highlighting a growing polarity in the market.
- **Volume dynamics:** Despite lower value share, loans <₹1L continue to dominate by volume, rising from 88.9% in FY24 to 89.7% in FY25. This underscores the role of low-ticket loans in driving transaction volumes.

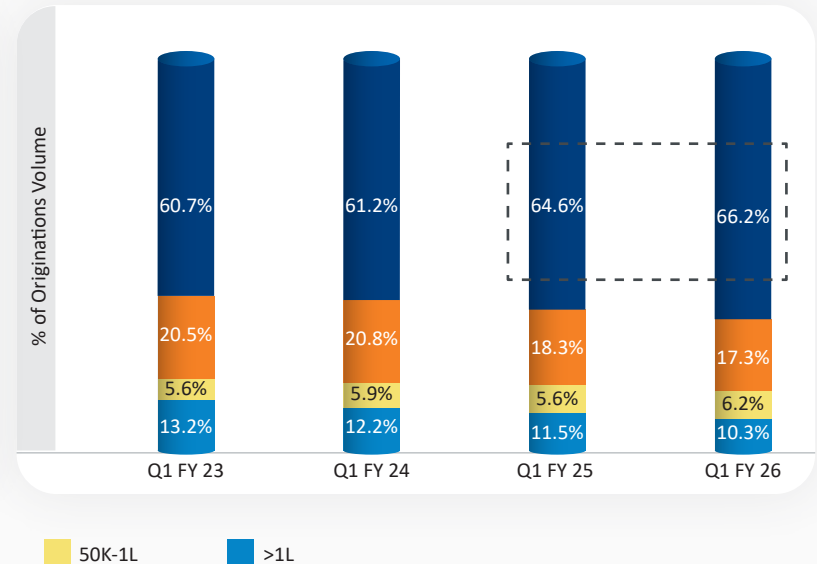


## Loans above ₹1L constitute 81% of the originations value

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)

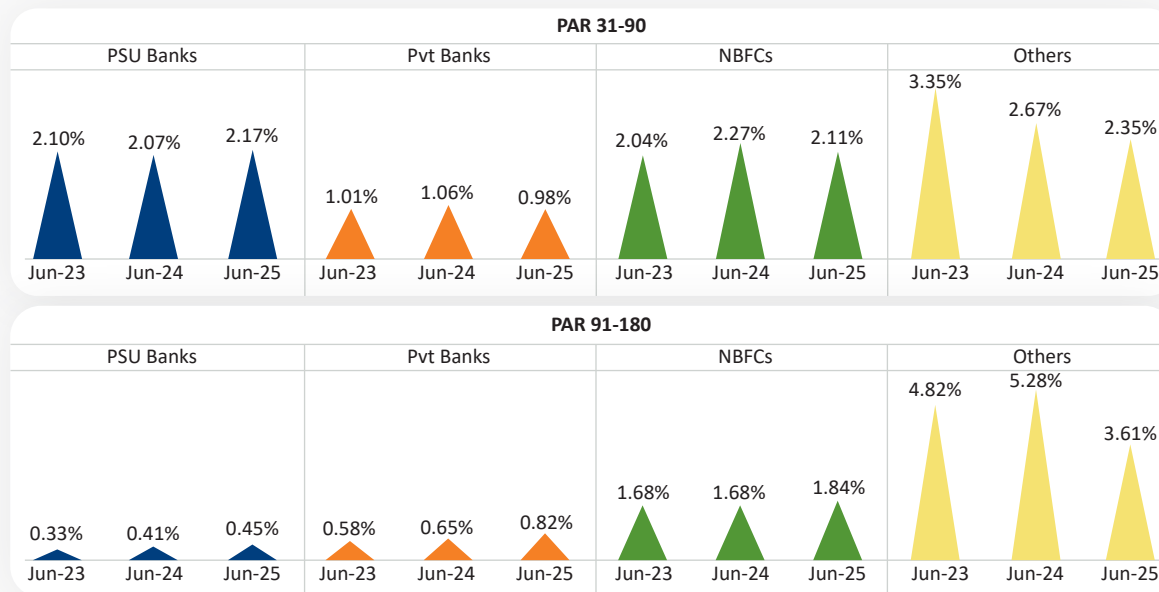


### HIGHLIGHTS

- Dominant segment:**
  - Loans above ₹1 lakh continued to dominate origination value, accounting for 81.2% of total value in Q1 FY26, despite representing a relatively small share (about 10.3% as of Q1 FY26) of origination volume.
  - Loans below ₹10K comprised 66% of small-ticket volumes although it contributed minimally to overall value.
  - The data indicates a gradual shift toward higher ticket sizes in origination value, particularly in the ₹50,000–₹1 lakh range.

**Early-stage delinquency risks remain elevated for both PSU banks and NBFCs.  
NBFCs also exhibit rising stress in later delinquency buckets**

Delinquency - Lender Type



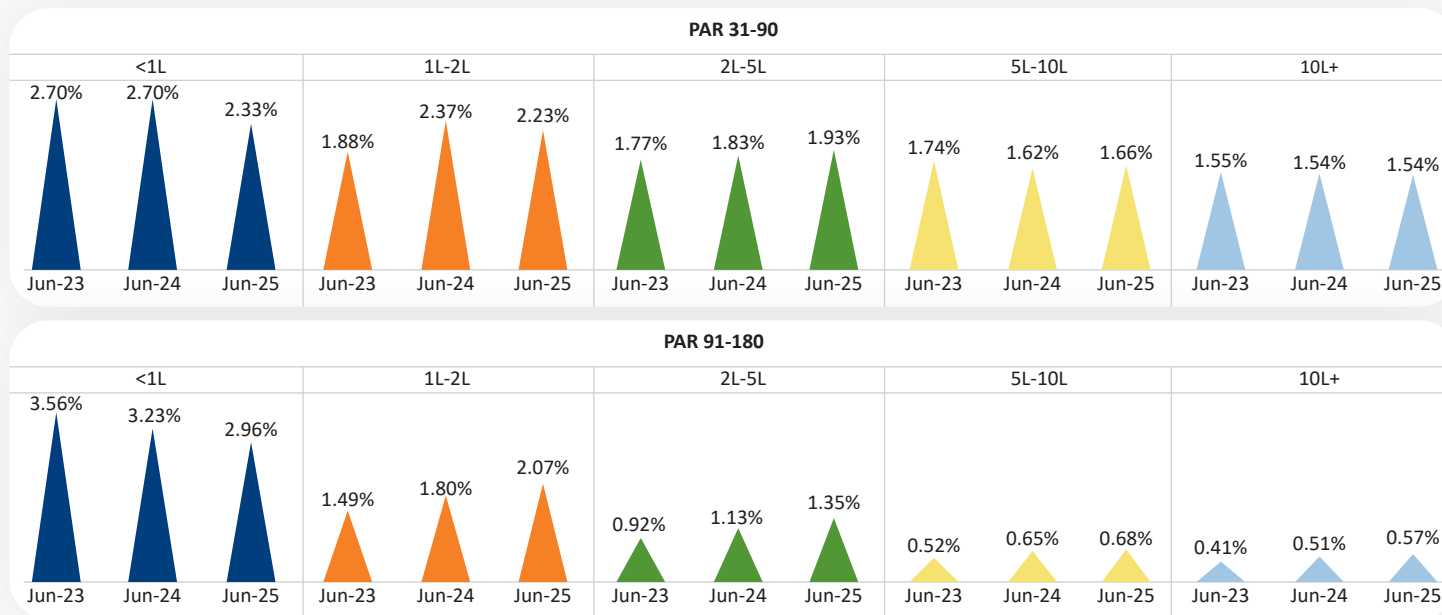
\*Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

### HIGHLIGHTS

- **PAR 31–90:** PSU banks and NBFCs recorded some of the highest delinquency rates in the PAR 31–90 bucket. NBFCs showed slight improvement between Jun'24 and Jun'25, whereas PSU banks saw an increase in PAR 31–90 over the same period.
  - Delinquencies in PSU banks were concentrated across ticket sizes ₹1L–₹2L & ₹5L+.
  - NBFC delinquencies were mainly focused on ticket size <₹1L.
- **PAR 91–180:** PSU banks reported one of the lowest PAR 91–180 levels, indicating improvement in later-bucket delinquencies. In contrast, NBFCs continued to show relatively higher and increasing trends in PAR 91–180.

## Increasing PAR 31-180 indicates rising stress in the unsecured segment

Delinquency - Ticket Size (₹)



### HIGHLIGHTS

- **PAR 31–90:** As of June'25, lower ticket size loans—particularly in the ₹1L and ₹1L–₹2L segments—continue to show elevated delinquency levels, though marginal improvement was observed compared to June'25.
- Higher ticket loans, while exhibiting relatively lower delinquency, recorded an increase in PAR 31–90 levels over the same period, except for the ₹10L+ segment which remained stable.
- **PAR 91–180:** Delinquencies in the PAR 91–180 bucket remain lower across ticket sizes compared to PAR 31–90. However, June'25 figures rose versus June'24, indicating persistent stress—especially within the ₹1L–₹2L and ₹2L–₹5L segments.

A photograph of a young couple in traditional Indian wedding attire. The woman is wearing a yellow sari and a large gold necklace, while the man is wearing a light-colored shirt. They are both smiling and looking at each other. The man is holding a small gold ornament in his hand. The background is blurred, showing an indoor setting with warm lighting.

# GOLD LOANS

“

The How India Lends report provides a timely and comprehensive view of India's lending ecosystem. It highlights how borrower behaviour, lender strategies, and regulatory interventions are reshaping the flow of credit across the country.

One notable trend is the increasing importance of secured and asset-backed lending. Gold loans, in particular, stand out as a resilient and trusted form of credit. For Indian households, gold has always represented both security and opportunity. As this report shows, gold loans today extend beyond being an emergency product—they have become a vital instrument for small businesses, entrepreneurs, and families seeking quick, transparent, and affordable credit.

The evolution of the gold loan market is also a reflection of India's broader story of financial inclusion. With their reach across both urban and rural India, NBFCs have played a significant role in expanding access to this form of credit. At Muthoot FinCorp Ltd., we are humbled to have been part of this journey for many decades, enabling millions of customers to unlock the potential of their savings in gold and convert it into opportunity.

Looking ahead, gold loans will remain a cornerstone of India's credit landscape. As households grow more aspirational, the demand for simple, responsible, and customer-friendly credit will only deepen. This report offers important insights into that journey, and I commend CRIF High Mark for capturing these shifts with such clarity.

**MR. THOMAS JOHN MUTHOOT**

Chairman & Managing Director, Muthoot FinCorp Ltd

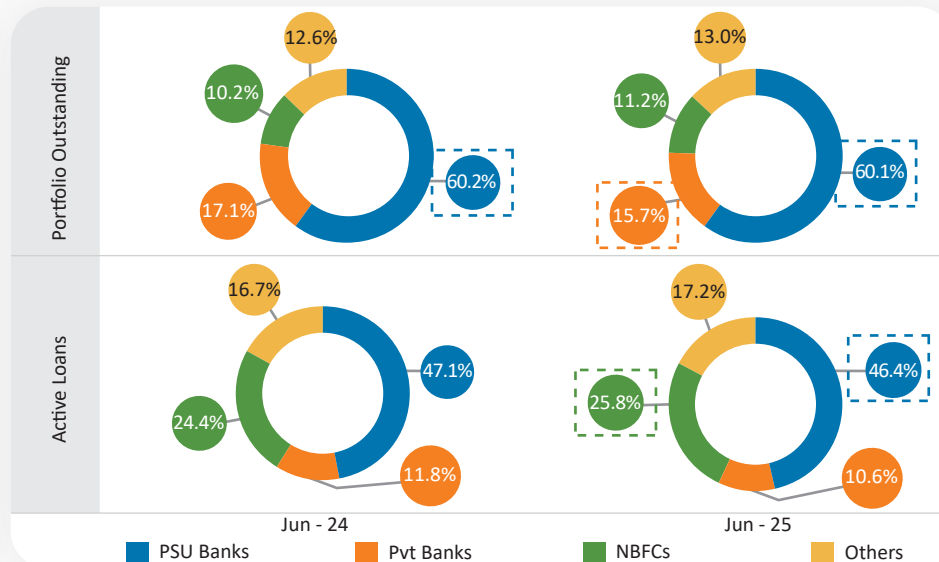


## Sustained growth with stable PAR performance

Gold Loans (including Priority Sector Gold Loan) – Portfolio Snapshot

	Jun-23	Jun-24	Jun-25
Portfolio Outstanding (₹ L Cr)	7.2	9.9	13.4
Y-o-Y Growth %		37.3%	34.6%
Active Loans (Lakh)	642.7	787.2	885.4
Y-o-Y Growth %		22.5%	12.5%
PAR 31-90	1.7%	1.8%	1.5%
PAR 91-180	0.5%	0.5%	0.6%
PAR 180+	0.6%	0.7%	0.4%

Gold Loans (including Priority Sector Gold Loan) – Market Share



PSGL – Priority sector gold loans was ₹4.3L Cr as of June'25 and ₹3.4 L Cr as of June'24

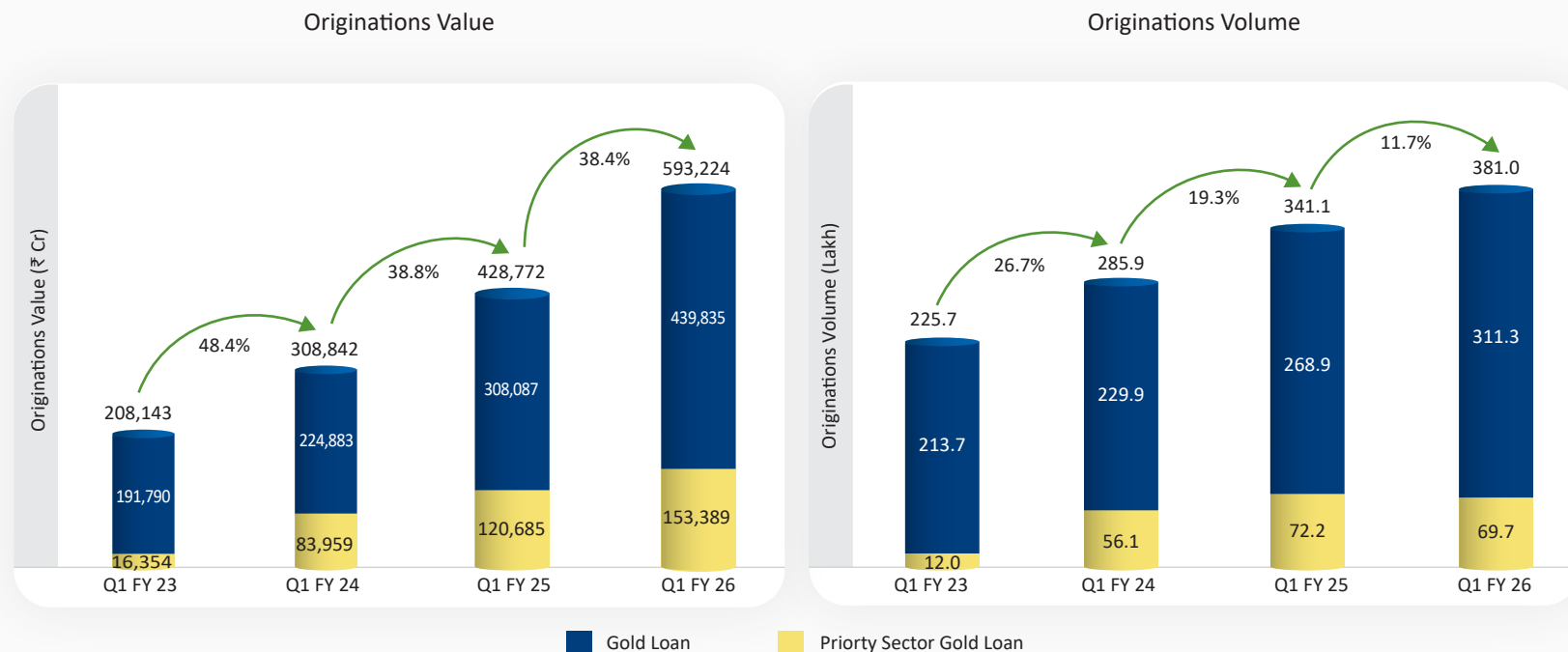
\*Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

Public sector banks accounted for about 88% of the POS under PSGL as of June 2025

### HIGHLIGHTS

- **Portfolio trends:** The overall gold loan portfolio (including Priority sector gold loan) continued to expand robustly, reaching ₹13.4 lakh crore as of June'25—reflecting a strong 34% YoY growth, driven by rising gold prices and valuations. In contrast, active loan accounts grew more modestly at 12.5% YoY, indicating higher ticket sizes.
- **Lender dynamics:** Public Sector Banks maintained their leadership in gold loan portfolios, accounting for approximately 60% of total outstanding values across both June'24 and June'25.
- **Portfolio quality:** PAR metrics remained broadly stable, with only marginal fluctuations, indicating continued resilience in asset quality.

## Continued gold loan surge prompts regulatory monitoring



23.9% growth in Average Ticket Size from ₹125.7K in Q1 FY25 to ₹155.7K in Q1 FY26

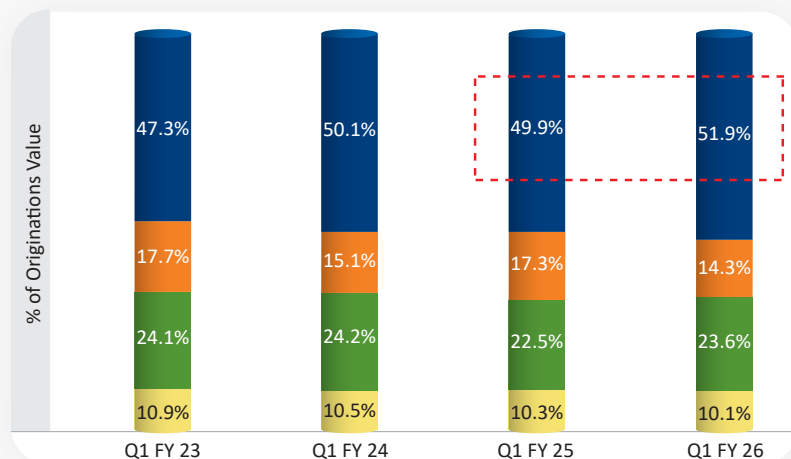
### HIGHLIGHTS

- **Value momentum:** The sustained rally in gold prices continues to underpin gold loan growth, as consumers leverage the rising value of their gold holdings. As a result, originations value rose 38.4% YoY in Q1 FY26 to ₹593,224 Cr, maintaining momentum seen in prior quarters.
- **Monitoring:** Amid rising demand, the RBI\* introduced revised gold loan guidelines in April 2025 to strengthen regulatory oversight. Key measures include a cap on the loan-to-value (LTV) ratio at 75%, enhanced eligibility protocols, valuation and tighter collateral norms aimed at mitigating systemic risk.

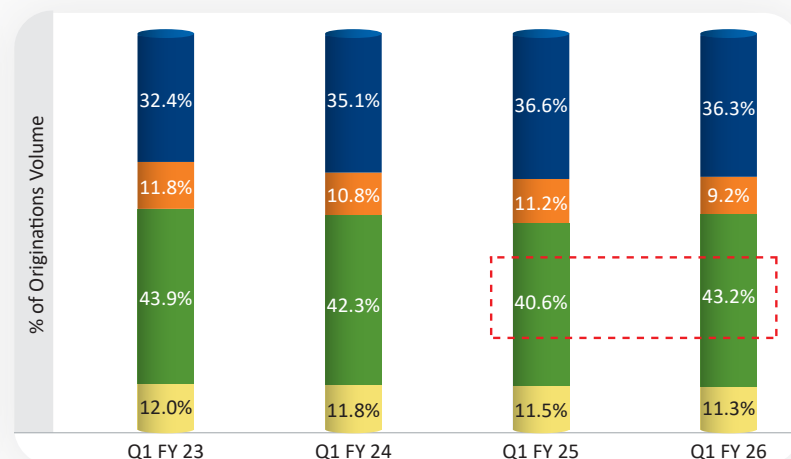
\*Reserve Bank of India (Lending Against Gold Collateral) Directions, 2025

## Public banks lead in Value and NBFCs in Volume

Originations Value by Lender Type



Originations Volume by Lender Type



\*Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

■ PSU Banks ■ Pvt Banks ■ NBFCs ■ Others

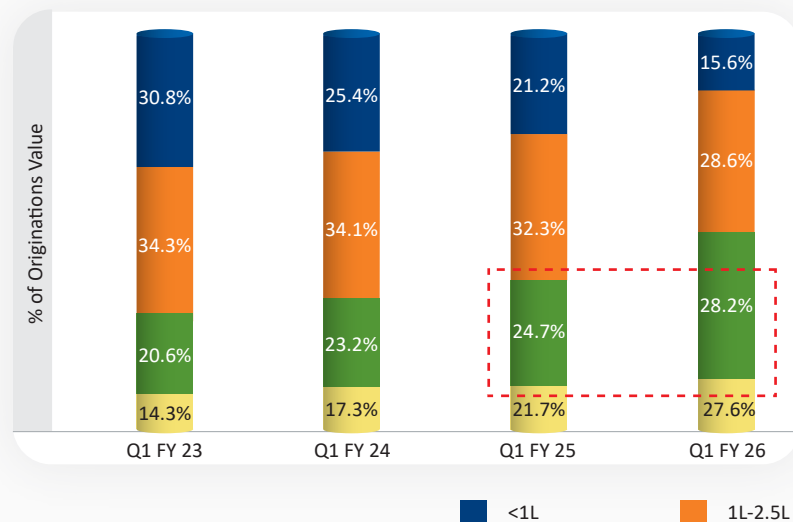
### HIGHLIGHTS

- **PSU banks:** Expanded their share of gold loan disbursements from 49.9% in Q1 FY25 to 51.9% in Q1 FY26, reinforcing their growing dominance in high-value gold lending.
- **NBFCs:** Witnessed a modest increase in disbursement share—from 22.5% to 23.6% between Q1 FY25 and Q1 FY26—but continued to lead in gold loan volumes, rising to 43.2% in Q1 FY26 from 40.6% a year earlier, underscoring their strength in small-ticket gold lending.
- **Private banks:** Experienced a decline in originations value share, falling from 17.3% in Q1 FY25 to 14.3% in Q1 FY26, indicating a loss of market share to both PSUs and NBFCs.

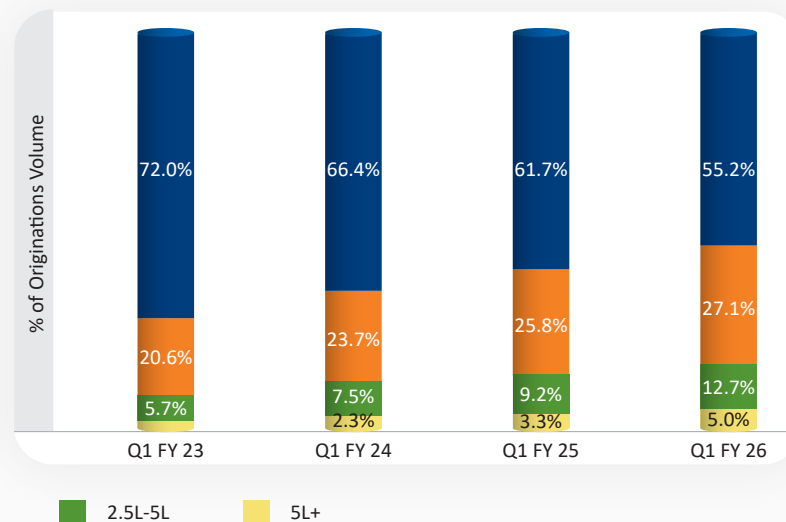


## >₹2.5L loans continue to grow in originations value share

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)



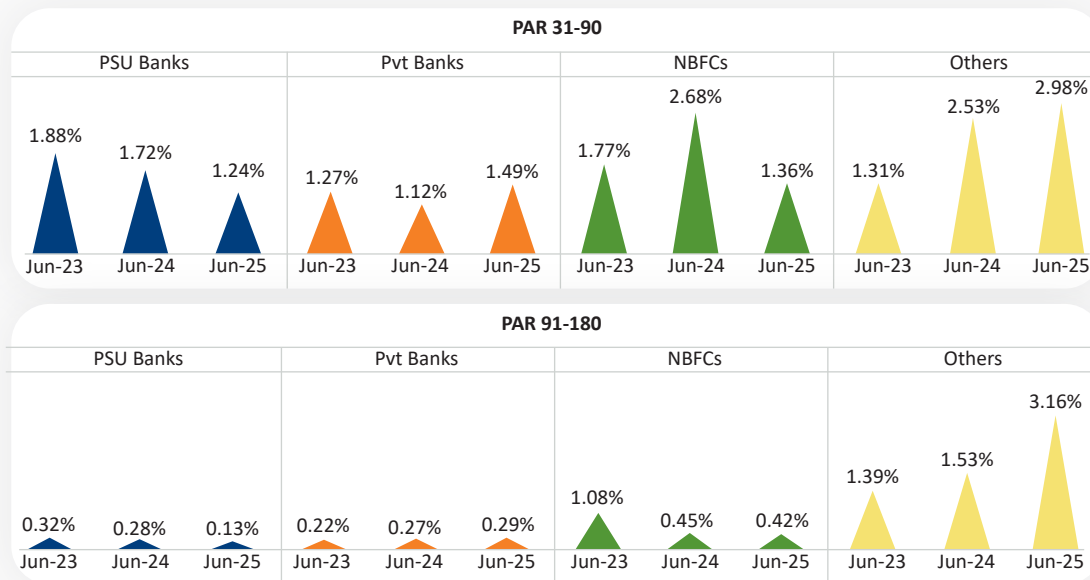
### HIGHLIGHTS

- **Shift toward larger loan sizes:** The gold loan market continues to pivot toward higher ticket sizes. Loans between ₹1 lakh and ₹2.5 lakh remain the largest segment by originations value, accounting for 28.6% of disbursements in Q1 FY26.
- However, loans in the ₹2.5 lakh–₹5 lakh range have gained significant ground, rising from 24.7% in Q1 FY25 to 28.2% in Q1 FY26—nearly matching the leading segment.
- Simultaneously, loans above ₹5 lakh have seen notable expansion, with their share increasing from 21.7% to 27.6% over the same period, underscoring a clear trend toward high-value gold lending.
- However, with the RBI directions to raise the LTV cap on gold loans below ₹2.5 lakh from 75% to 85%, further shifts may warrant monitoring\*.

\*Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025

## PSU banks and NBFCs improve, Private Banks show early stress

Delinquency - Lender Type

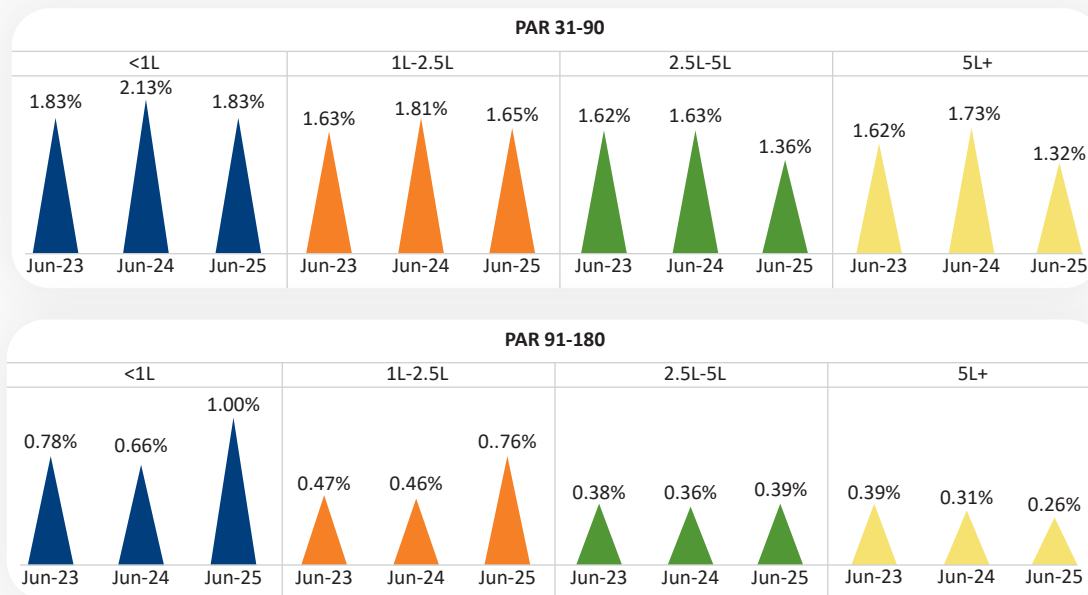


### HIGHLIGHTS

- **PAR 31-90:** PSU lenders, who lead in originations value, continue to maintain some of the lowest delinquency levels in the 31–90 bucket, with further improvement observed in June’25. NBFCs showed enhanced control in June’25 compared to June’24, while private banks recorded a rise in delinquencies (across ticket size buckets), indicating the need for closer oversight.
- **PAR 91-180:** Delinquencies in the 91–180 bucket declined across most lender categories. PSU banks remained among the best performers, underscoring the secured nature of gold loan assets.

## Early-stage delinquencies improve across ticket sizes; later-stage stress rises except in ₹5L+ loans

Delinquency - Ticket Size (₹)



### HIGHLIGHTS

- **PAR 31–90:** Improved across all ticket sizes between Jun-24 and Jun-25, reflecting stronger short-term repayment behavior and early recovery efforts, supported in part by higher POS growth. However, delinquencies remained highest in the <₹2.5L segment compared to loans above ₹2.5L.
- **PAR 91–180:** Deteriorated across most ticket sizes during the same period, except in the ₹5L+ segment. The ₹1L–₹2.5L segment increased from 0.46% in June'24 to 0.76% in June'25 mainly due to Others (cooperative banks).

A man and a woman are standing next to a red car with its trunk open. The woman is holding a small white dog. The man is standing behind the car, smiling. The car is parked in a field of tall grass. The background is a clear blue sky. The image is framed by a large white triangle with blue and orange diagonal stripes.

# AUTO LOANS

““

Auto finance sector is at a pivotal moment, wherein preferences of customers are changing for better experiences, faster loan processing and highly personalized loan products and as a result, the entire ecosystem has become highly competitive. Role of evolving technologies like e-KYC, digital onboarding, artificial intelligence, integration with fintech, Robotic Process Automation, etc. has become extremely important to meet the evolving expectations of customers in addition to improve risk management capabilities and to reduce the operational costs of lenders.

With enhanced role of technologies, customers can now experience shopping and financing simultaneously through a single platform. While the Q1 of FY 2026 remained almost flat in terms of vehicle sales and loan originations, we expect uptick in the coming months due to start of festive seasons, better monsoon and rising disposable income of rural masses. The proposed GST reforms are also expected to play an important role in boosting demand for vehicles.

**MRS. SUKHVINDER KAUR GANESH**

Chief General Manager (Retail Loans), State Bank of India



““

The vehicle loan segment remains a cornerstone of mobility, entrepreneurship, and rural transformation, poised for sustainable and inclusive growth. It continues to serve as a critical driver of India's retail lending landscape, offering opportunities for growth across diverse customer segments and geographies, both urban and rural.

Lenders are navigating this environment with a disciplined approach by expanding coverage to new-to-credit customers through innovative toolkits that ensure portfolio quality in their originations strategies. NBFCs, with their strong presence in rural markets and ability to offer tailored solutions, are playing an instrumental role in driving growth within the vehicle loan segment.

Digital and AI-driven toolkits serve as powerful enablers, allowing lenders to improve operational efficiencies, enhance collections, and respond effectively to changing consumer needs. As the sector charts its path forward, the vehicle loan segment is well-positioned to deliver sustainable growth, deepen inclusion, and reinforce its importance as a key contributor to India's economic aspirations.

**MR. RAUL REBELLO**

MD & CEO - Mahindra Finance



“

The Indian auto industry is poised for growth, with used cars outpacing new ones due to affordability, wider access, and rising trust in organized channels. While new car sales may grow modestly at 3-5% amid weak urban demand, low overall penetration signals room for expansion across markets. Policy support-such as GST cuts, EV incentives, and scrappage norms-will likely reshape demand over the next 1.5–2 years. Digital platforms, attractive financing, and AI-led credit tools are streamlining car purchases and improving risk assessment. However, a slight rise in auto loan delinquencies warrants close monitoring. Subscription models and aspirational ownership among younger buyers further enhance long-term potential.

**MR. CHETAN CHADHA**

Credit Strategy Head – Auto, KGC, GSP and Dealer Finance, HDFC Bank

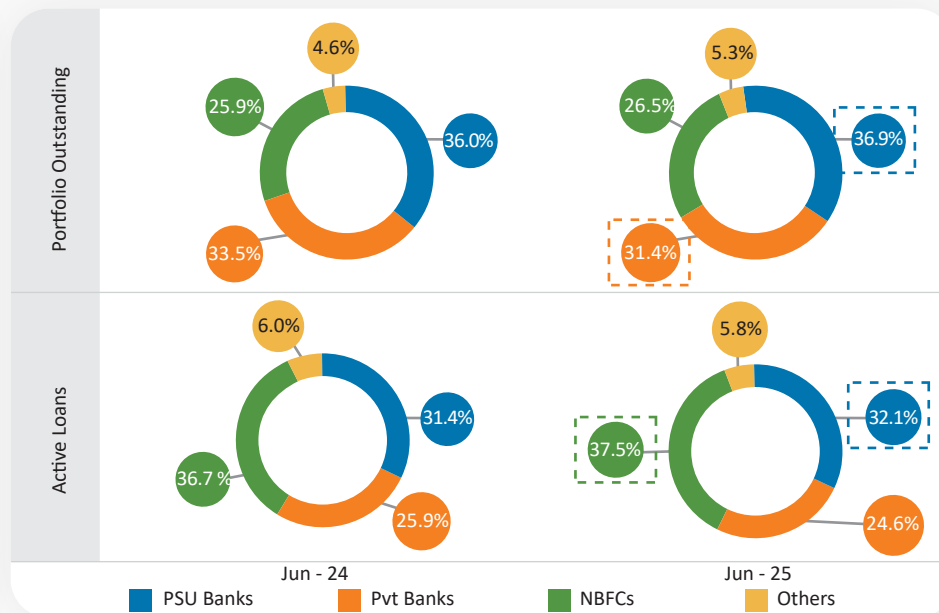


## Sustained growth with stable PAR performance

Auto Loans – Portfolio Snapshot

	Jun-23	Jun-24	Jun-25
Portfolio Outstanding (₹ L Cr)	6.1	7.3	8.3
Y-o-Y Growth %		18.8%	14.5%
Active Loans (Lakh)	138.2	151.0	162.6
Y-o-Y Growth %		9.2%	7.7%
PAR 31-90	2.3%	1.9%	1.9%
PAR 91-180	0.8%	0.8%	0.9%
PAR 181-360	0.4%	0.3%	0.3%
PAR 360+	2.3%	3.1%	2.8%

Auto Loans – Market Share



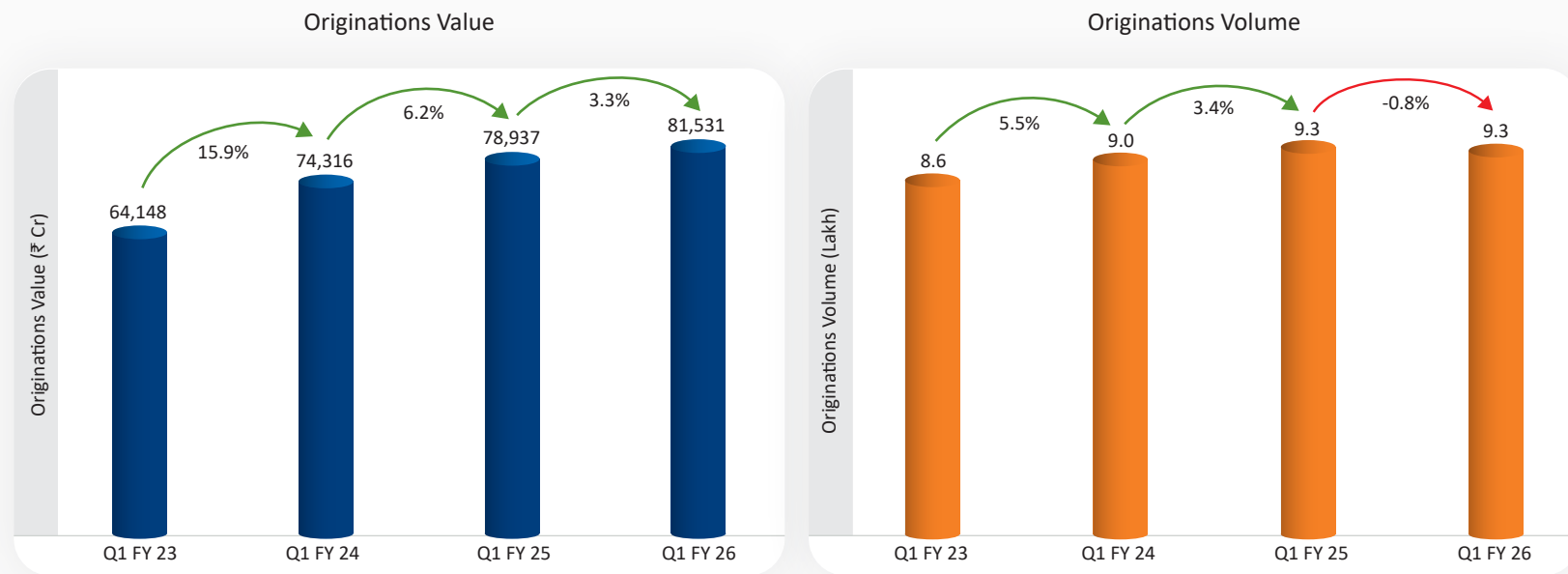
\*Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

### HIGHLIGHTS

- **Portfolio trends:** The portfolio outstanding registered a robust 14.5% YoY growth, reaching ₹8.3 lakh crore, despite slowdown in originations in Q1 FY26. Active loan accounts grew by 7.7% YoY—a marginal deceleration compared to the pace observed in June'24.
- **Lender wise distribution:** PSU banks and Private Banks lead in value, while PSU banks followed by NBFCs hold dominance in volume.
- **Performance metrics:** Key PAR indicators remained broadly stable across all delinquency buckets, reflecting consistent asset quality trends and fewer write-off risks.



## Slowdown in originations value and volume in Q1 FY26 compared to Q1 FY25



4.1% growth in Average Ticket Size from ₹8.5L in Q1 FY25 to ₹8.8L in Q1 FY26

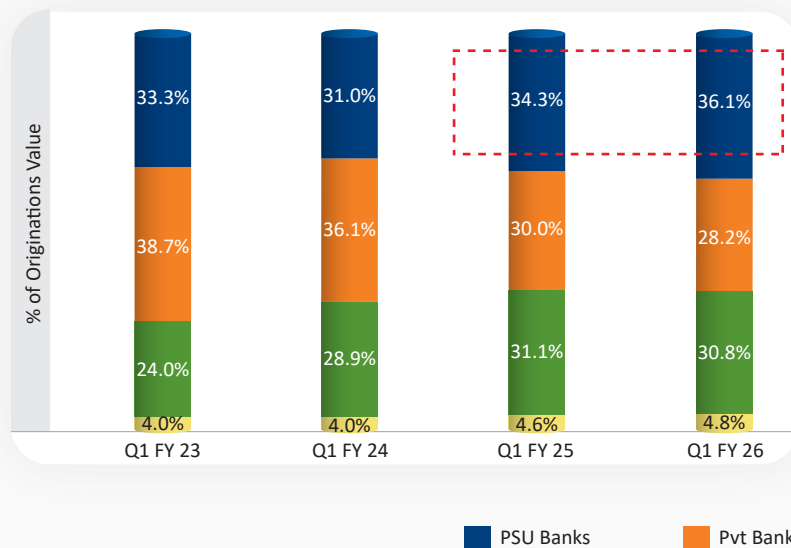
### HIGHLIGHTS

- **Auto Loan Trends:** Q1 FY26 Auto loan originations value moderated to 3.3% YoY in Q1 FY26, down from 6.2% YoY growth in Q1 FY25, despite a robust 14.5% YoY increase in POS.
  - Originations volume also contracted by 0.8% YoY, to 9.3 lakh accounts, suggesting that larger average ticket sizes may be contributing to the overall POS growth.
- **Demand impact:** Additionally, according to data from the Society of Indian Automobile Manufacturers (SIAM\*), passenger vehicle sales almost remained flat at 1.02 million in Q1 FY26 compared to 1.01 million units in Q1 FY25, indicating a softening in underlying demand for auto loans.

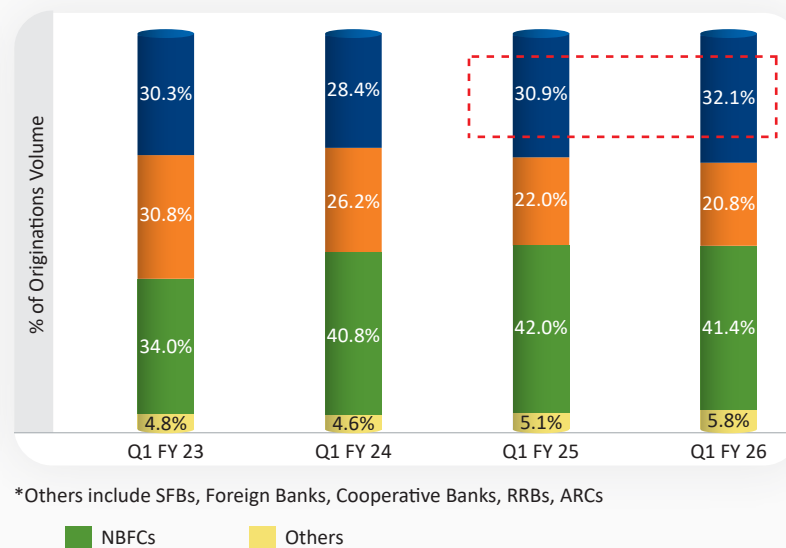
\*SIAM, Auto Industry Sales Performance of June 2025 and Q1 (April-June 2025)

## PSU banks continues to gain originations value share in Q1 FY26

Originations Value by Lender Type



Originations Volume by Lender Type



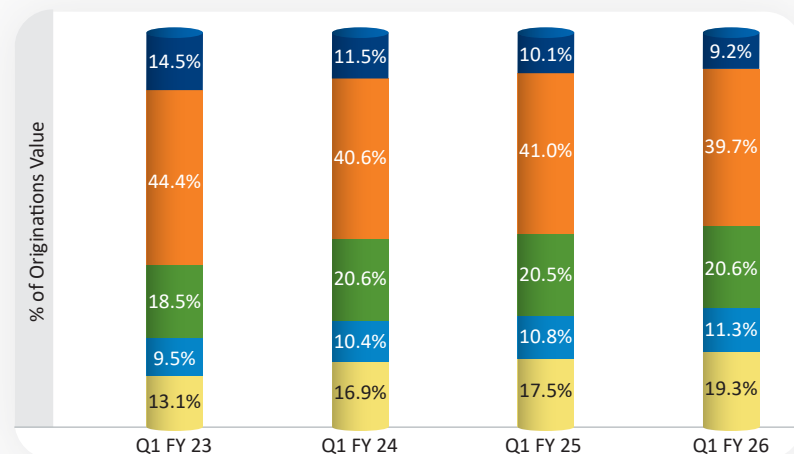
\*Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

### HIGHLIGHTS

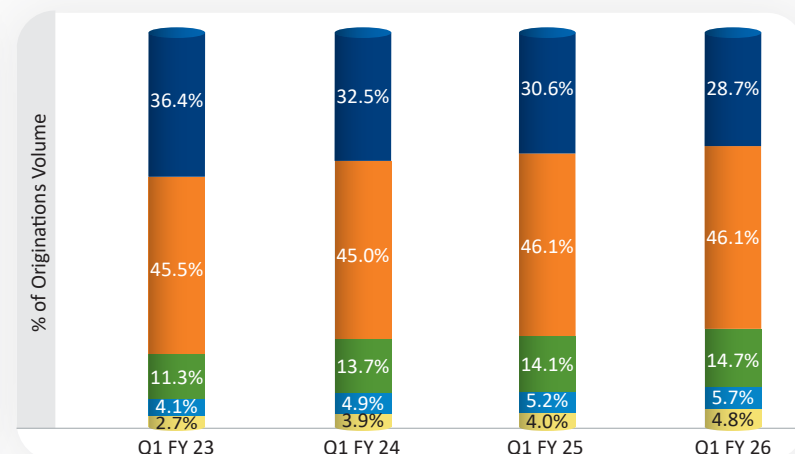
- **Competitive shifts:** Private banks' share of originations by value declined to 28.2% in Q1 FY26, extending the downward trajectory seen in previous quarters. NBFCs witnessed a slight decline, while PSU banks gained ground—rising from 34.3% in Q1 FY25 to 36.1% in Q1 FY26.
  - By volume, NBFCs led with a 41.4% share, reflecting their emphasis on low-ticket lending.
- **Ticket size trends:** Aligned with these trends, the average ticket size in Q1 FY26 stood at ₹12.0 L for private banks, followed by ₹9.9 L for PSU banks, and ₹6.6 L for NBFCs.

## Big-ticket loans surge: Strong growth in ₹10L+ originations

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)



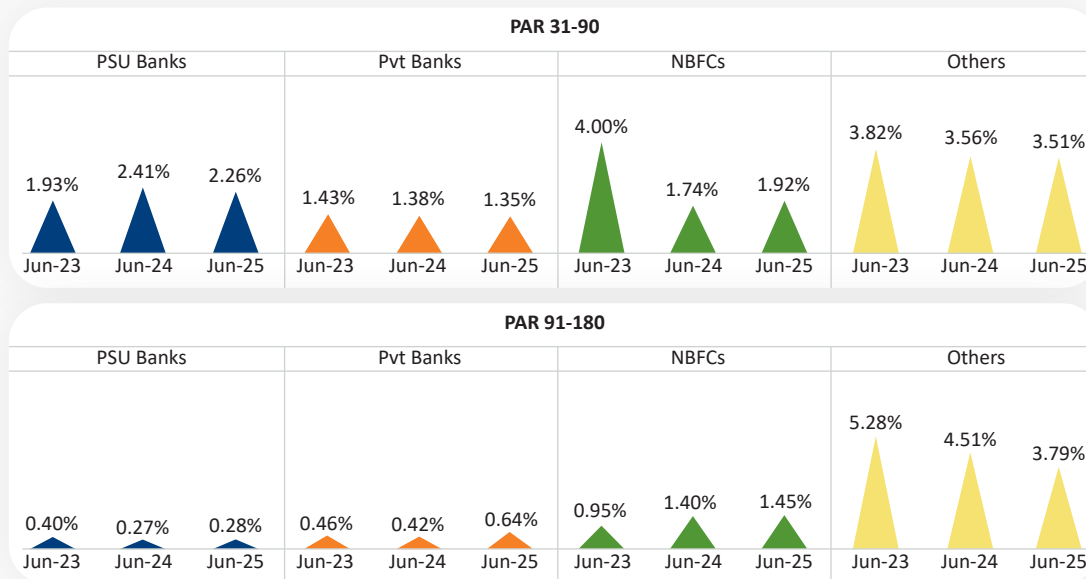
■ <5L 
 ■ 5L - 10L 
 ■ 10L - 15L 
 ■ 15L - 20L 
 ■ 20L+

### HIGHLIGHTS

- Dominant Ticket Size:** The ₹5L–₹10L segment remains the largest by originations value, accounting for 39.7% of originations in Q1 FY26—down from 44.4% in Q1 FY23. It also leads in terms of volume (46.1% as of Q1 FY26), maintaining its position as the most prevalent ticket size.
- Growing Segments:** Ticket sizes above ₹10L continue to gain share, with the ₹20L+ segment rising from 13.1% in Q1 FY23 to 19.3% in Q1 FY26.
  - The ₹20L+ segment is dominated by Private Banks across the disbursement periods, accounting for 44.8% of the originations value share and 43.5% of the originations volume share in this ticket size segment.

## NBFCs are witnessing an upward trend in both early-stage and later-stage delinquencies

Delinquency - Lender Type



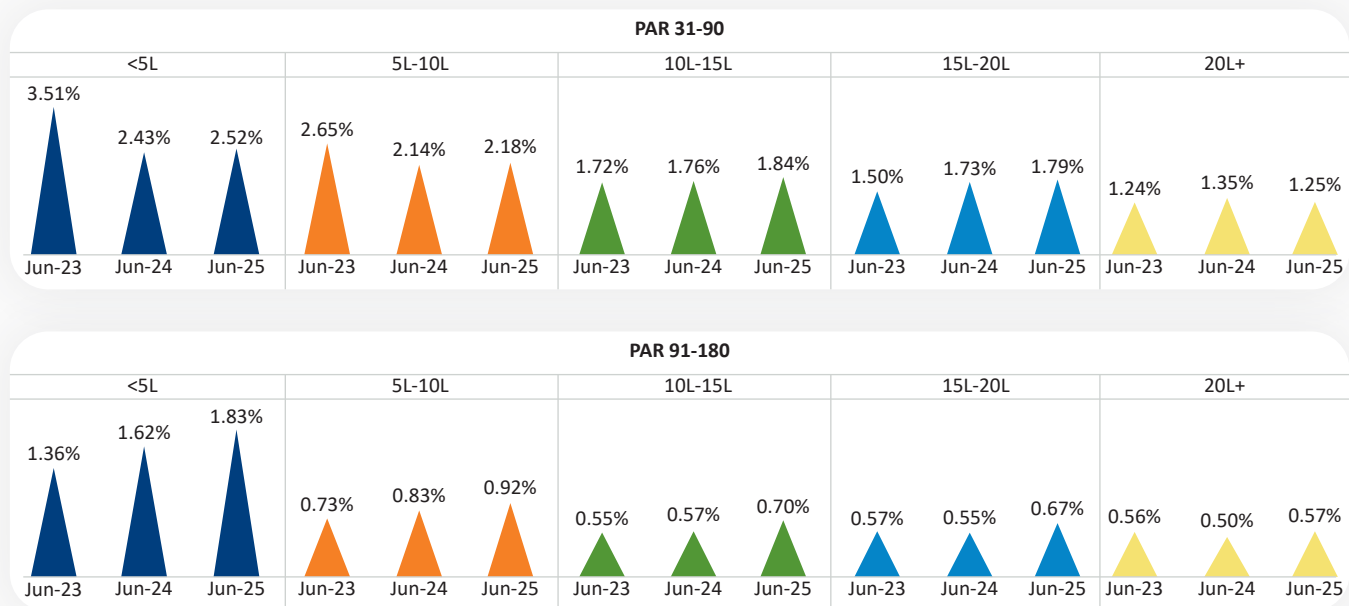
\*Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

### HIGHLIGHTS

- **PAR 31-90:** PSU banks reported the highest short-term delinquency at 2.26%, followed by NBFCs at 1.92% as of June'25. Private banks remained the most resilient, with the lowest PAR 31-90 at 1.35%.
- **PAR 91-180:** Both PSUs and private banks showed minimal stress in the PAR 91-180 bucket, outperforming NBFCs. Additionally, NBFCs recorded elevated and rising PAR 91-180 levels, consistent with their PAR 31-90 trend, indicating deepening asset quality pressure.

## PAR 31–90 and PAR 91–180 rates rose in June’25 relative to June’24, indicating a rising delinquency trend

Delinquency - Ticket Size (₹)



### HIGHLIGHTS

- **PAR 31–90:** Higher ticket sizes generally exhibit lower delinquency in the PAR 31–90 bucket compared to smaller loans. However, all segments—except the ₹20L+ category—recorded an increase in PAR 31–90 levels, indicating broad-based short-term stress.
- **PAR 91–180:** While PAR 91–180 levels remain lower than PAR 31–90 across ticket sizes, delinquency rates for June’25 are higher than those in June’24, suggesting a gradual rise in longer-duration delinquency buckets as well.



# CREDIT CARDS

“

The Indian credit card industry has witnessed a significant growth, driven by a growing middle class, rising consumerism, and the rapid growth of e-commerce. Key factors include the increasing acceptance of digital payments, increased penetration of young borrowers, attractive rewards programs, and co-branded partnerships. The expansion into Tier 2 and 3 cities and the instant & digital cards are also fuelling this growth. However, the industry faces challenges of low credit penetration in comparison to developed countries, a cultural preference for cash especially in rural geographies etc. The bureau data suggest some concern about the NPA and consumer debt, despite these issues, the market is expected to continue its upward trajectory, with a focus on personalised offerings, enhanced security features and heighten due diligence and monitoring.

**MR. ANURAG JAIN**

Head – Retail Credit Strategy & Control Personal Loan & Credit Card, HDFC Bank



““

The role of CRIF High Mark has become more critical than ever for the credit card ecosystem in India. With the ongoing regulatory emphasis on responsible lending and the sharp rise in first-time cardholders, timely and accurate bureau data enables issuers like BOBCARD to calibrate risk, expand customer acquisition in the right segments, and safeguard portfolio quality. Bureau insights not only help in evaluating repayment capacity and monitoring early delinquency trends but also support dynamic credit-line management in an environment of rising discretionary spends during the festive and travel seasons. As we pursue growth, credit bureaus act as an essential guardrail—balancing inclusion with prudence—and ensuring that our card business continues to scale sustainably while maintaining asset quality.

**MR. ASHISH SHAH**

Deputy Managing Director, BOBCARD



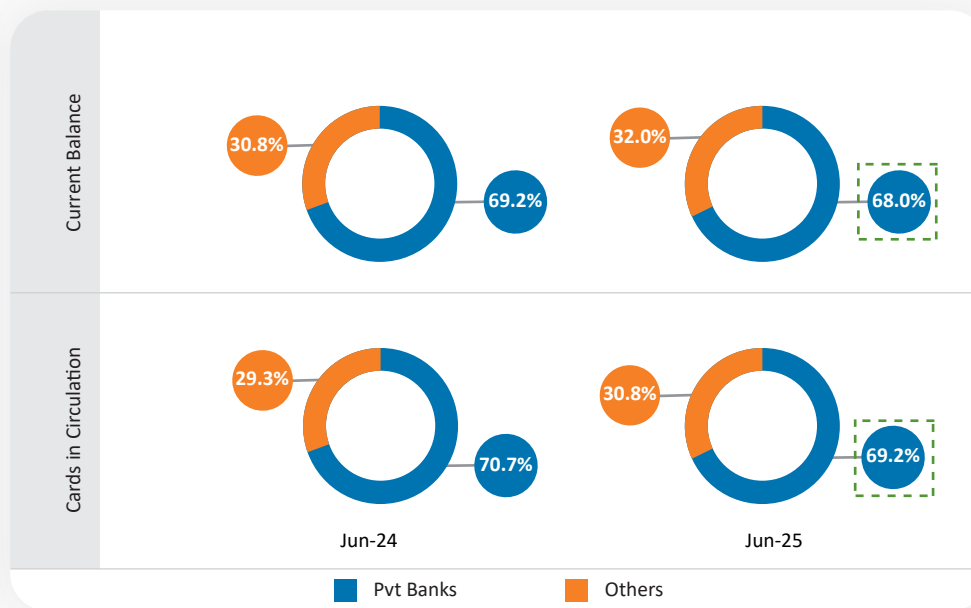


## Credit card balance growth moderates; long-term delinquencies remain elevated

Credit Cards – Portfolio Snapshot

	Jun-23	Jun-24	Jun-25
Portfolio Outstanding (₹ L Cr)	206	3.3	3.7
Y-o-Y Growth %		26.5%	12.4%
Active Loans (Lakh)	889.6	1009.8	1,082.6
Y-o-Y Growth %		13.5%	7.2%
PAR 1-30	3.6%	3.7%	2.5%
PAR 31-90	2.2%	2.3%	2.2%
PAR 91-180	6.5%	7.6%	8.3%
PAR 180+	5.8%	5.6%	7.4%

Credit Cards – Market Share



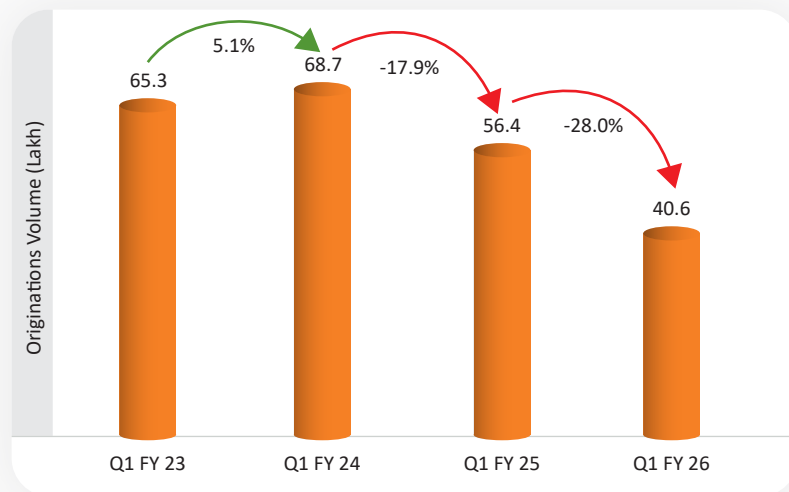
\*Others include PSU Banks, NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

### HIGHLIGHTS

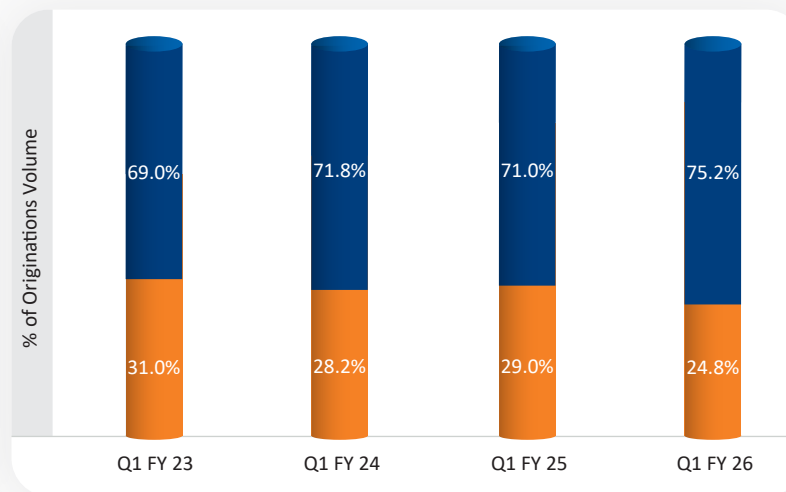
- **Growth Moderation:** Credit card balances grew 12.4% YoY to ₹3.7 L Cr, easing from 26.5% YoY in Jun'24. Card issuance also slowed, with volumes rising 7.2% YoY vs. 13.5% YoY last year.
- **Growing stress:** While PAR 1–90 metrics showed improvement, rising stress is evident in the PAR 91–180 and PAR 180+ buckets—largely driven by elevated delinquencies within Asset Reconstruction Companies (ARCs).
- **Lender Positioning:** Private banks-maintained dominance in both outstanding balances and card volumes.

## New credit card originations continue to decline in Q1 FY26

New Credit Cards Issued



New Credit Cards Issued – by Issuer Type



\*Others include PSU Banks, NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

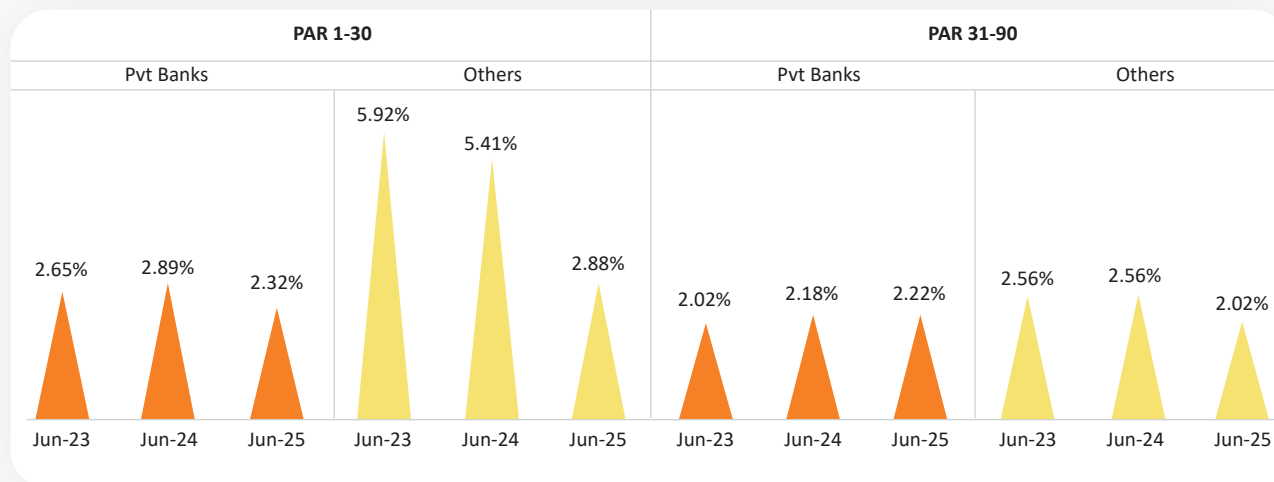
■ Pvt Banks ■ Others

### HIGHLIGHTS

- **Sharp Decline in Originations volume:** New credit card issuances contracted sharply by 28.0% YoY to 40.6 lakh in Q1 FY26, extending the 17.9% YoY decline seen in Q1 FY25. This marks a continued correction following years of rapid expansion. The downturn reflects a confluence of regulatory tightening, calibrated risk moderation by lenders, and a strategic pivot toward improving asset quality in unsecured portfolios.
- **Private Banks continue to Gain Share:** Private banks increased their share of originations from 71.0% in Q1 FY25 to 75.2% in Q1 FY26, underscoring their continued dominance in the segment. However, their absolute originations volume declined 24.8% YoY to 30.1 lakh, mirroring broader market contraction.

## Pvt banks 1-90 overall improved from 5.07% in June'24 to 4.54% in June'25

Delinquency - Lender Type



\*Others include PSU Banks, NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

### HIGHLIGHTS

- **Delinquency trends:** Despite intermittent fluctuations, PAR 1-30 have moderated across both private banks and other lenders. Notably, private banks saw a marked improvement, with delinquency rates declining from 2.89% in June'24 to 2.32% in June'25. PAR 31–90 bucket edged up marginally—from 2.18% to 2.22% over the same period—indicating emerging pressure in mid-stage delinquencies.
- **PAR 1-90 total:** Overall, PAR 1-90 improved from 5.07% in June'24 to 4.54% in June'25. While enhanced portfolio controls contributed to this trend, the moderation also reflects a slowdown in POS growth and a decline in new card originations.



# TWO-WHEELER LOANS

““

In the two-wheeler space, the month of July 25 saw a 6.5% YoY decline and a 6.3% MoM drop, as crop-sowing activities and prolonged heavy rains dampened rural footfalls more sharply than urban demand. However, the industry is confident of a post-monsoon uptick, with several purchase decisions deferred to August & September 25 ahead of the festive season, falling lending rates, ample liquidity available with banks and a revival of economic momentum. Overall, the sentiments are positive despite emerging risks, supply chain uncertainty for critical components in EVs, and other global factors.

**MR. AJAY BHATIA**

President & Chief Risk Officer, Cholamandalam Investment & Finance Company Limited

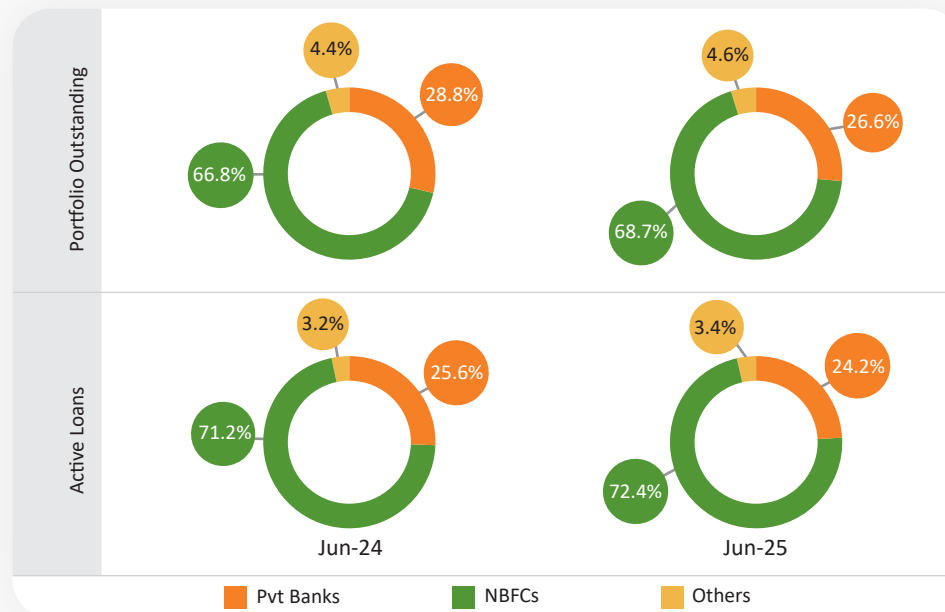


## Growth slows down with deterioration in PAR 31-360

Two-Wheeler Loans – Portfolio Snapshot

	Jun-23	Jun-24	Jun-25
Portfolio Outstanding (₹ K Cr)	110.2	146.7	168.5
Y-o-Y Growth %		33.0%	14.9%
Active Loans (Lakh)	269.8	311.9	346.3
Y-o-Y Growth %		15.6%	11.0%
PAR 31-90	3.5%	3.5%	3.7%
PAR 91-180	2.2%	1.6%	2.1%
PAR 181-360	2.0%	1.2%	1.7%
PAR 360+	6.8%	7.6%	5.8%

Two-Wheeler Loans – Market Share

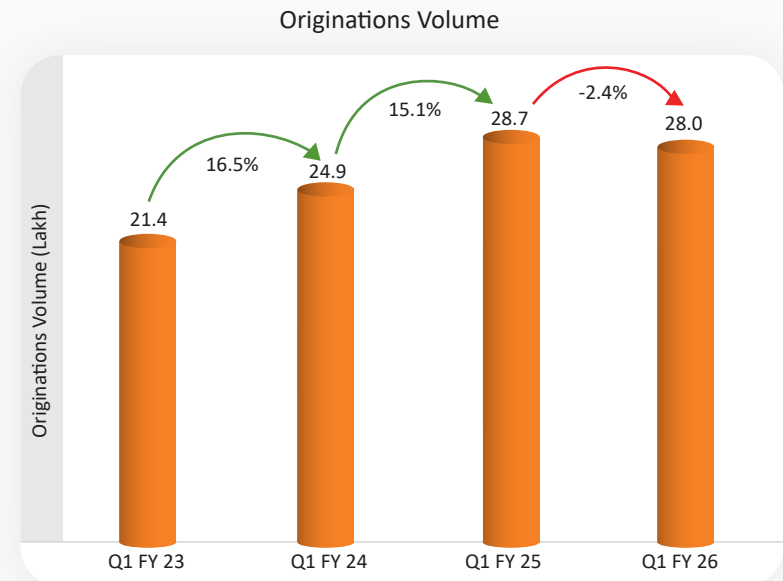
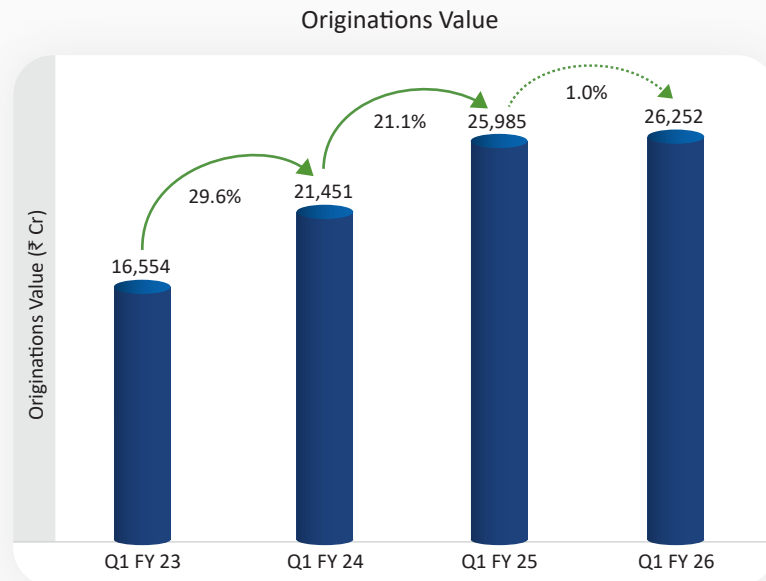


\*Others include PSU Banks, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

### HIGHLIGHTS

- **Portfolio Trends:** Growth in the portfolio outstanding of two-wheeler loans slowed to 14.9% YoY, reaching ₹168.5K crore as of June'25.
- **Lender-Wise Distribution:** Two-wheeler loans continue to be dominated by NBFCs, both in terms of value and volume, followed by private banks.
- **Delinquency Trends:** There has been a deterioration in PAR 31–360 between June'24 and June'25. While PAR 360+ has improved compared to June'24, the trend may also reflect potential write-off risks.

## Originations value growth weakened in Q1 FY26 compared to Q1 FY25



3.5% Y-o-Y Growth in Average Ticket Size from ₹90.7K in Q1 FY25 to ₹93.9K in Q1 FY26

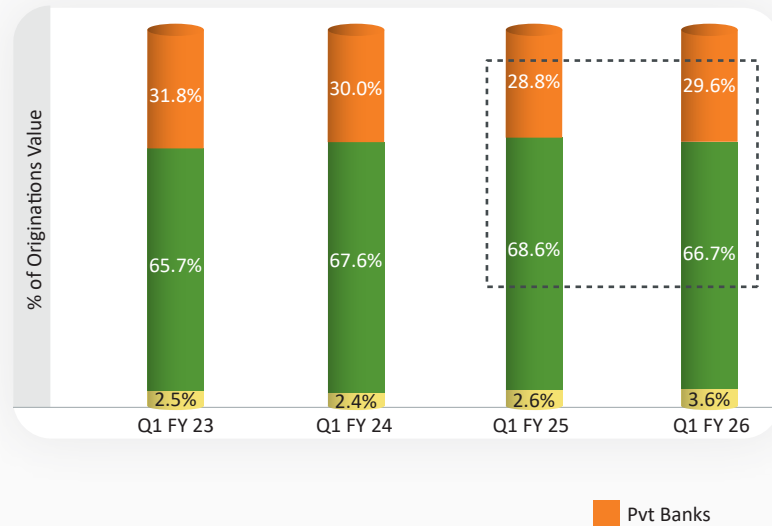
### HIGHLIGHTS

- **Originations slowdown:** Originations value for two-wheeler loans slowed significantly to ₹26,252 crore in Q1 FY26, marking a modest 1.0% YoY growth, compared to 21.1% YoY growth between Q1 FY24 and Q1 FY25. The slowdown highlights a strategic pullback by two-wheeler financiers including NBFCs and captive financing arms scaling back disbursements (reducing loan to value or curtailing loan tenure\*) to manage rising portfolio stress.
- Originations growth (both value and volume) has slowed down in Q1 FY26 for major NBFCs while it has declined for two-wheeler captive financing arms when compared to Q1 FY25.
- **Credit tightening:** Originations volumes also declined by 2.4% YoY, reaching 28 lakh accounts in Q1 FY26.

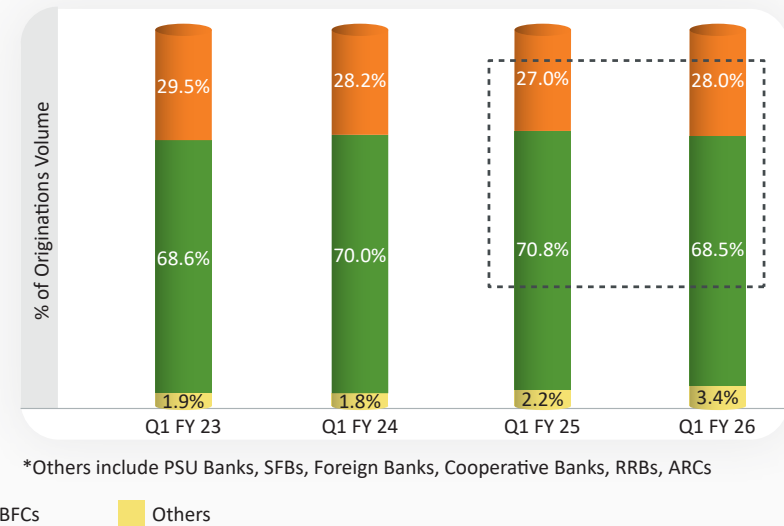
\*Auto.Economic Times, "Two wheelers go slow on loans as defaults inch up", March 2025

## NBFCs continue to lead in both market value and volume of two-wheeler loans, though their share saw a slight decline in Q1 FY26

Originations Value by Lender Type



Originations Volume by Lender Type



\*Others include PSU Banks, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs

ATS for NBFCs increased by 4.0% YoY from ₹87.9K to ₹91.4K and increased by 2.7% YoY for Pvt Banks from ₹96.6K to ₹99.2K in Q1 FY26

### HIGHLIGHTS

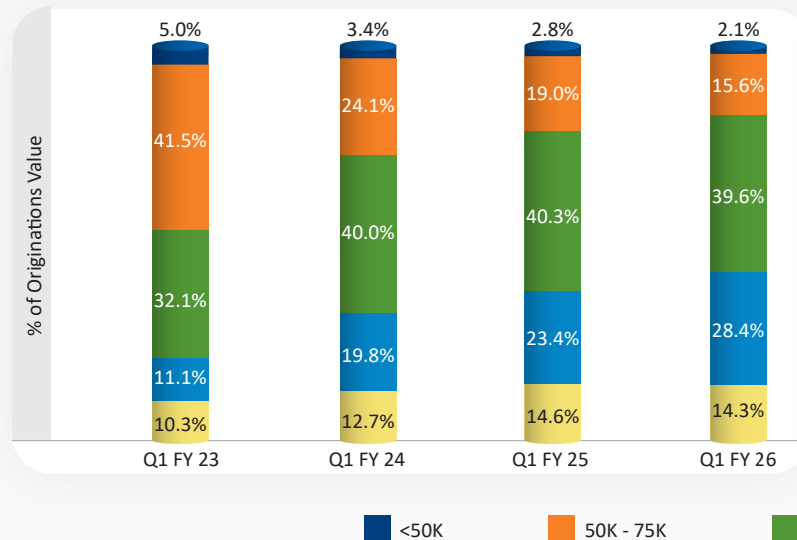
#### NBFC's leading presence:

- In Q1 FY26, NBFCs retained a leading share of originations value at 66.7%, despite a marginal decline from 68.6% in Q1 FY25. Private banks registered a modest gain over the same period.
- Segment-wise, NBFCs dominated Originations value across ticket size segments, within the two-wheeler loan category.

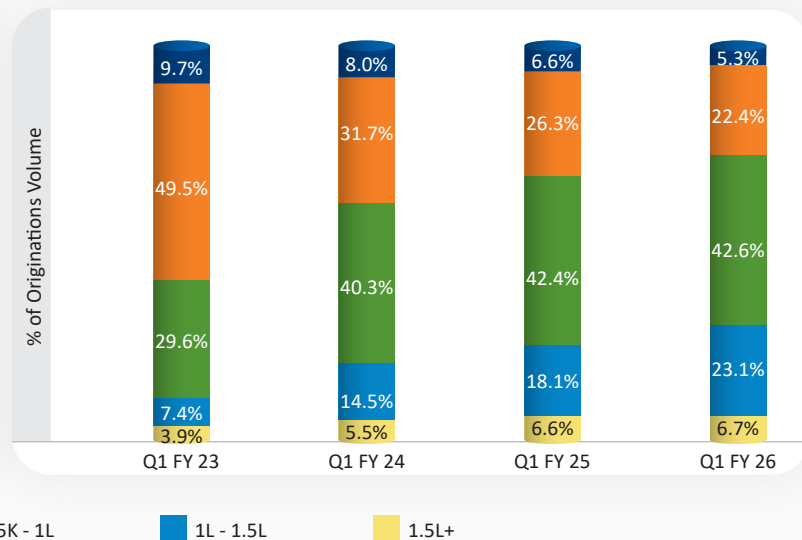


## Shift in Originations to ₹1L+ loans

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)

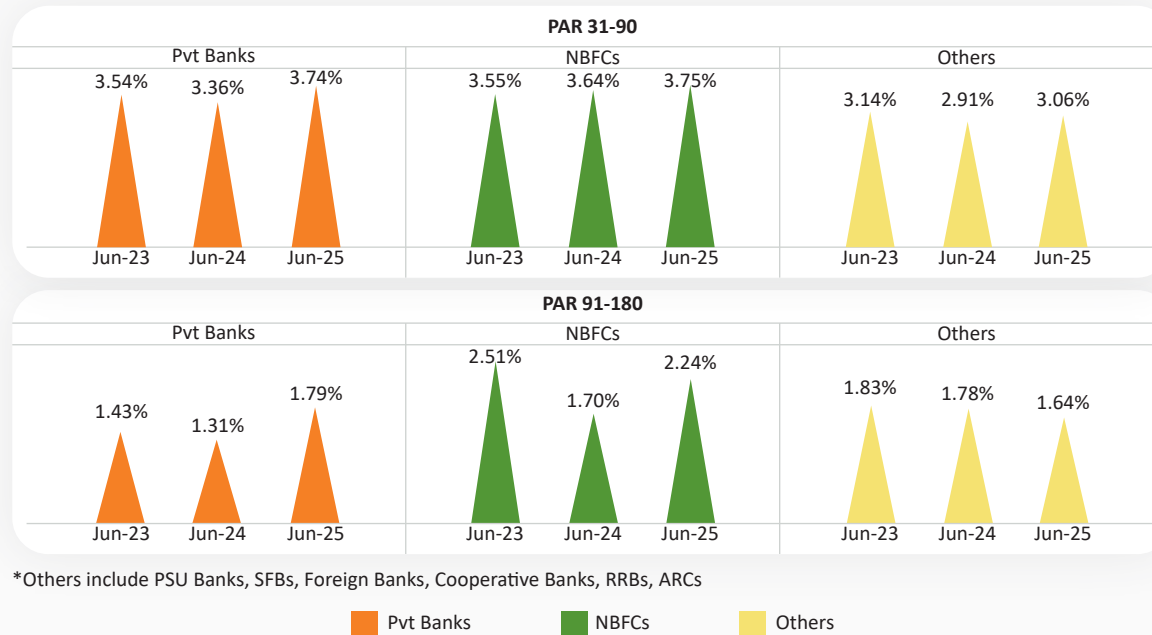


### HIGHLIGHTS

- **Dominant category:** Loans in the ₹75K–₹1L category continued to dominate the two-wheeler loan market, accounting for 39.6% of originations value.
- **Continued shift to higher ticket size loans:**
  - In Q1 FY26, the share of ₹1L–₹1.5L loans saw a notable increase in originations value—from 23.4% in Q1 FY25 to 28.4%.
  - While the share of ₹1.5L+ loans remained steady at 14.3% in Q1 FY26 as compared to Q1 FY25, it reflects a gradual rise from 10.3% in Q1 FY23, indicating a sustained shift toward higher-value financing. This segment continues to be predominantly driven by both NBFCs & Private Banks.

## NBFCs exhibit a higher PAR 91-180 overall as compared to private banks

Delinquency - Lender Type

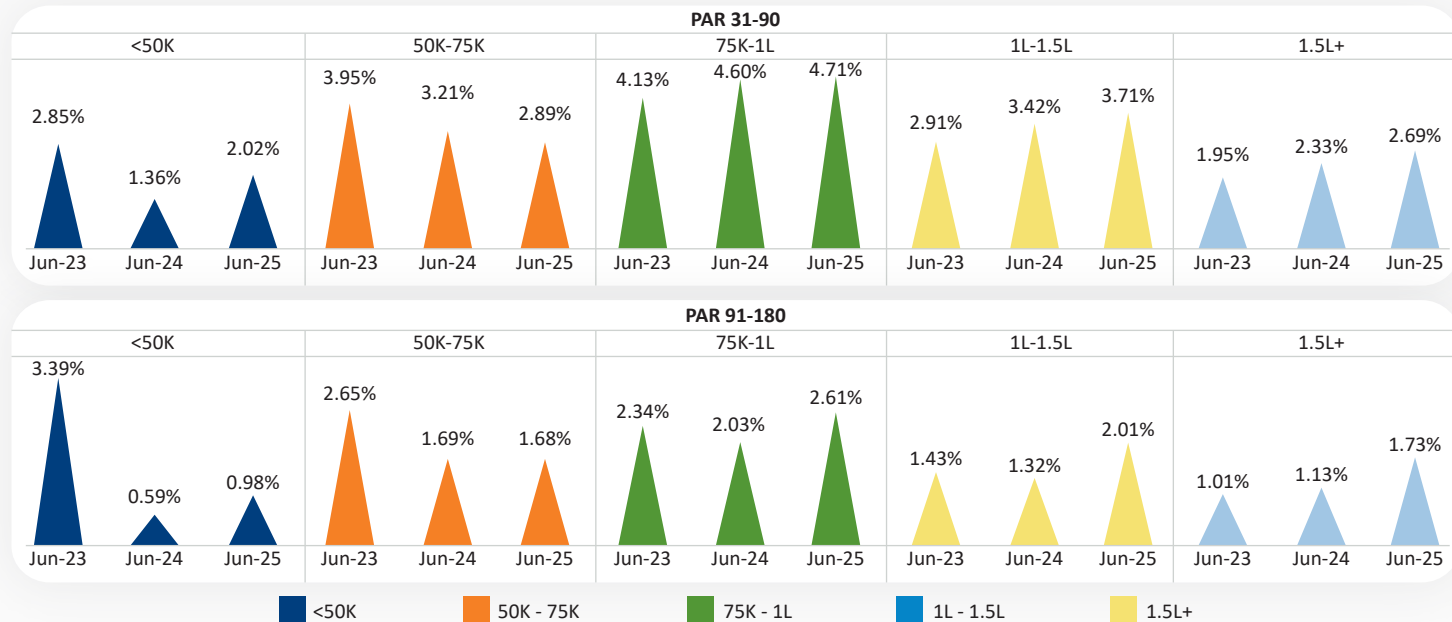


### HIGHLIGHTS

- **PAR 31-90:** In the PAR 31–90 bucket, both private banks and NBFCs recorded elevated delinquency levels, with private banks showing a sharper increase between June’24 and June’25 compared to NBFCs.
- **Par 91-180:** As of June’25, NBFCs reported higher PAR 91–180 levels than private banks. However, both lender types witnessed significant increases in this bucket over the year, pointing to growing repayment stress and emerging collection challenges.

## ₹75K–₹1L band shows among the highest delinquency levels

Delinquency - Ticket Size (₹)



### HIGHLIGHTS

- **High delinquency segment:** Loans in the ₹75K–₹1L ticket range—accounting for ~40% of originations by value—continued to reflect some of the highest delinquency rates as of June’25.
  - This trend persisted in the PAR 91–180 bucket, where the segment recorded a delinquency rate of 2.61%.
- **Increasing repayment stress:** Between June’24 and June’25, delinquency levels worsened across most ticket-size bands, except for the ₹50K–₹75K segment.



# CONSUMER DURABLE LOANS

““

The consumer durable industry is poised for a 11%+ CAGR for FY24-29. Though current trends reflect a mixed performance with some demand pressures, economic growth etc short term challenges but overall, the Indian consumer durables market is expected to experience continued growth, driven by a combination of factors including rising disposable incomes, favourable monsoon, rural & agricultural economy impact, increasing urbanization, technological advancements, and government support.

**MR. AJAY BHATIA**

President & Chief Risk Officer, Chola mandalam Investment & Finance Company Limited

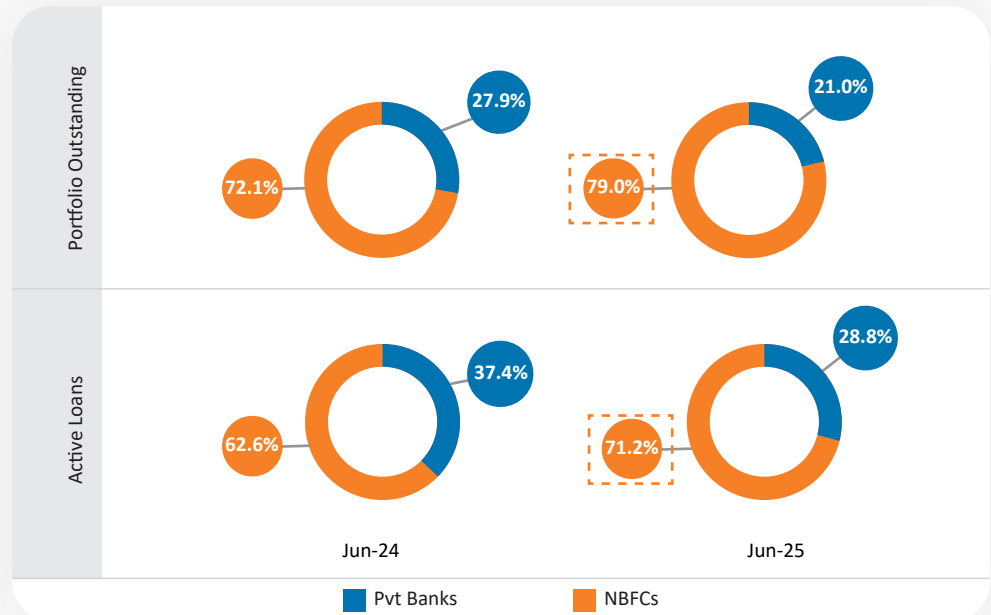


## Growth moderates | NBFCs continue to lead amid slight decline in PAR 31-360 across segments

Consumer Durable Loans – Portfolio Snapshot

	Jun-23	Jun-24	Jun-25
Portfolio Outstanding (₹ L Cr)	55.7	74.0	79.8
Y-o-Y Growth %		32.9%	7.9%
Active Loans (Lakh)	689	955	1,013
Y-o-Y Growth %		38.6%	6.0%
PAR 31-90	1.1%	1.3%	1.1%
PAR 91-180	0.9%	1.1%	1.0%
PAR 181-360	0.8%	0.4%	0.4%
PAR 360+	2.3%	1.4%	1.6%

Consumer Durable Loans – Market Share

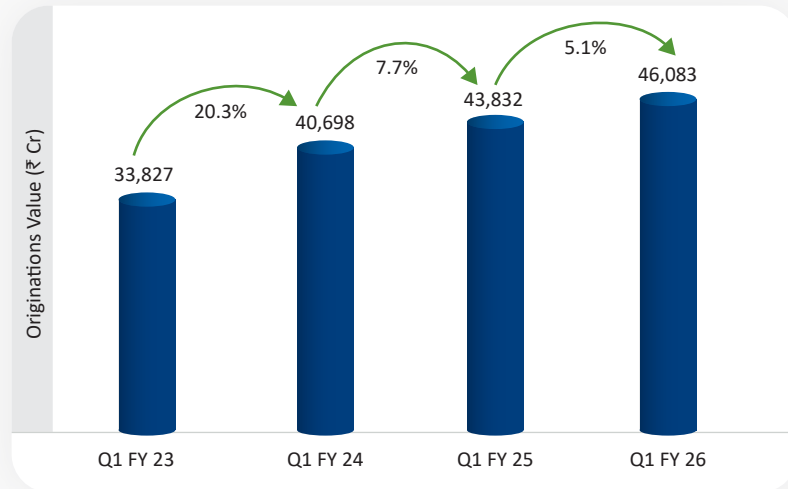


### HIGHLIGHTS

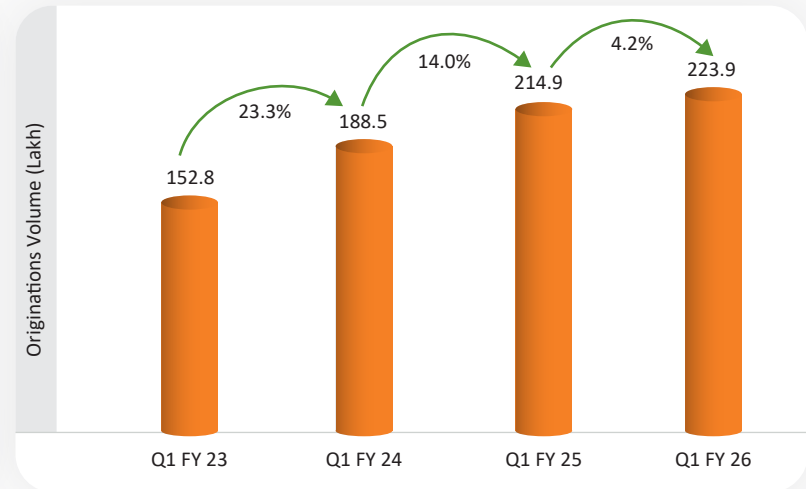
- **POS trends:** The POS for consumer durable loans moderated to 7.9% YoY in June'25, down sharply from 32.9% YoY in June'24—reflecting a slowdown in originations and a broader demand slowdown.
- **Performance metrics:** PAR metrics improved marginally or remained stable, while PAR 360+ increased from 1.4% in June'24 to 1.6% in June'25 reflecting increasing write off risks.
- **Lenderwise trends:** NBFCs' market share (by originations value) rose significantly from 72.1% in June'24 to 79.0% in June'25, underscoring their growing dominance in the segment.

## Originations value growth slows in Q1 FY26, extending the downward trend in momentum

Originations Value



Originations Volume



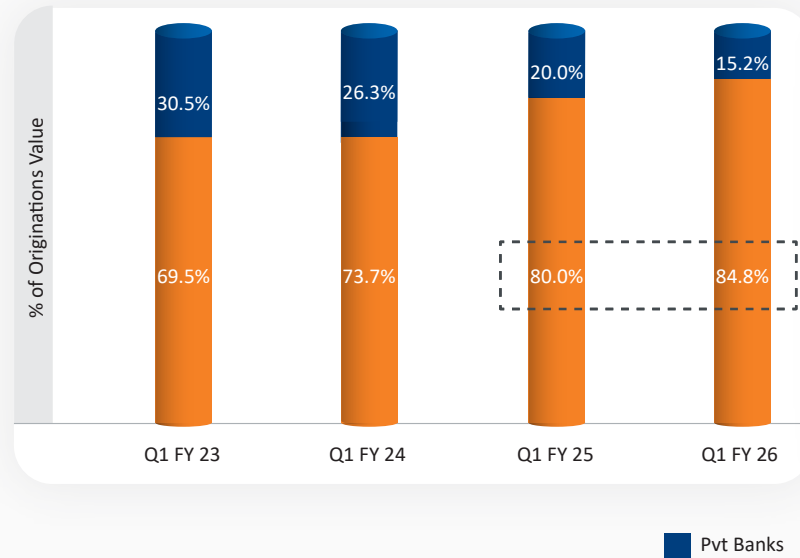
0.9% Y-o-Y growth in Average Ticket Size from ₹20.4K in Q1 FY25 to ₹20.6K in Q1 FY26

### HIGHLIGHTS

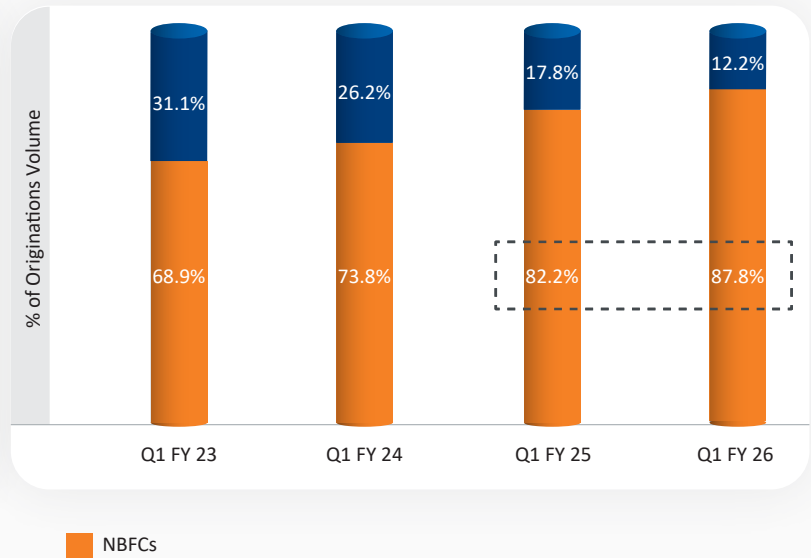
- **Slowdown in growth:** Origination value growth for consumer durable loans moderated to 5.1% YoY in Q1 FY26, reaching ₹46,083 crore, compared to higher growth rates in previous years.
- Volume growth also slowed to 4.2% YoY in Q1 FY26, down from the double-digit growth seen in earlier periods—reflecting a broader deceleration in discretionary consumer spending.

## NBFCs maintain their lead and continue to capture market share from private banks

Originations Value by Lender Type



Originations Volume by Lender Type



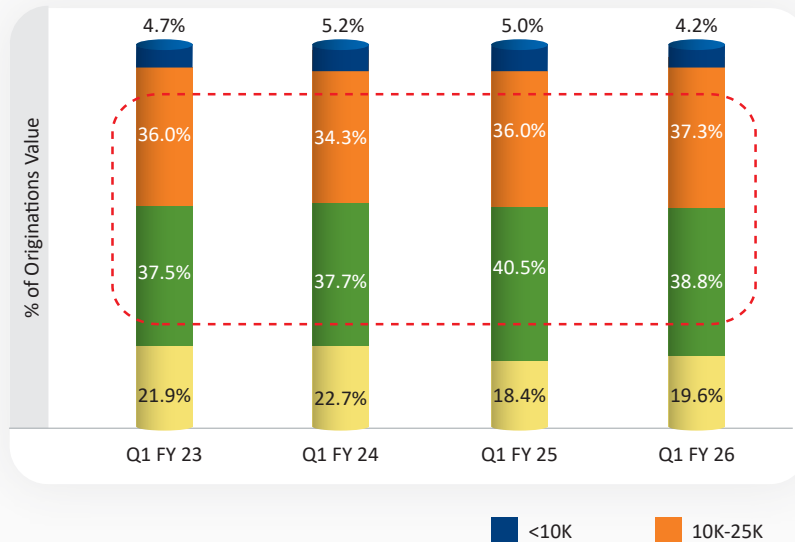
### HIGHLIGHTS

- **Highly concentrated market:** NBFCs dominate the consumer durable loan market, with market share rising from 80% in Q1 FY25 to 85% in Q1 FY26, accompanied by a concurrent increase in volume share.
- **Drivers:** Growth has been supported by factors such as Buy Now Pay Later offerings, strong partnerships with retail players, faster loan approvals, and seamless customer experiences, driving innovative offerings in this segment.

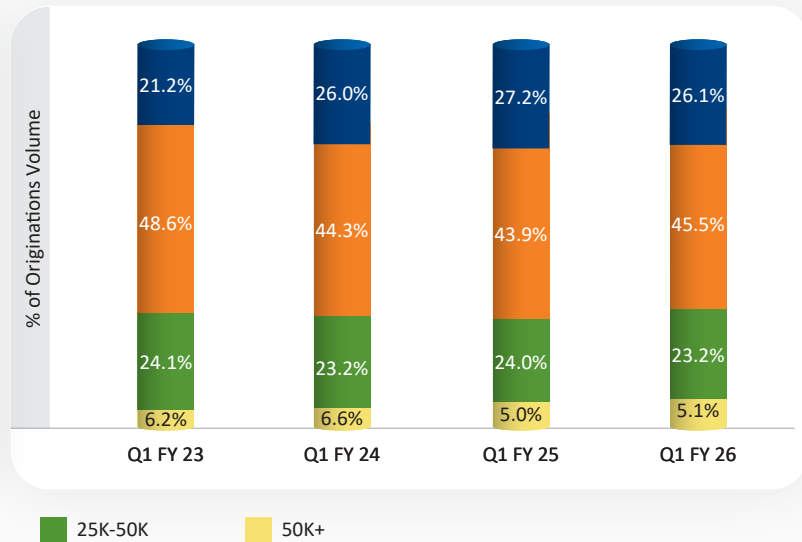


## No major shifts in originations value and volume

Originations Value by Ticket Size (₹)



Originations Volume by Ticket Size (₹)

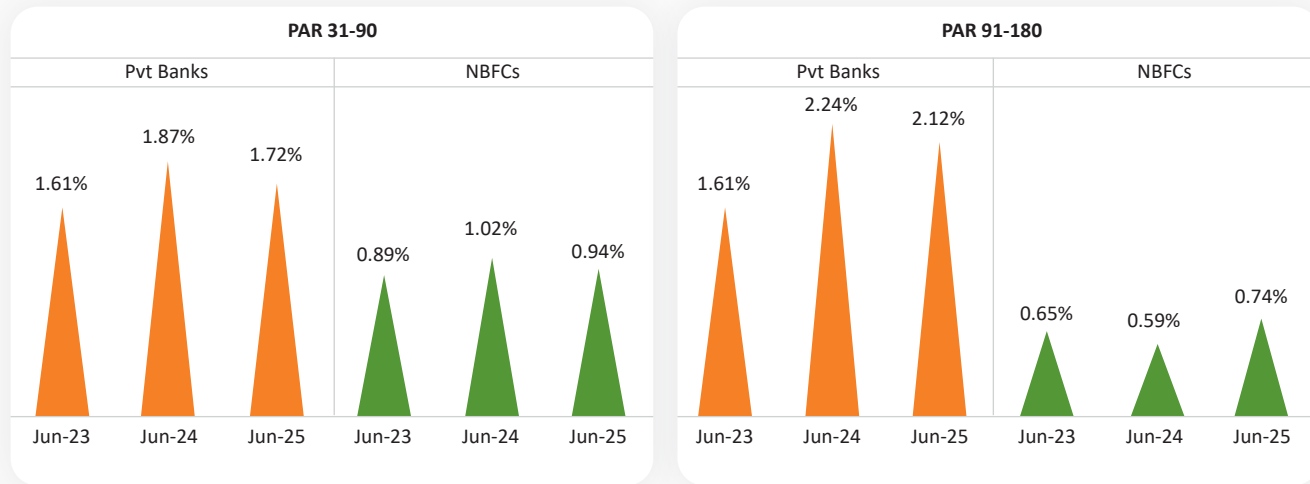


### HIGHLIGHTS

- **Dominant segment** originations value continues to be equally concentrated in the ₹10K–₹25K and ₹25K–₹50K segments, together accounting for over 75% of total market share in Q1 FY26.
- In terms of volume, ₹10K–₹25K remains the leading segment, while loans below ₹10K contributed 26.1% of total volume—highlighting the continued prominence of small-ticket loans.
- **No major shifts** overall, there have been no significant changes in market share trends over the years, either in origination value or volume distribution.

## NBFCs continue to outperform in PAR 31–180, despite slight rise in long-term delinquencies

Delinquency - Lender Type



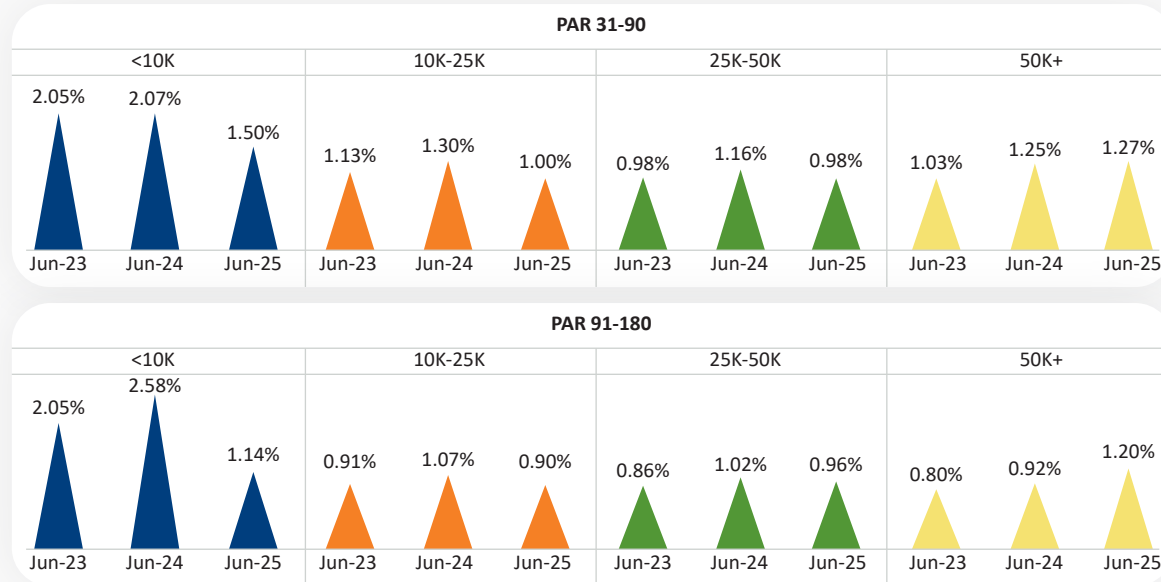
### HIGHLIGHTS

#### Overall trends:

- NBFCs, as the dominant market player, continue to outperform private banks in both PAR 31–90 and PAR 91–180 buckets.
- As of June '25, both lender types showed marginal improvement across these delinquency segments, with the exception of NBFCs in PAR 91–180, which experienced a slight deterioration.

## High-ticket size segment shows early signs of stress

Delinquency - Ticket Size (₹)



### HIGHLIGHTS

- **PAR 31–90:** Loans below ₹10K continued to exhibit some of the highest delinquency levels, though they showed improvement in June’25 compared to June’24.
- The ₹10K–₹25K and ₹25K–₹50K segments—which together account for the majority of originations—also recorded improvements in delinquency in June’25 compared to June’24. In contrast, the ₹50K+ segment showed elevated and rising delinquency levels, indicating repayment stress among higher-ticket borrowers and underscoring the need for closer risk assessment.
- **PAR 91–180:** Trends largely mirrored those seen in PAR 31–90, though overall PAR metrics were comparatively better.

## ABOUT HOW INDIA LENDS

*'How India Lends' is CRIF High mark's publication offering in-depth insights into India's lending landscape, specifically focusing on consumption loans. It presents a comprehensive analysis of key trends, including portfolio growth, risk dynamics, and originations across lender types and ticket sizes over past financial years.*

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Head of Categories and Research

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### CIR (Commercial, Consumer & Microfinance)

- Detailed Information of a borrower's credit history & financial behavior. These details are utilized by the lenders & financial institutions to evaluate credit worthiness of the borrower.
- Commercial CIR includes CRIF India Business Rank (CIBR), which is a 13-Rank Assessment model to gauge a Business entity's Credit repayment ability based on its credit profile, credit history and other factors.

### B2B2C Consumer CIR

- The reports are fetched by individuals who approach Agents/ Online Fintech Platform to avail personal credit for personal usage/ pre-qualified offers.

### B2C Consumer/Commercial CIR

- Individuals/Entities looking for their personal/ entity's credit report fetch this CIR through CRIF's portal.

### Commercial Lite CIR

- Synopsis of credit facilities with respect to Member and Off-member exposures, exposures on CC / OD facilities, Total Banking Exposure.

### Portfolio review

- The data output represents Offline bulk credit information of their customer base with Lending Institutions.

### Market Insights Report

- Market Insights products, offer insights on broader market trends and consumer behavior, using aggregated credit data.

### Alerts

- Event based triggers for near real time and effective monitoring of borrowers, post disbursement.



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