

HOW INDIA LENDS

CREDIT LANDSCAPE IN INDIA

Q4 FY26 and FY 2026

(Data as of March 2026)



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DEFINITIONS

This version of How India Lends is based on data reported as of March'26

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

Consumption Lending

Includes Home Loans, Personal Loans, Gold Loans, Auto Loans, Credit Cards, Education Loans, Two-Wheeler Loans, Tractor Loans, Used Car Loans and Consumer Durable Loans

Auto Loans

Only Auto Loans (Personal) are considered in this report

Gold Loans

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

Throughout this report:

Portfolio Outstanding or POS 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



MARCH'26 SNAPSHOT - RETAIL AND CONSUMPTION LOAN PRODUCTS

Product Category	Portfolio as of Mar-26 (₹ Lakh Cr)	YoY Growth %	QoQ Growth %	Active Loans (Lakh) As of Mar-26	YoY Growth %	QoQ Growth %	PAR 31-180		
							Mar-25	Dec-25	Mar-26
Home Loan*	44.4	9.4%	3.4%	235.7	2.5%	0.8%	2.5%	2.4%	2.1% ↓
Gold Loan*	18.6	50.4%	15.0%	899.2	3.1%	-0.9%	2.0%	1.8%	1.2% ↓
Personal Loan*	16.5	12.9%	3.7%	1224.4	7.5%	-6.0%	3.1%	2.5%	2.4% ↓
Auto Loan*	9.3	13.9%	3.4%	171.6	8.0%	2.1%	2.7%	3.0%	2.7% ↓
Credit Card*	3.4	0.0%	-1.1%	1102.1	3.3%	0.7%	4.3%	3.9%	3.0% ↓
Two-Wheeler Loan*	1.9	15.1%	2.7%	372.3	9.7%	1.7%	5.3%	4.7%	4.1% ↓
CD Loan*	1.0	20.8%	4.3%	1019.3	3.3%	1.2%	2.7%	1.9%	1.7% ↓
Others#	23.4	10.7%	1.0%	1179.0	7.8%	0.8%	3.9%	4.1%	3.5% ↓
Total Consumption Loans	118.6	15.3%	4.5%	6203.5	5.4%	-0.7%	2.9%	2.8%	2.4% ↓
Sole-proprietor Loans: CV, CEL, BL, LAP	51.6	19.7%	4.9%	673.7	14.1%	2.7%	3.9%	3.9%	3.3% ↓
Total Retail Loans	170.2	16.6%	4.6%	6877.2	6.2%	-0.4%	3.2%	3.1%	2.7% ↓

- **POS and growth drivers:** As of Mar'26, retail loans expanded 16.6% YoY and 4.6% QoQ, driven primarily by gold loans (50.4% YoY, 15.0% QoQ), the fastest growing segment.
- **Unsecured vs. Secured:** Beyond GL, unsecured credit-CD loans (20.8% YoY) and PL (12.9% YoY) - sustained robust momentum. In the secured loan space, vehicle loans (TW: 15.1% YoY; AL: 13.9% YoY) drove growth, while housing credit remained steady at ~9%.
- **Active accounts:** Across key product types, active **loan growth lagged POS growth**, reflecting a shift toward higher-ticket loans. QoQ growth moderated following the festive season.
- **Performance:** Portfolio performance strengthened overall, with delinquency levels improving. However, TW and CC segments, though still elevated, showed signs of gradual improvement.

*Loan types presented in detail in this report. #Others includes Education Loan, Tractor Loan, Used Car Loan, PSL Agri+KCC, Other Credit Cards, Loans Against Securities and Miscellaneous.

↓ Refers to QoQ Improvement (PAR)

Q4 FY26 ORIGINATIONS: RETAIL AND CONSUMPTION LOAN PRODUCTS

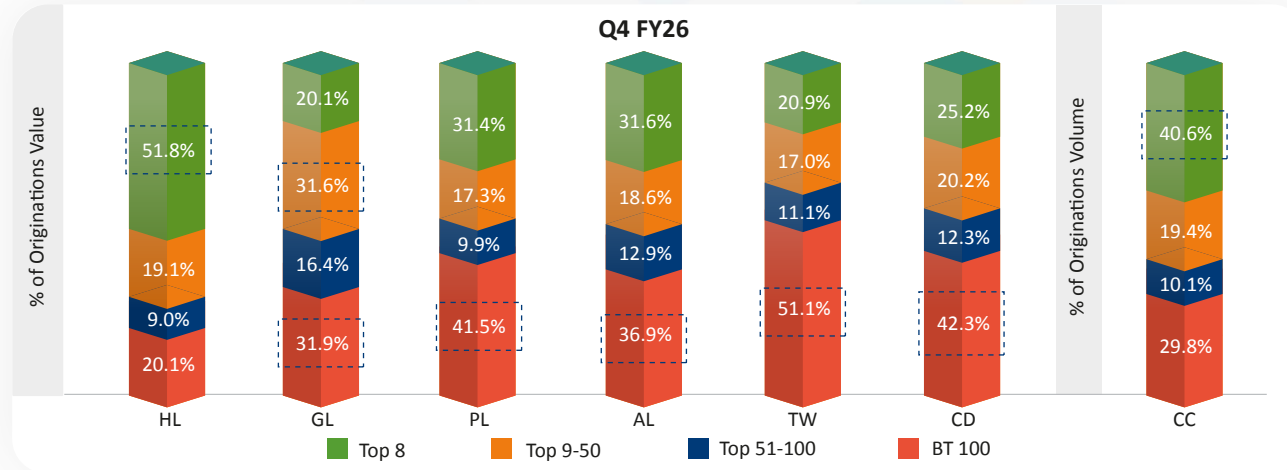
Product Category	Originations Value (₹ K Cr) Q4 FY26	YoY Growth %	QoQ Growth %	Originations Volume (Lakh) Q4 FY26	YoY Growth %	QoQ Growth %	Average Ticket Size (₹) Q4 FY26	YoY Growth %	QoQ Growth %
Gold Loan*	980.7	99.9%	16.8%	448.4	31.4%	0.7%	2,18,733	52.1%	15.9%
Home Loan*	344.8	14.9%	15.2%	10.1	3.8%	11.7%	34,20,930	10.6%	3.2%
Personal Loan*	315.1	31.9%	0.6%	456.3	26.9%	0.7%	69,052	3.9%	-0.1%
Auto Loan*	105.9	16.8%	-11.6%	12.3	17.6%	-14.2%	8,64,413	-0.7%	3.0%
Consumer Durable Loan*	47.4	33.4%	1.6%	221.0	23.4%	-7.9%	21,449	8.1%	10.3%
Two-Wheeler Loan*	29.8	18.7%	-22.1%	31.6	18.6%	-25.6%	94,366	0.1%	4.7%
Credit Card*	-	-	-	45.1	-15.7%	-8.7%	-	-	-
Others#	445.5	55.6%	7.9%	146.6	57.5%	7.7%	3,03,899	-1.2%	0.2%
Total Consumption Loans	2,269.3	54.7%	9.6%	1,371.3	27.8%	-1.3%	1,71,111	18.9%	10.8%
Sole-proprietor Loans: CV, CEL, BL, LAP	569.0	7.7%	7.4%	68.8	18.7%	5.8%			
Total Retail Loans	2,838.3	42.2%	9.2%	1,440.1	27.3%	-1.0%			

- **Trends:** Originations value of total retail loans grew 42.2% YoY and 9.2% QoQ. Gold Loans led with ~₹981 K Cr in Q4 FY26, nearly doubling YoY. **Other than GL, PL and CD loans posted >30% YoY growth, followed by TW and AL (17% -19% YoY growth).**
 - On a QoQ basis, HL maintained steady ~15% growth, supported by rising ticket sizes, while Wheels loans moderated post-festive demand.
- **Ticket sizes:** Beyond GL, **HL** rose 10.6% YoY and 3.2% QoQ, while **CD loans** increased 8.1% YoY and 10.3% QoQ, reflecting growing premiumization.

*Loan types presented in detail in this report. #Others includes Education Loan, Tractor Loan, Used Car Loan, PSL Agri+KCC, Other Credit Cards, Loans Against Securities, and Miscellaneous.

CONSUMPTION LOAN PRODUCTS – GEOGRAPHY WISE PENETRATION

% Originations Value Share Across City Classification



Urban stronghold for HL, CC; Rural domination for PL, CD, TW; AL across both.

Metro-centric:

- HL: 51.8% of originations (value) from Top 8 cities; only 20.1% from BT100.
- CC: 40.6% of originations (volume) from Top 8 cities.

Balanced distribution:

- GL: Nearly equal split between Top 9–50 cities and BT100 (~32% each).
- AL: Balanced urban–rural mix; BT100 at 36.9% vs. 31.6% from Top 8.

BT100 focus:

- PL & CD: Largest share from BT100 (41.5% and 42.3%).
- TW: Strongly driven by BT100, showing deep penetration in semi-urban and rural regions.

EXECUTIVE SUMMARY





- India's retail lending market remained resilient in Mar-26, **with total retail loans outstanding reaching ₹170.2 lakh crore, up 16.6% YoY and 4.6% QoQ, while consumption loans stood at ₹118.6 lakh crore, up 15.3% YoY and 4.5% QoQ.** Growth remained broad-based, credit outstanding for Personal loans grew 12.9% YoY, Gold loan sustained robust growth (50.4% YoY) followed by Consumer Durables (20.8% YoY) and Vehicle loans (14% - 15%) while Home loans remained steady (9.4% YoY)
- **Gold loans were the standout growth driver**, with portfolio outstanding rising 50.4% YoY to ₹18.6 lakh crore and 15.0% QoQ, supported by elevated gold prices, larger ticket sizes, and regulatory tailwinds. The segment also showed improving delinquency, reinforcing its role as the strongest engine of retail credit growth in FY26.
- **Home loans maintained steady momentum**, with portfolio outstanding at ₹44.4 lakh crore, growing 9.4% YoY and 3.4% QoQ. Growth in balances outpaced active loan growth, indicating continued premiumization and a shift toward larger ticket-size mortgages, while asset quality improved across most geographies and lender groups.
- **Personal loans continued to expand at a healthy pace**, with portfolio outstanding reaching ₹16.5 lakh crore, up 12.9% YoY and 3.7% QoQ.
- Vehicle finance remained steady, **with auto loans and two-wheeler loans posting double-digit YoY portfolio growth of 13.9% and 15.1%, respectively.** Even so, originations momentum softened sequentially in Q4 FY26, suggesting some normalization after festive demand.
- Consumer durable loans also recorded strong growth, with portfolio outstanding rising 20.8% YoY, supported by GST rationalizations although **QoQ originations moderation suggests some cooling after festive-demand based expansion.**
- **Credit cards, in contrast, remained subdued**, with balances flat YoY and negative QoQ potentially due to regulatory controls.

KEY THEMES

1. Shift toward **secured and collateral-backed growth**, led by gold loans and supported by the continued stability of housing finance.
2. **Premiumization across products**, as portfolio growth increasingly outpaced active loan growth, indicating rising average ticket sizes.
3. **Improving portfolio quality** across most secured segments, especially home loans and gold loans, with delinquencies easing across buckets.
4. Continued caution in unsecured retail, particularly in credit cards, where growth is more selective.
5. **Geographic diversification in originations**, with housing and cards remaining urban-heavy, while personal loans, consumer durables, and two-wheelers show stronger penetration in BT100 and semi-urban markets.





India's credit market is entering a more balanced phase of growth. While demand remains strong, the shift toward secured lending, rising ticket sizes, and improving portfolio quality signals a clear move from expansion-led growth to more disciplined and sustainable credit outcomes. This evolution will be critical in shaping the next phase of financial deepening in the country.

YASHRAJ ERANDE

Global Leader, Fintech
India Leader, Financial Institutions
Boston Consulting Group (BCG)



HOME LOANS





India's housing finance market remains structurally resilient, supported by favourable demographics, urbanisation, improving affordability, and sustained demand beyond metro markets. The industry is witnessing a clear shift towards sharper segmentation, with underwriting increasingly anchored in data driven assessment, AI led insights, and formal credit linkages, thereby strengthening portfolio quality. Alongside this, lenders are strengthening last mile customer connectivity by deepening the acquisition funnel both horizontally-through expanded geographical reach-and vertically-through higher market share at existing locations. This is further complemented by the ability to leverage broader Group ecosystems and partnerships, enhancing sourcing efficiency and customer engagement.

Low mortgage penetration continues to offer significant headroom for long term growth. Asset quality across the sector remains stable, reflecting prudent risk selection, improving recovery mechanisms and a more disciplined, learning oriented approach adopted by industry players. Despite near term global uncertainties, domestic demand is expected to remain broad based, supported by increasing credit formalisation and deeper penetration across underserved segments. The next phase of growth will be defined by the ability to balance expansion with discipline-leveraging technology & AI, strengthening distribution, ecosystem linkages, and maintaining consistent asset quality to deliver sustainable outcomes

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MD & CEO - Aditya Birla Housing Finance Ltd
Head Digital, Payment & Analytics
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Housing loan POS growth remained steady on a YoY basis, while QoQ momentum showed a slight uptick

Home Loans - Portfolio Snapshot

	Mar-25	Dec-25	Mar-26
Portfolio Outstanding (₹ L Cr)	40.6	43.0	44.4
YoY growth %		10.5%	9.4%
QoQ growth %		2.2%	3.4%
Active Loans (Lakh)	229.9	233.7	235.7
YoY growth %		4.1%	2.5%
QoQ growth %		1.0%	0.8%
PAR 31-90	2.2%	2.1%	1.9% ↓
PAR 91-180	0.3%	0.3%	0.2% ↔
PAR 180+	1.8%	1.9%	1.7% ↓

Home Loans - Geographic Distribution

State	POS (₹ L Cr)	Growth		PAR 31-180		
	Mar-26	YoY%	QoQ%	Mar-25	Dec-25	Mar-26
MH	9.8	8.8%	3.4%	1.8%	1.8%	1.5% ↓
KA	4.7	10.5%	3.5%	2.1%	2.1%	1.8% ↓
TS	3.7	12.8%	3.5%	2.2%	2.2%	2.0% ↓
GJ	3.6	9.0%	3.2%	2.1%	2.0%	1.8% ↓
TN	3.6	8.7%	2.7%	2.7%	2.4%	2.1% ↓
UP	2.7	11.2%	3.8%	2.9%	2.6%	2.4% ↓
AP	2.1	9.4%	3.1%	3.9%	3.9%	3.8% ↔
DL	2.0	5.3%	3.8%	1.6%	1.4%	1.2% ↓
RJ	1.9	9.8%	3.4%	2.0%	2.0%	1.8% ↓
KL	1.7	6.2%	1.7%	5.5%	5.1%	4.5% ↓
Top 10	35.8	9.4%	3.3%	2.4%	2.3%	2.0% ↓
Rest Of India	8.6	9.4%	3.7%	2.9%	2.9%	2.6% ↓
Pan India	44.4	9.4%	3.4%	2.5%	2.4%	2.1% ↓

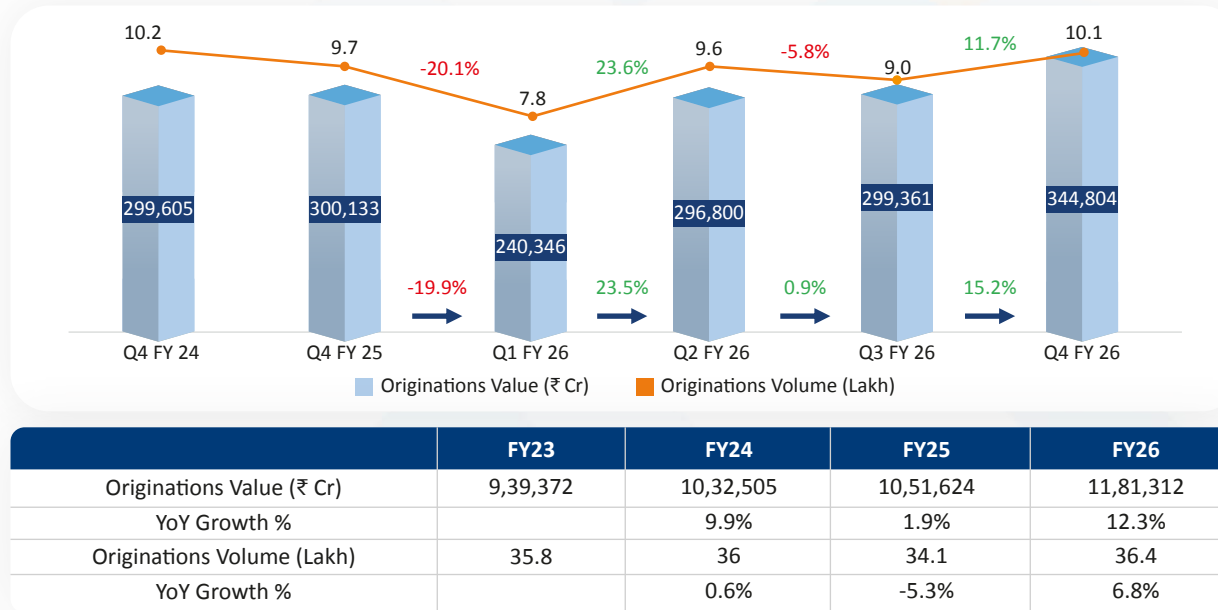
- **POS:** POS growth remained steady at 9.4% YoY as of Mar'26. Supported by rate cuts, QoQ momentum improved to 3.4%.
 - However, **active loan growth was modest** (2.5% YoY, 0.8% QoQ as of Mar'26), with **slower expansion**, indicating growth is being driven by higher ticket sizes.
- **Performance:** Asset quality strengthened, with delinquencies - particularly PAR 90+ - showing improvement as of Mar'26.

- **POS concentration:** Top 10 states account for 80.6% share.
- **Growth drivers:** Mar'26 growth led by southern states - KA (10.5% YoY), TS (12.8% YoY) - followed by UP (11.2% YoY).
- **Delinquency trends:** All top 10 states recorded improvement. However, AP and KL remain above the pan-India average, especially given AP's higher growth rate of 9.4% YoY - on par with the national average.

↔ Refers to stable QoQ (PAR) ↓ Refers to QoQ Improvement (PAR) ↑ Refers to QoQ Deteriorations (PAR)

Home Loan sanctions surge in Q4FY26 with strong value & volume growth

Home Loans Originations Trends

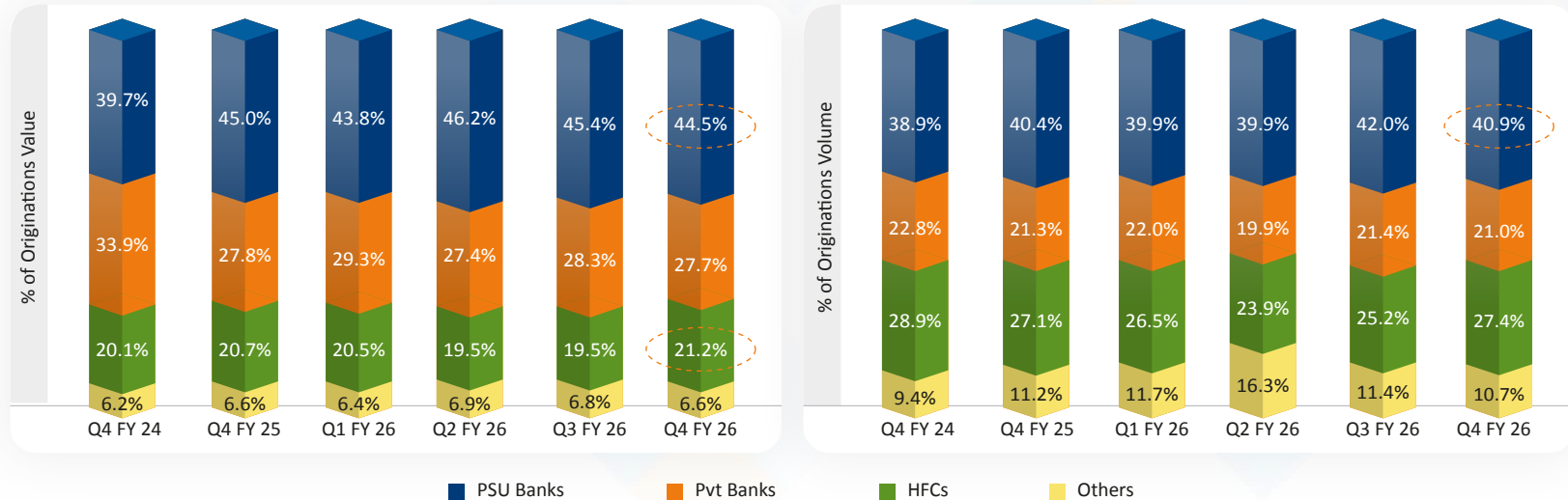


Trends:

- Quarterly momentum:** Buoyed by rate-cut transmissions, fiscal year-end momentum, and policy tailwinds (like PMAY 2.0), home loan sanction value rose to ₹344.8K Cr in Q4 FY26, while volumes increased 11.7% to 10.1L loans.
 - The growth was broad-based across lender types, led by HFCs.
- FY26 performance:** Consequently, FY26 originations value grew 12.3% YoY to ₹11.8L Cr, with volumes up ~7%. This also indicates a clear shift towards higher ticket-size loans.

PSU Banks sourced 44.5% of originations value in Q4 FY26

Lender Wise Originations Trends



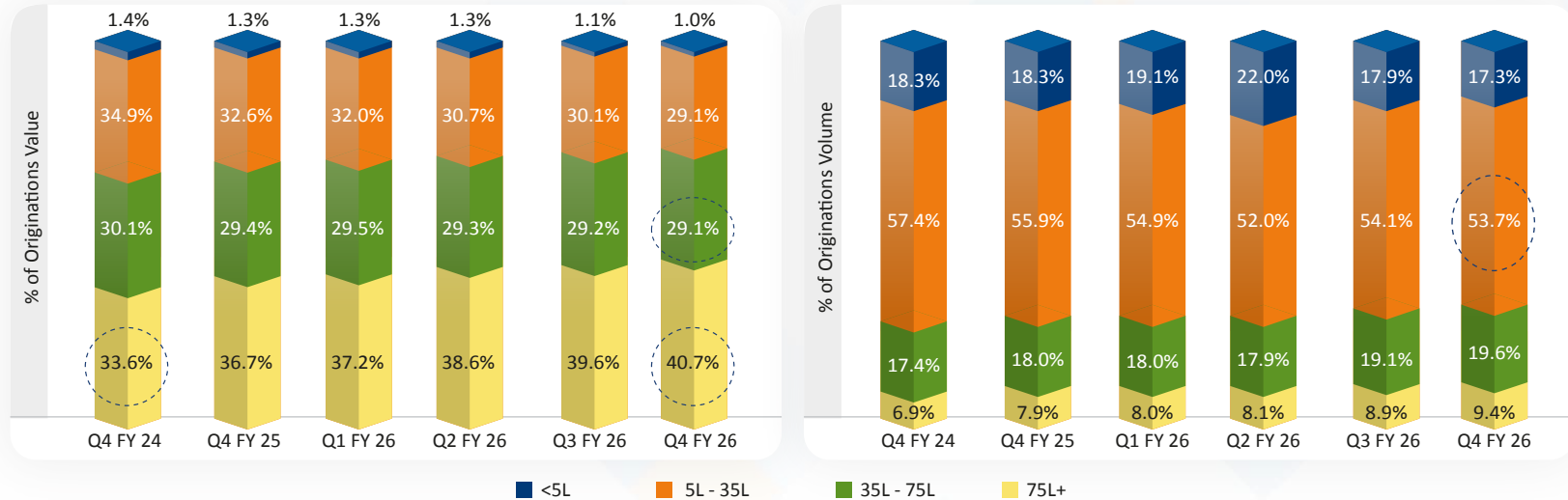
- **Leading players:** PSU Banks remain the largest originators by both value and volume, with their share rising steadily-particularly on the value side-reflecting a **focus on higher-ticket loans**. This also underscores PSU Banks' competitiveness in pricing, acquisition, and distribution reach.

- **Other trends:** Private Banks are ceding share, while HFCs maintain a steady presence, concentrating on lower-ticket loans (evident from originations value share being lower than volumes). The 'Others' segment is gradually edging up in share (in volume) as compared to Q4 FY24, indicating diversification beyond the major bank groups.

Note: Others include NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

The ₹75L+ ticket size segment continues to grow, accounting for 41% of the originations value by Q4 FY26

Ticket Size Wise Originations Trends



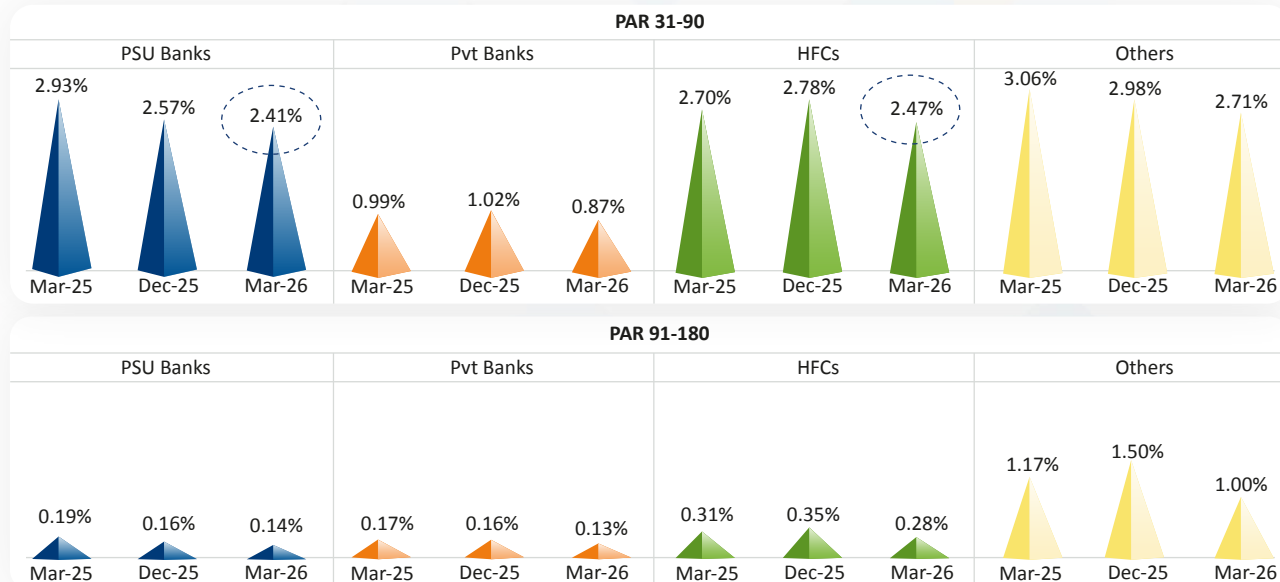
- **Premiumization of the HL market:** The ₹75L+ ticket-size segment now accounts for 40.7% of originations value, up from 33.6% in Q4 FY24, highlighting a clear shift toward higher-value loans. In contrast, the <₹5L and ₹5L-₹35L segments are trending down.

• Additional trends:

- The ₹35L-₹75L band remains important, though **not the fastest-growing**, with its value share (29.1%) holding **steady**.
- Meanwhile, **volume** continues to be **dominated by the ₹5L-₹35L segment (53.7% share)**, though it is gradually giving way to the rising ₹35L+ loans.

Delinquencies are improving across most lender types, particularly in the early bucket (PAR 31-90), while PAR 91-180 remains contained

Delinquency - Lender Type



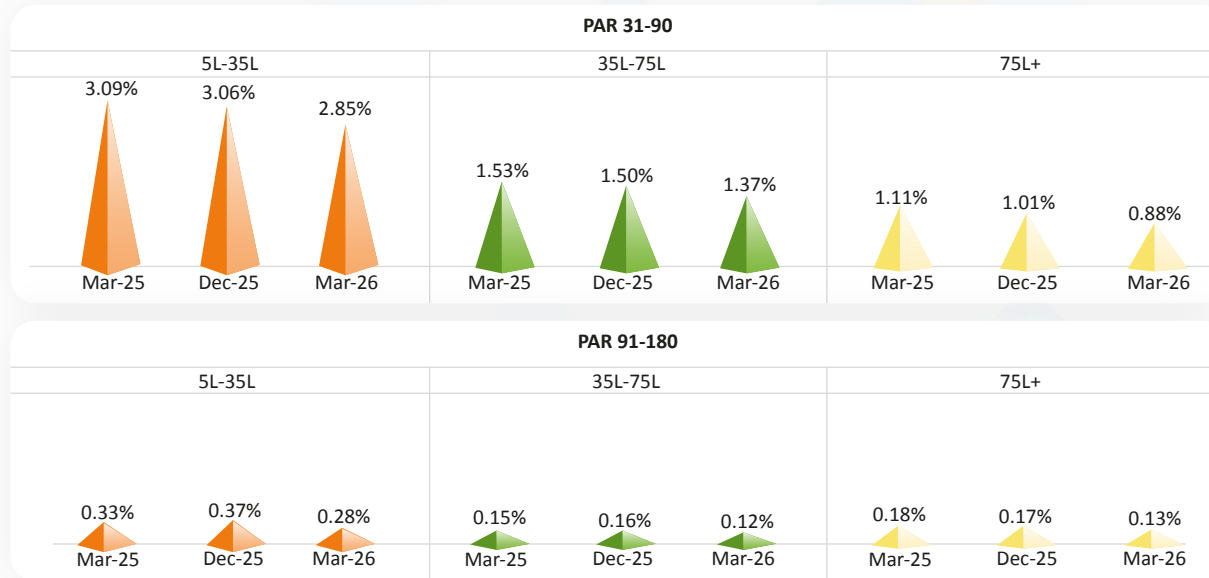
- **PAR 31-90:** This bucket shows **visible improvement** across lender types. PSU Banks and HFCs, despite holding a meaningful share of originations, have demonstrated steady progress, reflecting stronger portfolio control.
- Private Banks continue to perform best, supported by stronger borrower quality and tighter underwriting.

- **PAR 91-180:** Levels remain low and are improving across all key lender categories, highlighting stronger collection efficiency. The improvement is broad-based across lender types.

Note: Others include NBFCs, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

Credit stress remains concentrated in the lower ticket size loans, especially in PAR 31-90

Delinquency - Ticket Size



- **Stress concentration:** The ₹5L-₹35L bucket remains under pressure, with PAR 31-90 around 3%, much higher than larger ticket-size segments.
- **Better performing segments:** PAR 31-90 in the ₹35L-₹75L segment declined to 1.37% from 1.53% in Mar'25, reflecting lower delinquency. The ₹75L+ segment continues to show the lowest delinquency, indicating stronger repayment behaviour.
- **Later-stage delinquency:** PAR 91-180 remains below 0.4%, suggesting contained later-stage stress (lesser spill-over of delinquency) across lender portfolios.

GOLD LOANS





The gold loan segment continues to demonstrate strong and resilient growth, supported by sustained customer demand for formal credit. It has now emerged as the second-largest product in retail lending after home loans, underscoring its growing relevance in customer credit portfolios. We are also witnessing a shift toward higher ticket sizes, and more income-generating end uses, reflecting evolving borrower needs and increased comfort with loans against gold.

At the same time, the portfolio is transitioning from primarily collateral-based lending to broader credit assessment-linked lending, which should allow for sustainable growth in this product category. The tailwinds remain strong as gold lending evolves, while a significant portion of gold in the economy remains untapped for productive end use and economic activity.

MOHIT JAIN

Group Head - (Co Lending, Gold, Micro Loans, Distribution, Financial Inclusion),
Axis Bank Limited



Gold Loan continues to display robust portfolio growth

Portfolio Snapshot (including Priority Sector Gold Loan)

	Mar-25	Dec-25	Mar-26
Portfolio Outstanding (₹ L Cr)	12.4	16.2	18.6
YoY growth %		44.1%	50.4%
QoQ growth %		11.5%	15.0%
Active Loans (Lakh)	871.9	907.5	899.2
YoY growth %		7.9%	3.1%
QoQ growth %		1.1%	-0.9%
PAR 31-90	1.6%	1.2%	0.9% ↓
PAR 91-180	0.4%	0.6%	0.3% ↓
PAR 180+	0.4%	0.3%	0.3% ↔

PSGL – Priority sector gold loans was ₹6.3 L Cr as of Mar-26, ₹4.8 L Cr as of Dec-25 and ₹4.0 L Cr as of Mar-25 - about 30% across the years.

- **POS growth:** Gold loans sustained robust portfolio expansion, rising 50.4% YoY and 15.0% QoQ, supported by higher collateral values and partly driven by the reclassification of agri-gold loans into retail.
- **Performance metrics:** Delinquencies across buckets remained steady to improving, reflecting the strength of collateral and prudent portfolio management.

Geographic Distribution (including Priority Sector Gold Loan)

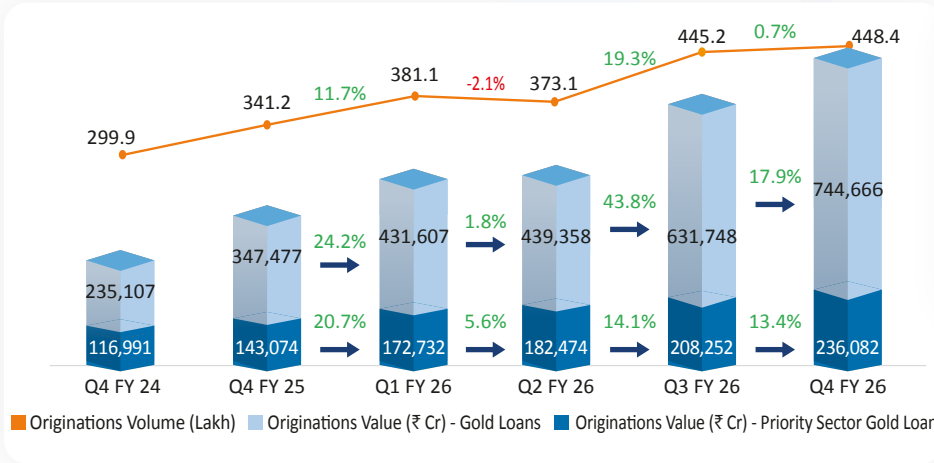
State	POS (₹ K Cr)	Growth		PAR 31-180		
	Mar-26	YoY%	QoQ%	Mar-25	Dec-25	Mar-26
TN	596.7	44.5%	11.5%	1.8%	2.0%	1.0% ↓
AP	308.9	46.2%	16.0%	2.0%	1.5%	1.2% ↓
KA	181.8	52.2%	14.9%	1.9%	1.4%	1.0% ↓
TS	160.8	70.5%	16.7%	1.6%	1.2%	0.8% ↓
KL	145.8	41.5%	13.5%	0.9%	0.6%	0.5% ↓
MH	111.2	58.0%	18.6%	2.5%	2.3%	1.5% ↓
GJ	57.1	46.8%	16.9%	2.4%	1.8%	1.4% ↓
UP	42.3	78.3%	24.9%	3.9%	3.1%	2.1% ↓
RJ	41.7	60.6%	19.6%	3.0%	2.0%	1.5% ↓
WB	35.0	54.1%	18.6%	2.9%	2.4%	1.9% ↓
Top 10	1,681.4	49.7%	14.6%	1.9%	1.7%	1.1% ↓
Rest Of India	181.8	56.5%	19.2%	2.9%	2.4%	1.7% ↓
Pan India	1,863.2	50.4%	15.0%	2.0%	1.8%	1.2% ↓

- **Broad-based growth:** Growth remained strong across states, led by UP (78.3% YoY, 24.9% QoQ) and TS (70.5% YoY, 16.7% QoQ).
- **Portfolio quality:** All the top 10 states showed improvement, with PAR trends stable to declining. KL and TS witness some of the lowest PAR levels. However UP and WB still report higher delinquency compared to the pan-India average.
- **Rest of India:** Growth rates remain elevated, though delinquency is also higher (1.7% vs pan-India 1.2%).

↓ Refers to QoQ Improvement (PAR) ↔ Refers to stable QoQ (PAR) ↑ Refers to QoQ Deteriorations (PAR)

Gold Loan originations moderated slightly in Q4 FY26 after the festive season, though they reached new highs over the full fiscal year

Gold Loans Originations Trends



Gold Loan (incl. PSGL)	FY23	FY24	FY25	FY26
Originations Value (₹ Cr)	9,38,605	12,59,400	17,47,259	30,46,919
YoY Growth %		34.2%	38.7%	74.4%
Originations Volume (Lakh)	968.6	1,145.2	1,329.1	1,647.8
YoY Growth %		18.2%	16.1%	24.0%

Highlights:

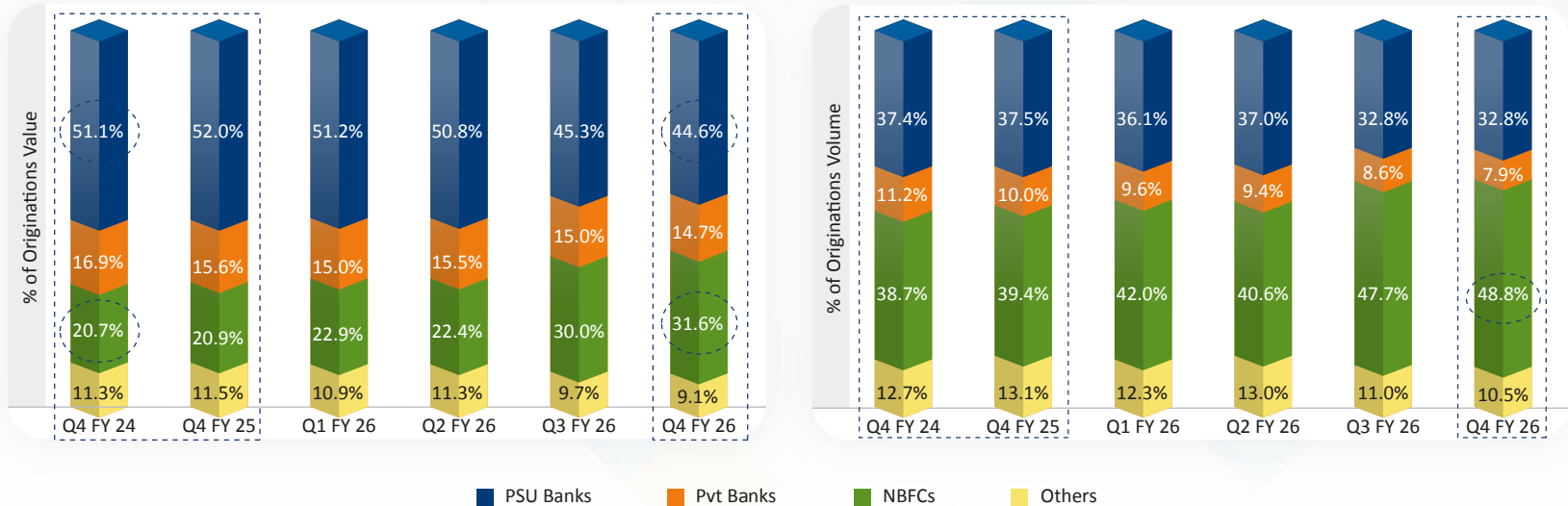
- **Q4FY26:** Driven by sustained gold price run-up (collateral effect), sanctioned amounts rose 18% QoQ to ₹744.7K Cr in Q4 FY26. Growth moderated compared to the festive surge in Q3 FY26.
- **Volumes:** New loan volumes held steady at ~448 lakh loans, indicating expansion was largely ticket-size driven amid rising gold prices.
- **FY26 highlight:** Overall in FY26, gold loans POS grew ~75% YoY to ₹30.5 L Cr, supported by stronger collateral values.

Key drivers:

- **Higher gold prices:** Drove larger ticket sizes for the same pledged quantity.
- **Favorable regulations:** The 85% LTV cap up to ₹2.5 lakh expanded borrower eligibility.

PSU dominates 45% of the originations value while NBFCs increase their originations value share from 20.7% to 31.6% as of Q4 FY26

Lender Type Wise Originations Trends

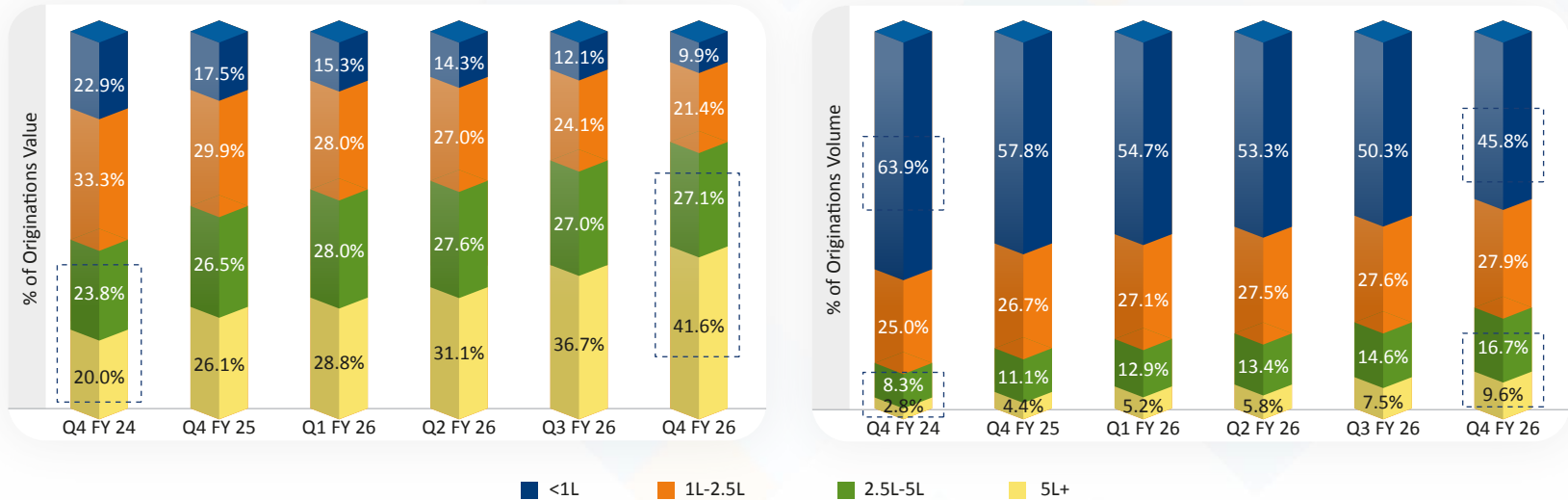


- Anchor player:** PSU Banks continue to dominate originations by value, though their position has softened over time. Their share declined from 51.1% in Q4 FY24 to 44.6% in Q4 FY26, even as they remain the largest category.
- NBFC growth story:** NBFCs have emerged as the clear growth driver, with originations value rising sharply from 20.7% in Q4 FY24 to 31.6% in Q4 FY26. In volumes, they lead with ~49% share in Originations volume as of Q4 FY26, underscoring NBFC-led market expansion driven by faster growth and wider distribution reach.
- Ticket size:** PSUs dominate higher ticket size loans while NBFCs are growing stronger in lower ticket size loans (as indicated in their value vs volume shifts).

Note: Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

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

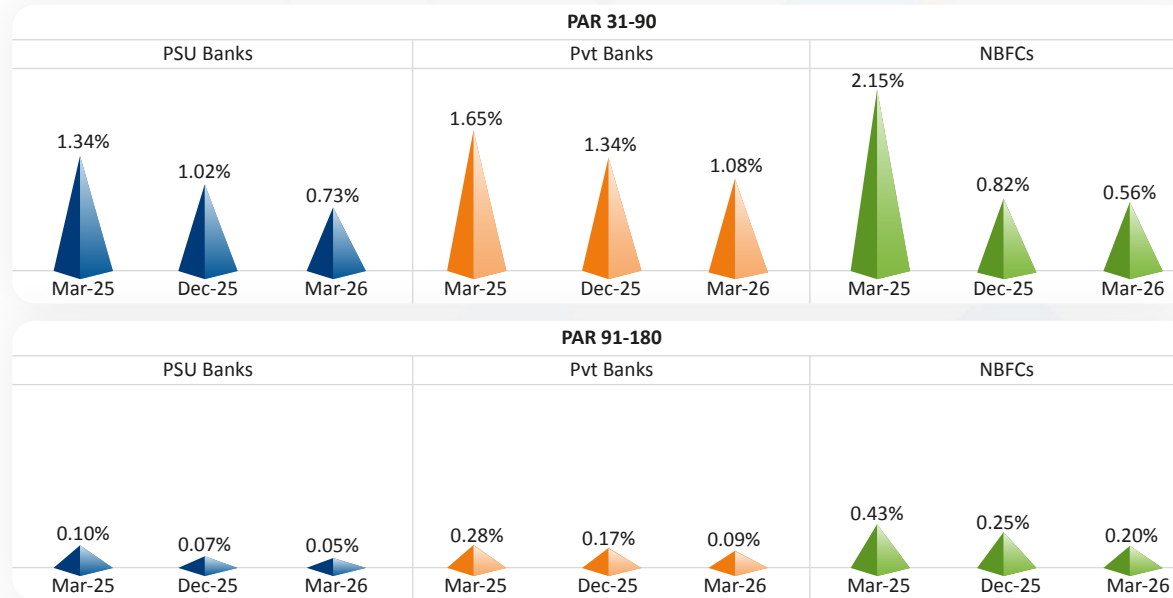
Ticket Size Wise Originations Trends



- **Shift to higher ticket sizes:** <₹1L loans' value share fell sharply from 22.9% (Q4 FY24) to 9.9% (Q4 FY26), while their volume share dropped from 63.9% to 45.8%, as rising gold prices and higher collateral values drive borrowers toward larger ticket sizes.
- **>₹2.5L emerging growth cohort:** This segment's volume share nearly increased from 11.1% to 26.3% between Q4 FY24 and Q4 FY26, the >₹2.5L segment now commands a steadily expanding share of originations value-underscoring the premiumization trend in gold lending.

NBFCs recorded one of the sharpest improvements in PAR 31–90, improving from 2.15% in Mar'25 to 0.56% in Mar'26

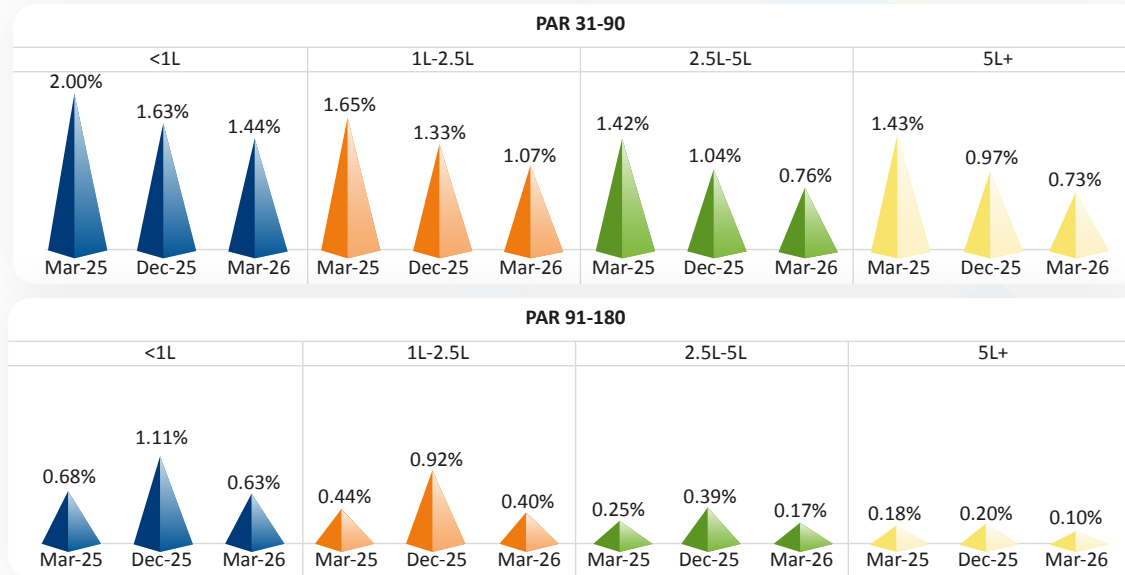
Delinquency - Lender Type



- **NBFCs lead improvement:** PAR 31–90 delinquency dropped sharply from 2.15% in Mar'25 to 0.56% in Mar'26, marking the steepest improvement among lender types.
- **PSU Banks strengthen:** PAR 31–90 fell from 1.34% to 0.73% over the same period, reflecting steady progress, though starting from a lower base than NBFCs. Private Banks also showed improvement.
- **Contained later-stage stress:** PAR 91–180 remained low across lender types, indicating stress is being contained at the early delinquency stage rather than rolling into overdue buckets. NBFCs improved further, with PAR 91–180 declining from 0.43% in Mar'25 to 0.20% in Mar'26.

Delinquencies improve across ticket sizes and across buckets

Delinquency - Ticket Size



- Broad-based PAR 31-90 improvement:** Early-stage delinquency declined across all ticket sizes between Mar'25 and Mar'26, with larger loans improving the most - the ₹2.5L-₹5L bucket fell from 1.42% to 0.76% and ₹5L+ from 1.43% to 0.73%, reflecting stronger collateral coverage in higher-ticket segments.
- PAR 91-180 contained with limited roll-forward:** Later-stage stress remained low and improved meaningfully: <₹1L PAR 91-180 dropped from 1.11% to 0.63%, while the ₹1L-₹2.5L segment fell from 0.92% to 0.40% QoQ, indicating early-stage stress is being resolved rather than rolling into overdue buckets.
- Ticket-size risk gradient persists:** <₹1L loans continue to carry the highest delinquency (PAR 31-90 at 1.44% vs. 0.73% for ₹5L+), though the gap is narrowing as smaller-ticket segments also show consistent improvement.

PERSONAL LOANS





Personal loans are driving retail credit expansion contributing 39% of total retail credit demand with 16% YoY growth in demand. Supply side too volume grew 33% YoY & originations value increased 46% indicating higher ticket sizes and strong monetization. NTC remains stable at 15% of retail originations though marginally lower over last year showing higher reliance on scored borrowers. Despite aggressive growth, credit cost risk is currently benign, supported by tighter underwriting and improved borrower quality. With higher digital distribution, Demand is increasingly platform-driven rather than need-driven, creating higher velocity and repeat borrowing behaviour. Competitive intensity is highest from NBFCs on growth (25% YoY), while private banks (16% YoY growth) continue to anchor system-level asset quality.

The key emerging risk lies in: Sustained high growth, Near-prime borrower concentration, NBFC & Fintech led competitive underwriting pressure. Near-term outlook remains stable, but stress-testing assumptions should be recalibrated if growth sustains at current pace into FY27.

DEEP PAL SINGH
Chief Risk Officer,
Aditya Birla Capital Limited



Personal loans POS grew at a healthy 12.9% YoY, while active loans expanded 7.5% YoY

Personal Loans - Portfolio Snapshot

	Mar-25	Dec-25	Mar-26
Portfolio Outstanding (₹ L Cr)	14.6	15.9	16.5
YoY growth %		11.6%	12.9%
QoQ growth %		3.5%	3.7%
Active Loans (Lakh)	1,139.3	1,303.2	1,224.4
YoY growth %		13.5%	7.5%
QoQ growth %		5.6%	-6.0%
PAR 31-90	2.0%	1.5%	1.6% ↔
PAR 91-180	1.1%	1.0%	0.8% ↓
PAR 180+	4.7%	5.4%	5.3% ↔

Personal Loans - Geographic Distribution

State	POS (₹ K Cr)	Growth		PAR 31-180		
	Mar-26	YoY%	QoQ%	Mar-25	Dec-25	Mar-26
MH	196.1	10.0%	2.2%	3.1%	2.6%	2.3% ↓
TN	151.8	14.2%	3.4%	3.0%	2.6%	2.5% ↔
KA	149.6	13.5%	3.5%	2.5%	2.1%	1.9% ↓
UP	147.5	16.2%	4.5%	3.0%	2.2%	2.2% ↔
TS	116.5	10.1%	2.5%	3.3%	2.6%	2.4% ↓
AP	102.0	12.6%	3.4%	3.2%	2.5%	2.4% ↔
RJ	86.9	15.3%	4.4%	2.7%	2.1%	1.9% ↓
BR	77.9	17.6%	6.7%	4.0%	3.0%	2.9% ↔
WB	69.3	13.6%	3.9%	3.4%	2.7%	2.9% ↑
MP	60.2	14.1%	3.8%	3.1%	2.5%	2.4% ↔
Top 10	1,157.9	13.3%	3.6%	3.1%	2.5%	2.3% ↓
Rest Of India	492.9	12.0%	3.9%	3.2%	2.5%	2.4% ↔
Pan India	1,650.7	12.9%	3.7%	3.1%	2.5%	2.4% ↔

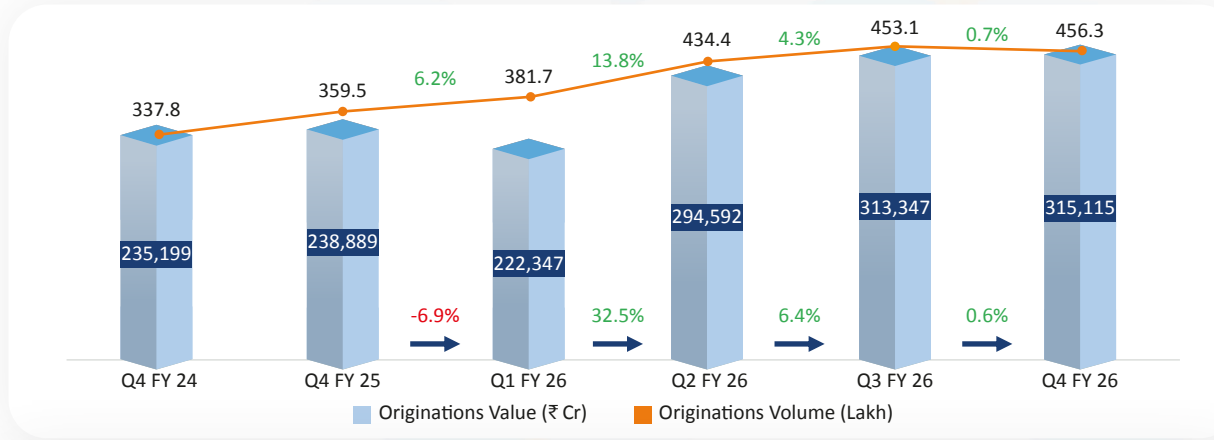
- **Portfolio:** Personal loans, the key unsecured loan category, rebounded in Mar'26, growing **13% YoY to ₹16.5L Cr**. While active loans declined 6% QoQ, POS improved 3.7% QoQ, indicating a slight shift toward higher ticket sizes.
- **Performance:** PAR 180+ stabilized at 5.3%. However, **elevated levels** in the long-overdue segment continue to warrant close monitoring.

- **Concentration:** The top 10 states account for ~70% of PL POS and are expanding faster than the national average (13.3% vs 12.9% YoY). Within these, BR, UP, and RJ show stronger YoY and QoQ growth relative to pan-India.
- **Regional performance:** PAR 31-180 improved across most states QoQ. However, BR and WB (at ~2.9%) remain above the national average (2.4%), warranting close monitoring given their higher growth trajectories.

↔ Refers to stable QoQ (PAR) ↓ Refers to QoQ Improvement (PAR) ↑ Refers to QoQ Deteriorations (PAR)

Originations value and volume almost remained the same in Q4 FY26

Personal Loans Originations Trends



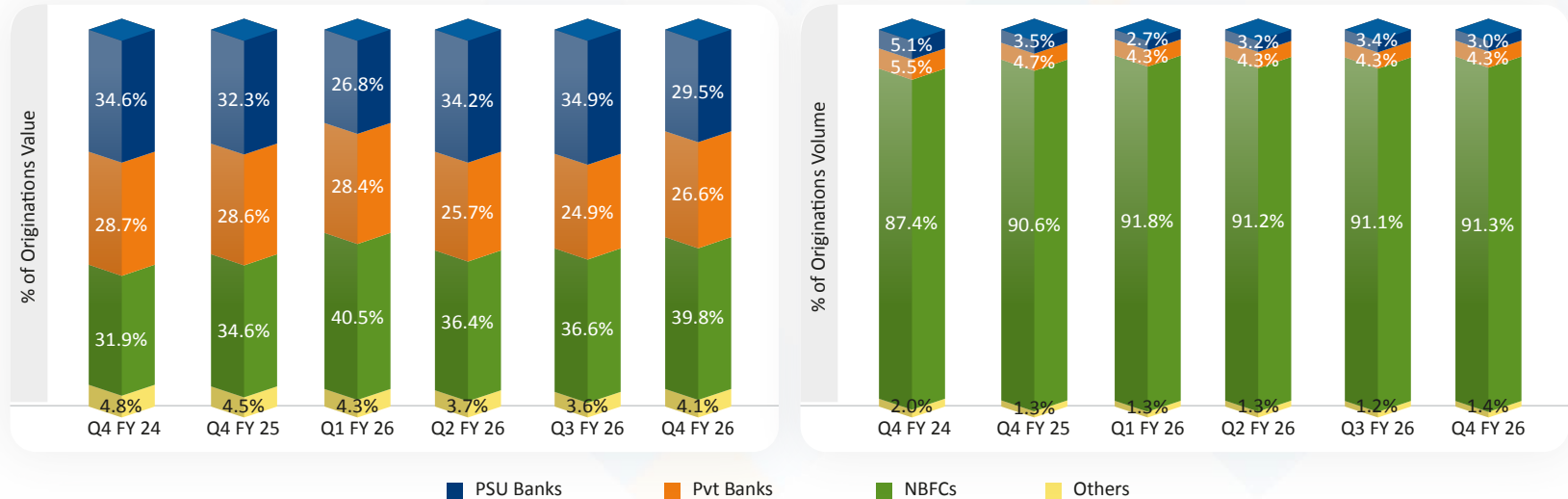
	FY23	FY24	FY25	FY26
Originations Value (₹ Cr)	7,75,497	9,08,190	8,88,567	11,45,401
YoY Growth %		17.1%	-2.2%	28.9%
Originations Volume (Lakh)	1,065.0	1,352.3	1,474.0	1,725.6
YoY Growth %		27.0%	9.0%	17.1%

Highlights

- **Q4 FY26 trends:** Originations value and volume remained stable at ₹3.15L Cr and 456.3 lakh loans in Q4 FY26, with momentum easing after strong growth in prior quarters.
- **FY26 Overall:** Originations value rose sharply by 29% YoY to ₹11.4L Cr, while loan volumes grew 17.1% YoY, marking a strong rebound after the slowdown in FY25.

NBFCs dominate personal loan originations in Q4 FY26, leading both value (39.8%) and volume (91.3%)

Lender Type Wise Originations Trends

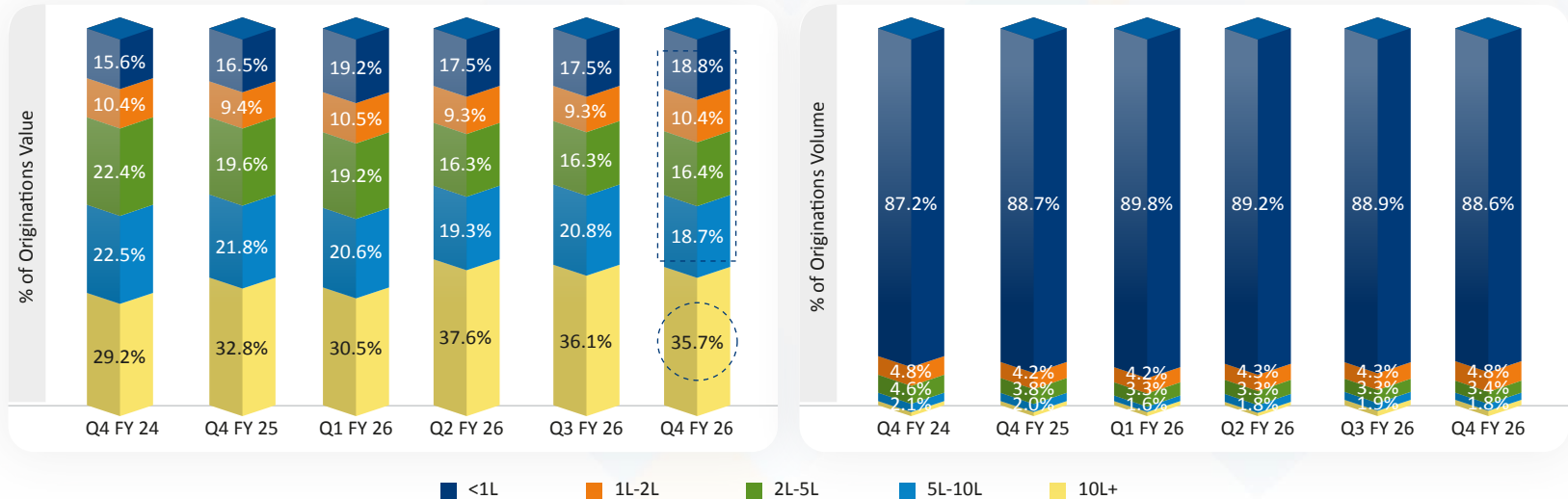


- **Small-Ticket personal loans:** NBFCs accounted for 40% of originations value in Q4 FY26 but nearly 91% of originations volumes, underscoring the dominance of NBFCs and NBFC-led fintech players in small-ticket personal loans.
- **Larger-Ticket Loans:** Public sector and private banks together contributed ~8% of volumes but nearly 55% of originations value, highlighting their focus on higher-ticket loan.

Note: Others include SFBs, Foreign Banks, HFCs, Cooperative Banks, RRBs, ARCs etc.

Loans above ₹10L account for ~ 36% of originations value, despite representing only ~2% of originations volume

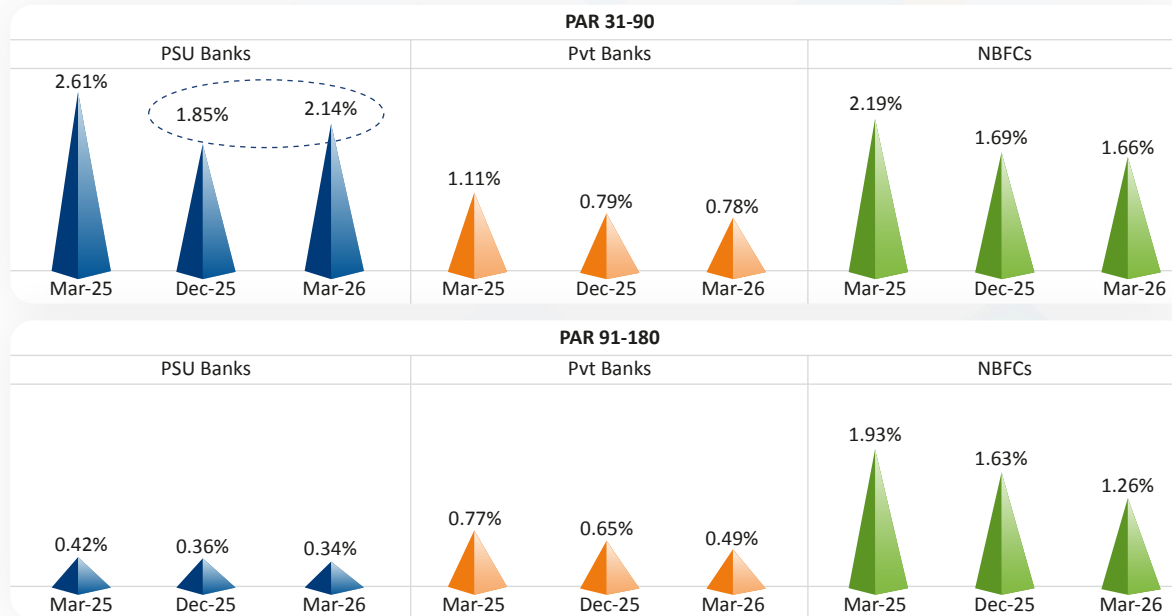
Ticket Size Wise Originations Trends



- ₹10L+ Loans:** Loans above ₹10L accounted for ~36% of originations value in Q4 FY26, broadly unchanged from the previous quarter. This segment continues to represent the largest share of total originations by value, with PSU Banks playing a pivotal role. The distribution across sub-₹10L segments remained largely stable.
- Small-Ticket loans:** These loans (<₹1L) contributed ~19% of originations value but nearly 90% of originations volumes, underscoring the dominance of NBFCs and the rising influence of fintechs in small-ticket personal lending.

Early delinquency rises for PSU Banks despite improvement in higher DPD buckets in Mar'26

Delinquency - Lender Type

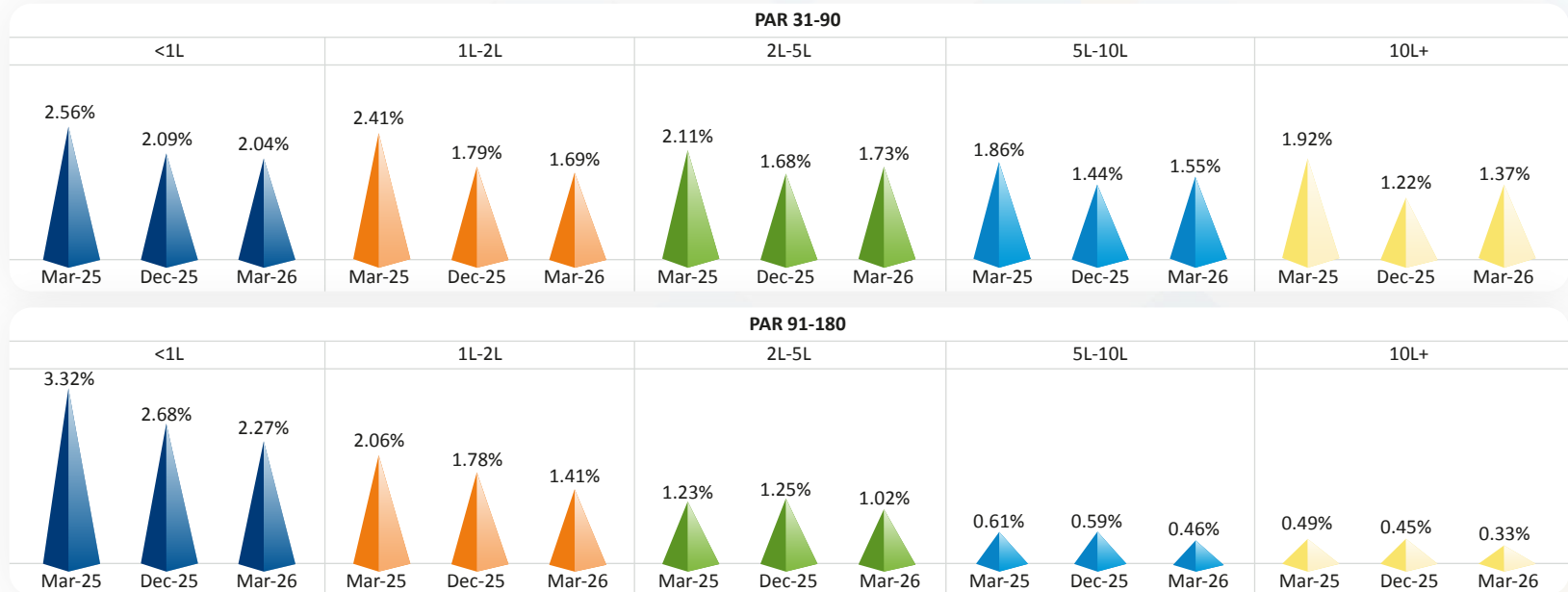


Delinquency trends:

- PAR 31–90 rose for PSU Banks to 2.14% by Mar'26, reversing the improvement seen in Dec'25 and exceeding Private Banks and NBFCs, highlighting early stress concentrated in the PSU segment.
- Longer-term delinquencies show a broad-based decline, with PAR 91–180 improving consistently across PSU Banks, Pvt Banks, and NBFCs over the past periods.

Asset quality stress is concentrated in sub-₹1L loans, while higher ticket portfolios remain relatively resilient

Delinquency - Ticket Size



Stress segments by ticket size:

- PAR 31–90 remains high in the sub-₹1L, ₹1L–₹2L and ₹2L–₹5L buckets, though QoQ improvement in sub-₹2L loans by Mar’26 suggests early stress is easing but remains concentrated in low-ticket segments.
- PAR 91–180 has improved sharply across all ticket sizes in Mar’26 compared to Mar’25, with the most pronounced reduction seen in smaller loans.
 - The <₹1L segment, constituting ~90% of originations volumes - continues to exhibit higher delinquency than larger ticket segments, though PAR 91–180 improved from 3.32% in Mar’25 to 2.27% in Mar’26.

AUTO LOANS





The auto loan portfolio demonstrated continued resilience through the quarter, anchored by steady customer demand and disciplined portfolio management. Business growth during the quarter remained calibrated, balancing expansion objectives with disciplined credit selection and risk-adjusted sourcing. Portfolio quality metrics remained resilient with stable repayment trends and controlled incremental delinquency formation. Asset quality indicators remained broadly stable, aided by disciplined underwriting, controlled leverage assessment, and continued monitoring of vulnerable borrower segments. Going forward, evolving geo-political developments in Middle East and its potential impact on fuel prices, freight movements, supply chains & borrower cash-flows needs to be watched out for.

ATIT SHAH

Chief Risk Officer,
ARKA Fincap



Portfolio growth stayed resilient on both YoY and QoQ bases, supported by stable asset quality

Auto Loans - Portfolio Snapshot

	Mar-25	Dec-25	Mar-26
Portfolio Outstanding (₹ L Cr)	8.2	9.0	9.3
YoY growth %		14.6%	13.9%
QoQ growth %		5.1%	3.4%
Active Loans (Lakh)	158.9	168.1	171.6
YoY growth %		9.0%	8.0%
QoQ growth %		1.1%	2.1%
PAR 31-90	1.9%	2.3%	2.2% ↔
PAR 91-180	0.8%	0.7%	0.5% ↓
PAR 180+	3.0%	1.9%	1.9% ↔

Auto Loans - Geographic Distribution

State	POS (₹ K Cr)	Growth		PAR 31-180		
	Mar-26	YoY%	QoQ%	Mar-25	Dec-25	Mar-26
MH	120.2	16.2%	3.5%	2.1%	2.3%	2.1% ↓
UP	89.9	17.8%	4.3%	3.3%	3.6%	3.4% ↓
GJ	76.1	12.7%	3.6%	2.2%	2.2%	1.9% ↓
KA	71.2	12.4%	2.8%	2.7%	2.9%	2.6% ↓
TN	60.7	12.7%	2.5%	2.7%	2.8%	2.5% ↓
RJ	53.4	17.9%	4.6%	2.4%	2.6%	2.3% ↓
KL	49.6	12.0%	2.3%	2.7%	2.5%	2.2% ↓
DL	47.8	11.1%	2.1%	1.8%	2.0%	1.8% ↓
HR	47.1	16.8%	3.9%	1.9%	2.2%	2.0% ↓
TS	46.5	6.0%	1.0%	2.7%	2.8%	2.5% ↓
Top 10	662.3	14.0%	3.2%	2.5%	2.6%	2.4% ↓
Rest Of India	271.7	13.6%	4.0%	3.3%	3.9%	3.5% ↓
Pan India	934.1	13.9%	3.4%	2.7%	3.0%	2.7% ↓

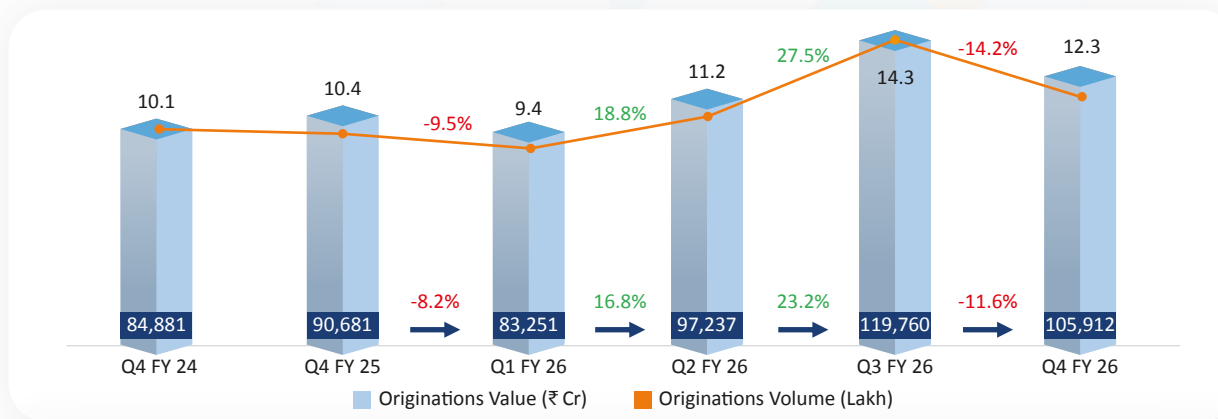
- **POS growth:** Auto loans POS reached ₹9.3L Cr in Mar'26, up 13.9% YoY and 3.4% QoQ. Active loans rose to 171.6 lakh (+8% YoY), indicating a tilt toward higher ticket-size loans.
- **Performance:** PAR 31–180 remained stable (2.7%), while PAR 180+ improved significantly from 3.0% to 1.9% between Mar'25 and Mar'26, reflecting stronger recoveries and better asset quality.

- **Contribution:** The top 10 states account for ~71% of pan-India POS, with growth of 14.0% YoY and 3.2% QoQ.
- **Growth drivers:** MH leads with ₹120.2K Cr POS, while UP and RJ are among the fastest-growing states, outpacing national averages (YoY and QoQ).
- **PAR Trends:** All leading states reported improvement in PAR 31–180 between Dec'25 and Mar'26. However, UP (with higher growth) and the rest of India continue to show elevated PAR 31–180 compared to other states.

↓ Refers to QoQ Improvement (PAR) ↔ Refers to stable QoQ (PAR)

In Q4 FY26, originations value declined 11.6% QoQ and volumes fell 14.2%, reflecting post-festive normalization

Auto Loans Originations Trends



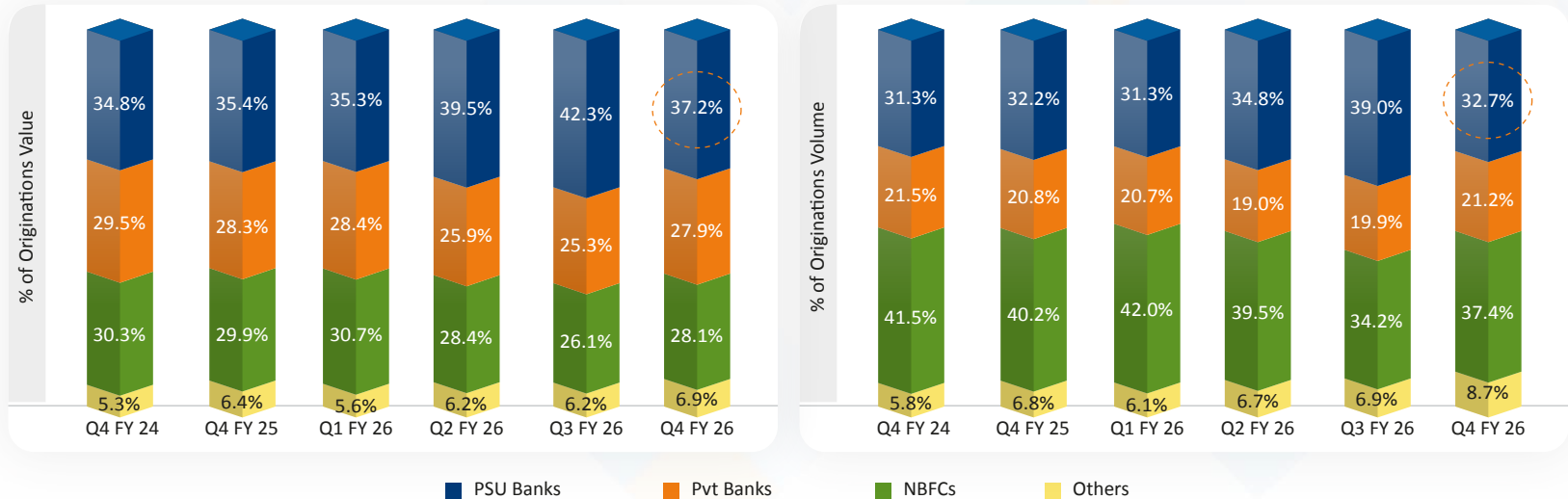
	FY23	FY24	FY25	FY26
Originations Value (₹ Cr)	2,96,808	3,42,862	3,61,678	4,06,160
YoY Growth %	-	15.5%	5.5%	12.3%
Originations Volume (Lakh)	38.7	41.7	42.2	47.1
YoY Growth %	-	7.8%	1.0%	11.8%

Highlights

- **Q4 FY26 decline:** Originations value fell 11.6% QoQ to ₹106K Cr, while volumes dropped 14.2% to 12.3 lakh loans - likely reflecting normalization after seasonal demand in Q1 and Q2 FY26.
- **FY26 Trends:** For the full year, originations value grew 12.3% YoY to ₹4.06L Cr, significantly higher than the previous year, supported primarily by GST rationalizations.
- **Lender impact:** Declines were observed across lender types. PSU Banks, the key players, saw originations fall 22.3% in Q4 FY26 (QoQ basis), following strong increases of ~30% in the prior two quarters.

PSU Banks are the dominant players, accounting for 37% of originations value, while NBFCs lead in volume

Lender Type Wise Originations Trends



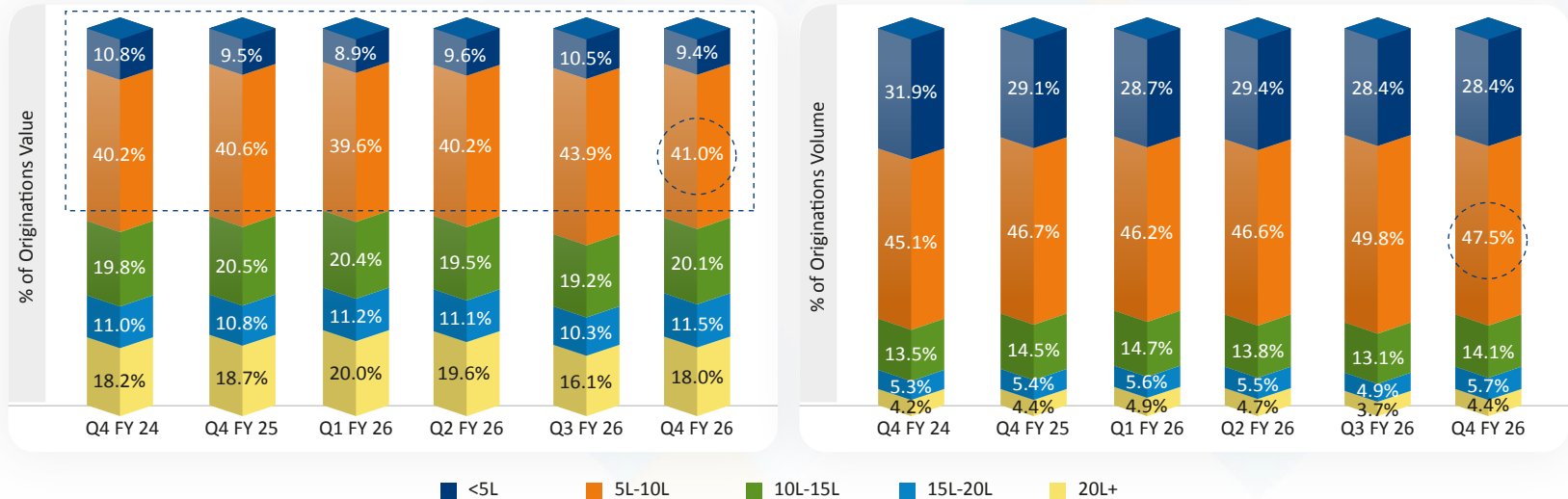
Highlights

- **PSUs anchor value:** PSUs remain the key players by originations value, constituting ~37% in Q4 FY26. A festive-season driven share spike in Q3 FY26 normalized by Q4 FY26, although reaffirming their anchor role in auto loans.
- **NBFCs lead in volume:** NBFCs dominate originations volume at 37% in Q4 FY26. Their value share, however, trails volume share, underscoring a focus on lower ticket-size loans.
- **Private Banks maintain a stable share:** Private Banks maintained a steady share, with originations value between 25%–29% and volume around 19%–21%.

Note: Others include SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

₹5L-₹10L ticket size loans dominates in both originations value and volume

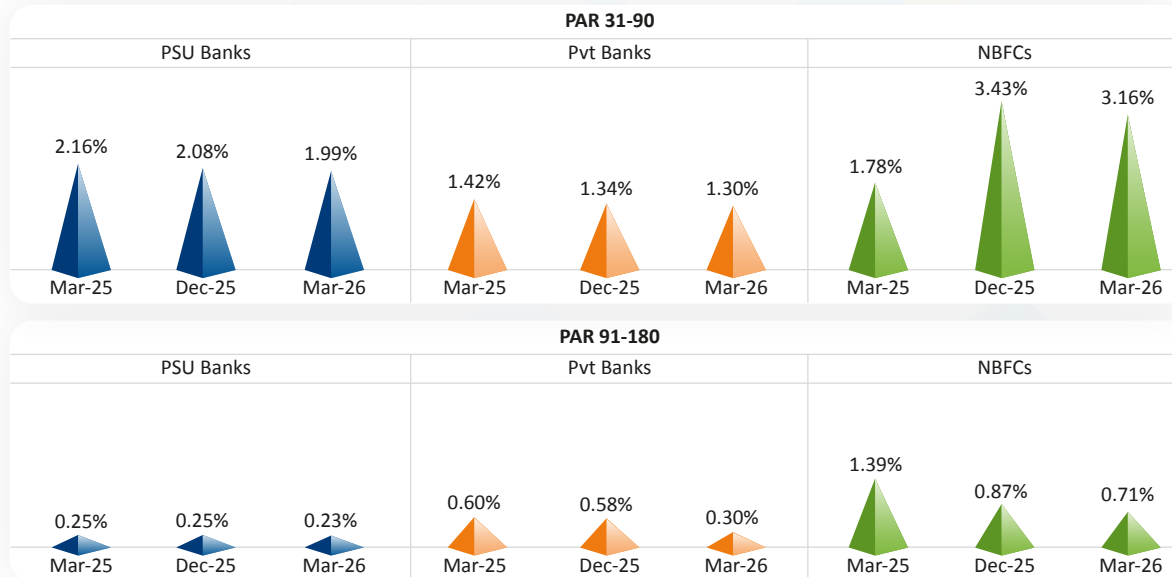
Ticket Size Wise Originations Trends



- **Ticket-size dichotomy:** About 50% of originations value comes from loans above ₹10L, with the remainder contributed by sub-₹10L loans.
- **Leading ticket size:** The ₹5L-₹10L segment is the dominant product type, accounting for ~41% of originations value and ~48% of originations volume.
- **Range-bound:** Across the ticket sizes the share in both value and volume almost remained range-bound.

Auto Loan delinquency remains contained for PSU and Private Banks, while NBFCs continue to show elevated stress, particularly in the PAR 31-90 bucket

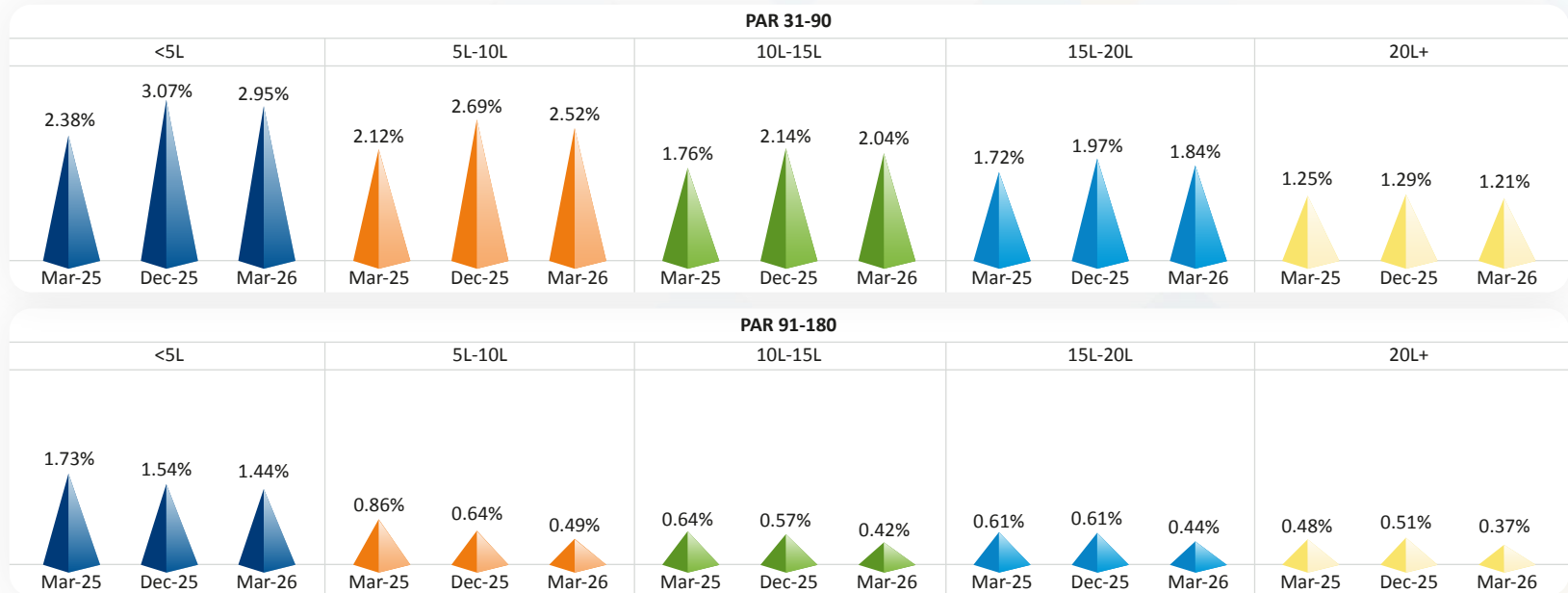
Delinquency - Lender Type



- **PSU Banks showed higher improvements:** PSU Banks improved across both buckets. PAR 31–90 eased from 2.16% in Mar’25 to 1.99% in Mar’26, while PAR 91–180 stayed broadly flat (0.23%–0.25%).
- **Private Banks remained stable:** Stress remained contained, with PAR 31–90 declining from 1.42% to 1.30% and PAR 91–180 holding between 0.3%–0.6%.
- **NBFCs showed higher stress:** NBFC PAR 31–90 spiked from 1.8% to 3.16% (though easing from 3.43% in Dec’25). Their PAR 91–180 remains elevated compared to PSU and Private Banks.

Auto Loan delinquency is inversely related to ticket size, with the ₹10L+ segment showing greater resilience - the trend more pronounced in the PAR 31-90 bucket

Delinquency - Ticket Size



Highlights

- **Higher stress in small tickets:** Loans below ₹5L carry elevated stress, with PAR 31–90 between 2.38%–3.07% and PAR 91–180 in the range 1.44%–1.73%. The ₹5L–₹10L segment also shows high PAR 31–90 (2.12%–2.69%), higher than larger-ticket segments.
- **Delinquency falls with ticket size:** Larger ticket sizes are more resilient, with the ₹10L+ segment consistently showing lower delinquency. The ₹20L+ bucket is among the best-performing.
- **Later-stage stress contained:** PAR 91–180 is much lower than PAR 31–90 across all buckets, indicating stress is concentrated at the early stage and not rolling into deeper overdue buckets.

CREDIT CARDS





As of March 2026, The Indian Credit Card market reflected a clear industry shift from growth-at-all-costs to disciplined, quality-driven expansion. While new card issuances have moderated, the corresponding improvement in delinquency metrics across both short and long tenor buckets is an encouraging indication that lenders are prioritizing portfolio quality and sustainability. With overall balances remaining stable and the number of cards in circulation continuing to grow, the underlying fundamentals of the industry remain strong. Although this phase of consolidation may present near-term challenges, it is laying a stronger foundation for sustainable long-term growth in India's credit card ecosystem, a positive development for the industry as a whole.

ANIL SINGH

Country Head, Credit Cards & Merchant Acquiring,
YES BANK



Credit Card outstandings remained flat during the quarter, extending the ongoing slowdown

Credit Cards - Portfolio Snapshot

	Mar-25	Dec-25	Mar-26
Current Balance (₹ L Cr)	3.4	3.4	3.4
YoY growth %		1.6%	0.0%
QoQ growth %		-2.5%	-1.1%
Cards In Circulations (Lakh)	1,067.3	1,094.4	1,102.1
YoY growth %		5.0%	3.3%
QoQ growth %		0.9%	0.7%
PAR 1-30	2.9%	2.2%	2.0% ↓
PAR 31-90	2.3%	2.1%	1.6% ↓
PAR 91-180	2.0%	1.7%	1.4% ↓
PAR 180+	6.2%	7.6%	6.9% ↓

All of the above metrics are without ARCs.

- **Portfolio:** Credit Card balances stood at ₹3.4 lakh crore as of Mar'26, with growth remaining flat. Cards in circulation rose a modest 3.3% YoY to 1.1 Crore, reflecting tighter controls by banks.
- **Performance:** PAR 1–180 buckets improved across all states.

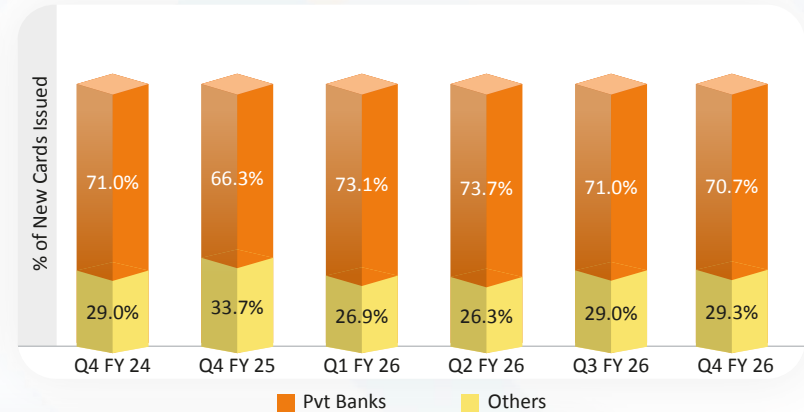
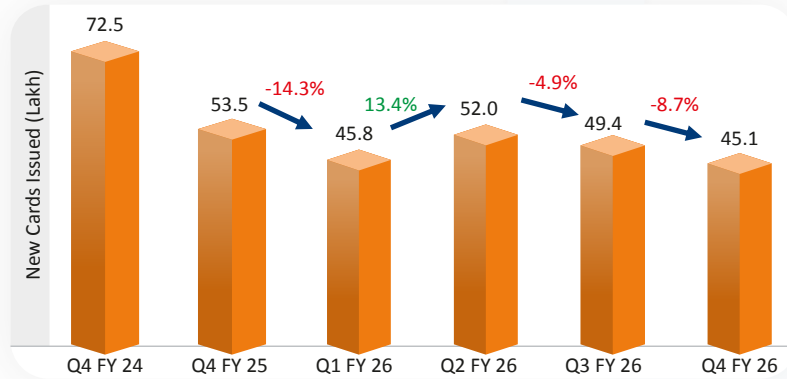
Geographic Diversification

State	Current Balance (₹ K Cr)	Growth		PAR 31-90		
	Mar-26	YoY%	QoQ%	Mar-25	Dec-25	Mar-26
MH	50.4	0.3%	-1.2%	2.0%	1.9%	1.4% ↓
TS	34.6	-3.8%	-2.0%	2.3%	2.2%	1.7% ↓
KA	29.9	0.6%	-2.4%	1.7%	1.5%	1.1% ↓
TN	27.3	-3.0%	-1.6%	1.8%	1.6%	1.1% ↓
UP	26.0	4.4%	0.0%	2.5%	2.4%	1.7% ↓
DL	25.3	-3.1%	-2.6%	2.4%	2.4%	1.8% ↓
GJ	23.6	-2.4%	-2.4%	2.7%	2.5%	1.9% ↓
AP	19.3	-0.8%	-1.0%	2.5%	2.3%	1.6% ↓
WB	14.5	3.7%	0.1%	2.4%	2.4%	1.8% ↓
HR	14.4	2.1%	0.4%	2.3%	2.1%	1.6% ↓
Top 10	265.5	-0.6%	-1.4%	2.2%	2.1%	1.5% ↓
Rest Of India	72.8	2.4%	0.0%	2.5%	2.3%	1.7% ↓
Pan India	338.3	0.0%	-1.1%	2.3%	2.1%	1.6% ↓

- **Concentration:** The top 10 states account for about 80% of overall POS.
- **Higher impact:** UP and WB registered YoY growth but remained stable on a QoQ basis. The recent QoQ contraction was led by DL (-2.6%), GJ and KA (-2.4%), and TS (-2.0%), though declines were observed across many top 10 states.
- **Delinquency:** PAR 31-90 improved across all states with KA, MH and TN having lower delinquencies (1.1%) as compared to Pan India.

Credit Card acquisition drops; Market share remains stable

Credit Cards Originations Trends



	FY23	FY24	FY25	FY26
New Cards Issued (Lakh)	281.5	294.4	226.7	192.3
YoY Growth %	-	4.6%	-23.0%	-15.2%

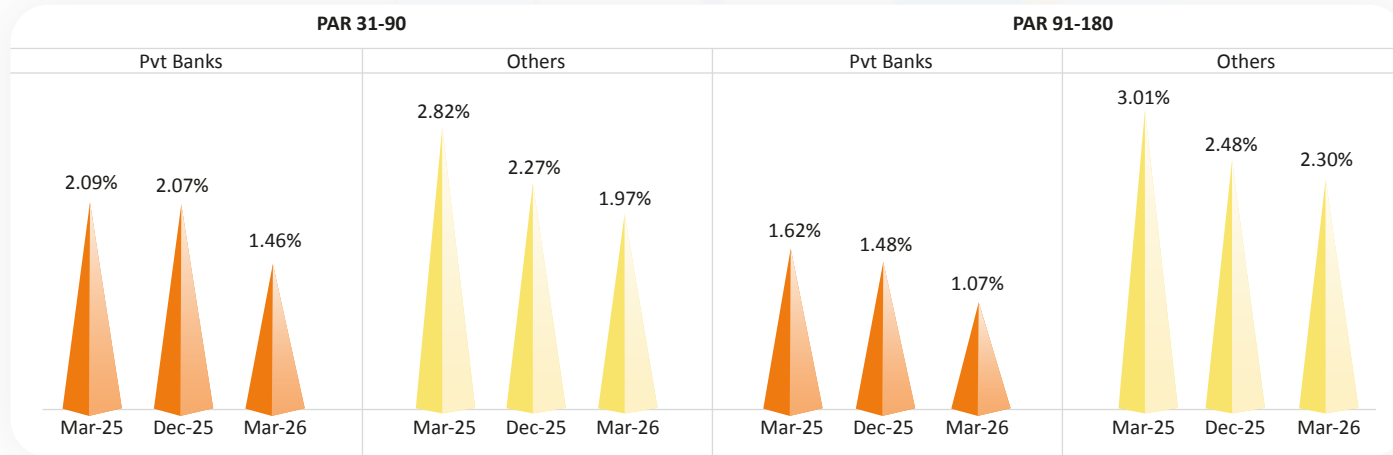
New cards trends:

- **QoQ Trends:** New credit card originations declined 8.7% QoQ, extending the slowdown from the previous period, continuing the credit slowdown for this product type.
- **FY26 Trends:** Overall issuance has trended downward over the past two years.
- **Lender impact:** **Private Banks** have continued to expand their presence despite the broader slowdown, **leveraging marketing initiatives and co-branded partnerships with e-commerce and fintech platforms**. PSBs and other players, meanwhile, have largely maintained stable market positions.

Note: Others include PSU Banks, SFBs, Foreign Banks, Cooperative Banks, RRBs and credit card companies.

Industry-wide delinquencies improved, supported by calibrated issuances

Delinquency - Lender Type



Delinquencies for Others are without ARC's

- **Early delinquency:** PAR 31-90 improved across all lender categories over the previous quarter, with private banks registering a notable decline - reflecting stronger borrower quality supported by calibrated issuances.
- **Later delinquency:** A moderate decline was only observed in private banks between PAR 31-90 and PAR 91-180, suggesting that spillover into higher delinquency buckets is not yet fully contained.

Note: Others include PSU Banks, SFBs, Foreign Banks, Cooperative Banks, RRBs and credit card companies.

TWO-WHEELER LOANS



“

Q4 FY26 concluded with a historic high in two-wheeler volumes, reaching new records. The momentum from the festive quarter was sustained through the rollout of GST 2.0 reforms and improved rural cash flows, which particularly boosted the commuter and mid-ticket segments. A major highlight was the rapid move toward electric bikes, which became much easier for people to buy thanks to better and more affordable loan options.

Overall Industry performance remained strong and healthy, supported by smarter risk assessment and payment management. As we enter FY27, the focus remains on sustaining portfolio quality amid a high base effect. Integrating advanced analytics remains the primary engine for responsible scaling, ensuring broad-based and resilient growth while considering the potential headwinds from the west Asia crisis.

At L&T Finance, by focusing on prime customers and leveraging the Cyclops platform, we have achieved superior portfolio quality with delinquency levels significantly lower than the industry average. Even with record-breaking growth, the company remained careful about loan approvals.

JINESH SHAH

Chief Executive - Urban Secured Assets & Third-Party Products,
L&T Finance



Two-wheeler POS grew a healthy 15.1% YoY to ₹189.4K Cr, supported by macro and demand-led tailwinds

Two Wheeler - Portfolio Snapshot

	Mar-25	Dec-25	Mar-26
Portfolio Outstanding (₹ K Cr)	164.6	184.4	189.4
YoY growth %		12.3%	15.1%
QoQ growth %		4.9%	2.7%
Active Loans (Lakh)	339.2	365.9	372.3
YoY growth %		8.8%	9.7%
QoQ growth %		4.6%	1.7%
PAR 31-90	3.6%	3.1%	2.7% ↓
PAR 91-180	1.7%	1.6%	1.4% ↓
PAR 180-360	1.6%	2.0%	1.5% ↓
PAR 360+	6.1%	5.5%	5.7% ↑

- **POS growth:** Driven by GST rationalization, NBFC participation, rising ticket prices, and rural recovery, two-wheeler POS expanded 15.1% YoY to ₹189.4K Cr.
- **QoQ growth** slowed, with POS up 2.7% and active loans rising 1.7%, both lower than in previous quarters.
- **Performance:** Except for a marginal uptick in PAR 360+, delinquency levels improved across all buckets as of Mar'26

Two Wheeler - Geographic Distribution

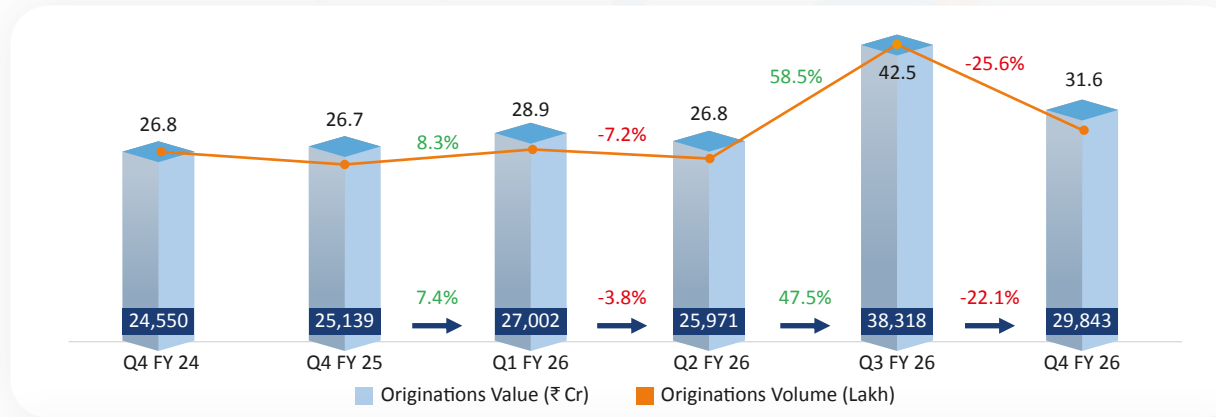
States	POS (₹ K Cr)	Growth		PAR 31-180		
	Mar-26	YoY%	QoQ%	Mar-25	Dec-25	Mar-26
UP	22.0	17.1%	0.6%	4.7%	4.2%	3.8% ↓
MH	21.5	13.7%	2.1%	4.5%	4.5%	3.9% ↓
TN	16.9	28.8%	8.8%	5.0%	3.7%	3.0% ↓
BR	12.0	17.6%	0.7%	6.9%	5.3%	5.0% ↓
KA	11.6	10.5%	3.7%	5.8%	5.4%	4.3% ↓
MP	11.5	11.7%	0.5%	6.9%	6.1%	5.4% ↓
WB	10.9	12.2%	3.1%	3.6%	3.3%	2.9% ↓
GJ	10.7	13.6%	1.9%	5.2%	4.2%	3.8% ↓
RJ	9.4	9.5%	-1.4%	7.1%	6.2%	5.4% ↓
KL	7.9	18.0%	8.9%	5.2%	4.3%	3.4% ↓
Top 10	134.5	15.6%	2.7%	5.3%	4.6%	4.0% ↓
Rest Of India	54.9	13.7%	2.8%	5.3%	4.8%	4.3% ↓
Pan India	189.4	15.1%	2.7%	5.3%	4.7%	4.1% ↓

- **Concentration:** The top 10 states account for ₹134.5K Cr of POS, representing 71% of pan-India. UP and MH are the largest markets, making them critical for portfolio performance.
- **Growth:** This is broad-based, with TN standing out at 28.8% YoY, followed by KL, BR, UP, and BR.
- **Performance:** TN's PAR 31-90 improved from 5% to 3% between Mar'25 and Mar'26. WB reported one of the lowest PAR 31-180 at 2.9%, while KL improved to 3.4%, much lower than the pan-India level.

↓ Refers to QoQ Improvement (PAR) ↑ Refers to QoQ Deteriorations (PAR)

Two-wheeler originations moderated in Q4 FY26, with value down 22.1% QoQ and volumes down 26%, partly due to post-festive normalization

Two Wheeler Loans Originations Trends



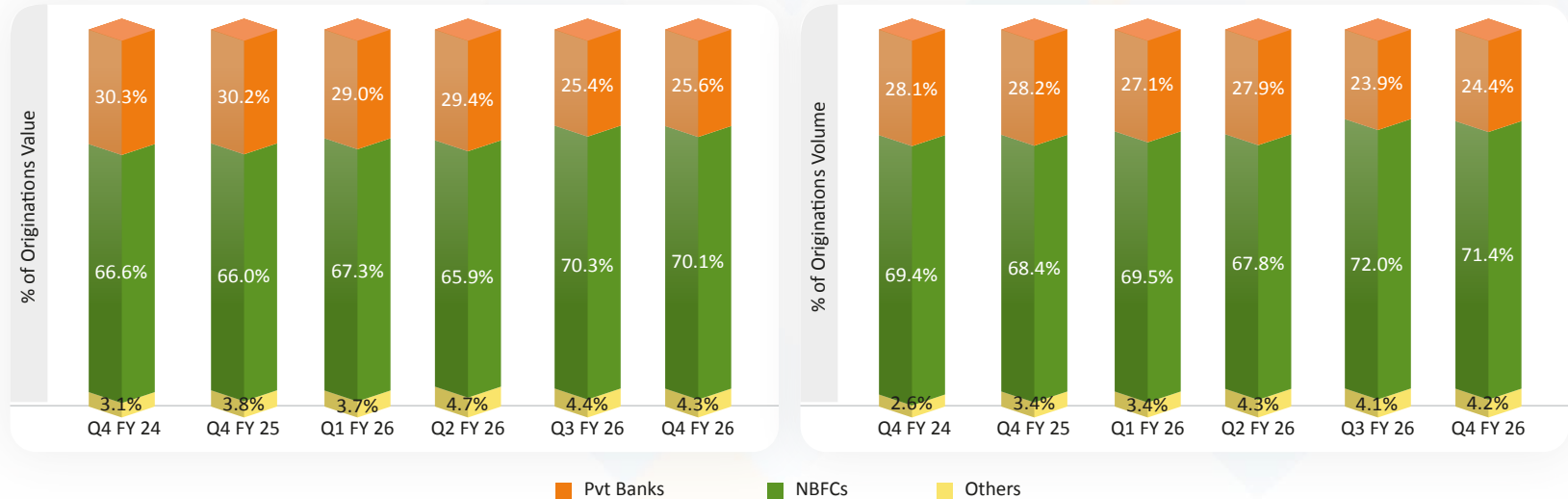
	FY23	FY24	FY25	FY26
Originations Value (₹ Cr)	79,727	1,00,297	1,11,471	1,21,135
YoY Growth %		25.8%	11.1%	8.7%
Originations Volume (Lakh)	96.7	112.7	121.2	129.9
YoY Growth %		16.6%	7.6%	7.1%

Highlights

- **FY26 trends:** Two-wheeler originations grew 8.7% YoY in FY26 to ₹1.21L Cr, with volumes up 7.1%. This was largely supported by strong Q3 momentum driven by GST rationalizations and festive demand. However, **growth slowed** as compared to previous years.
- **Quarterly moderation:** In Q4 FY26, originations value fell ~22% QoQ to ₹29.8K Cr, while volumes dropped ~26% to 31.6 lakh loans. The moderation reflected post-festive normalization, a trend also visible in auto loan.

In Q4 FY26, NBFCs' originations value share almost remained the same at 70.1%

Lender Type Wise Originations Trends

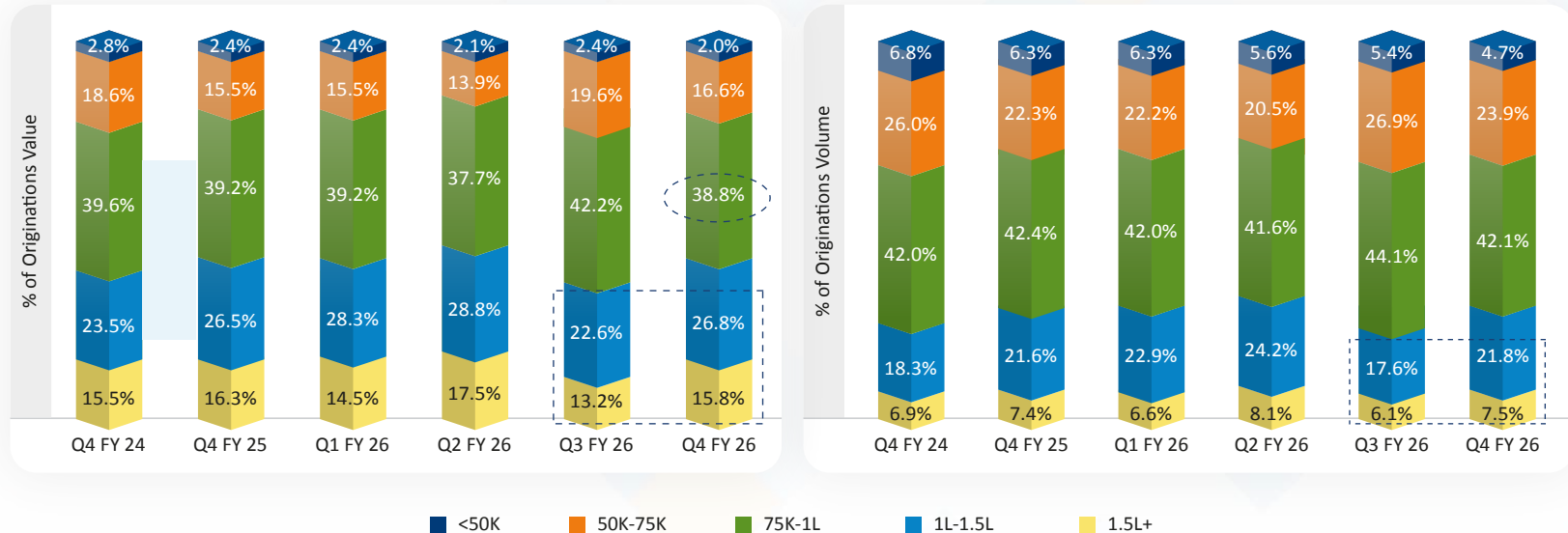


- NBFCs continue dominance:** NBFCs continued to dominate two-wheeler originations in Q4 FY26, accounting for 70.1% of originations value and about 71% of originations volume.
- Key drivers:** Their faster growth in share being driven by captive financing models, quicker underwriting processes, and deeper reach into underbanked customer segments, among other factors.

Note: Others include PSU Banks, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

In Q4 FY26, Two-Wheeler loans >₹1L ticket size increased their originations value and volume share

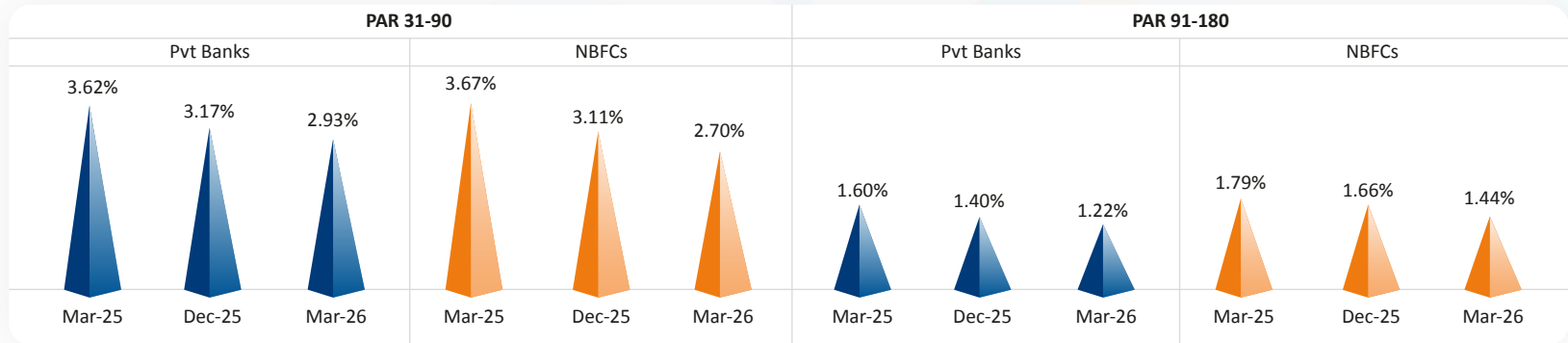
Ticket Size Wise Originations Trends



- Dominant category:** The ₹75K–₹1L segment continued to lead the Two-Wheeler loan market, accounting for 38.8% of originations value and 42.1% of originations volume in Q4 FY26.
- Shifts in share:** In Q4 FY26, the <₹75K segment saw a decline in value share, while higher-ticket bands gained ground. The ₹1L–₹1.5L segment (value) rose from 23% to 27% QoQ, and the ₹1.5L+ segment increased from 13.2% to 15.8% QoQ, with corresponding gains in volume.

Two-wheeler delinquency improved across lender types

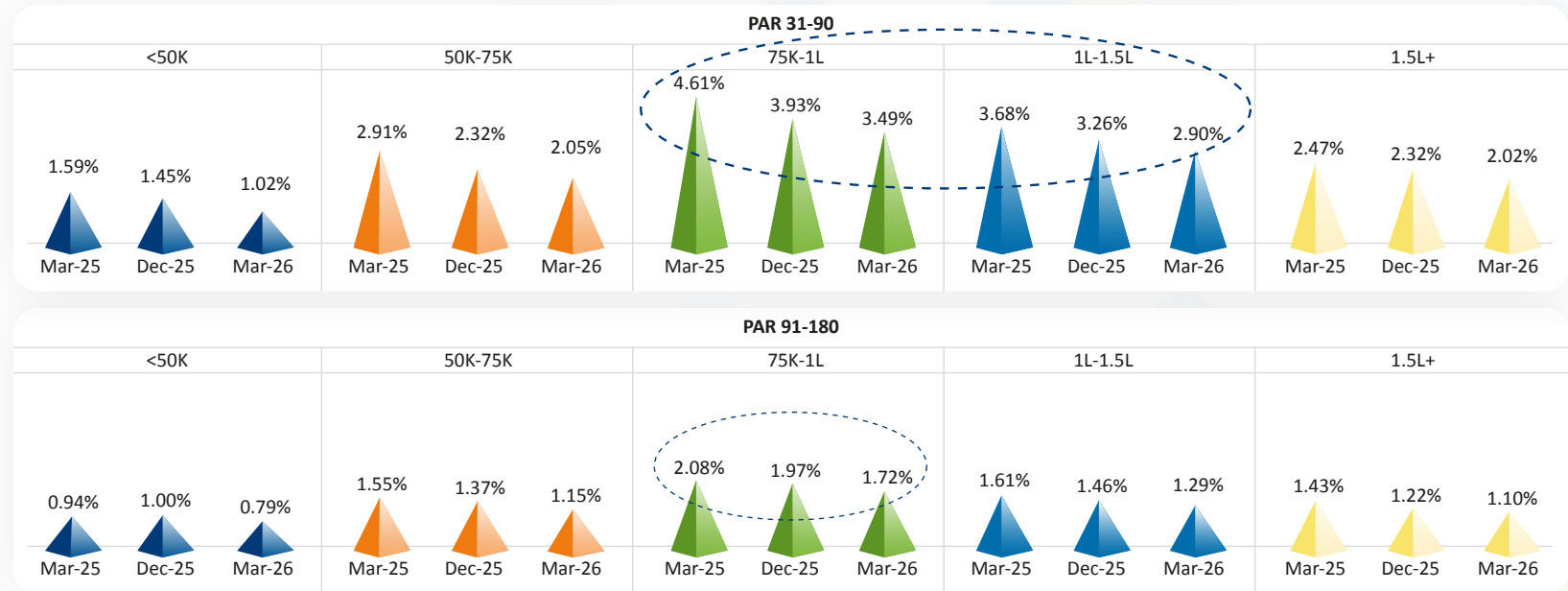
Delinquency - Lender Type



- **Broad-based improvement:** Delinquency improved across both buckets and lender types by Mar'26, indicating broad-based portfolio normalization.
- **Lender type differences:** As of Mar'26, PAR 31-90 stood higher for Pvt banks compared to NBFCs. However, **NBFCs** continue to show higher **PAR 91-180** levels compared to private banks, despite improvement from Mar'25.

Two-wheeler delinquencies are concentrated in the ₹75K and ₹1L–₹1.5L segments, particularly in PAR 31–90, highlighting sharper affordability pressures

Delinquency - Ticket Size



- **Stressed segment:** The ₹75K–₹1L loans remain relatively less resilient. Their PAR 31–90 eased from 4.61% in Mar'25 to 3.49% in Mar'26, though it continues to be the highest among buckets. Loans >₹1L also show some vulnerability, particularly in PAR 31–90.
- **PAR 91–180 Performance:** All ticket sizes, performed better in PAR 91–180 in Mar'26. The ₹75K–₹1L segment, however, continues to show relatively higher PAR 91–180 compared to other bands.
- **PAR concentration:** Stress is largely concentrated in early buckets (PAR 31–90), with limited migration into deeper buckets across ticket sizes.

CONSUMER DURABLE LOANS





Consumer Durable finance is often the entry point for first-time borrowers into India's formal credit market. It is a segment where NBFCs - and increasingly new-age digital lenders - have built strong franchises. Success in this business depends on deep retailer partnerships, efficient technology-led underwriting, and the ability to build sustainable portfolios while delivering customer value.

HARISH VENUGOPAL
CRO,
HDB Financial Services Ltd



Consumer Durable (CD) loans moderated to 4.3% QoQ post-festive season, while YoY growth remained strong at 20.8%

Consumer Durable Loans - Portfolio Snapshot

	Mar-25	Dec-25	Mar-26
Portfolio Outstanding (₹ K Cr)	83.2	96.3	100.5
YoY growth %		14.3%	20.8%
QoQ growth %		7.3%	4.3%
Active Loans (Cr)	9.9	10.1	10.2
YoY growth %		0.8%	3.3%
QoQ growth %		5.4%	1.2%
PAR 31-90	1.5%	1.0%	1.0% ↔
PAR 91-180	1.2%	0.9%	0.7% ↓
PAR 180-360	0.5%	0.4%	0.3% ↔
PAR 360+	5.6%	5.3%	5.2% ↓

Consumer Durable Loans - Geographic Distribution

State	POS (₹ K Cr)	Growth		PAR 31-180		
	Mar-26	YoY%	QoQ%	Mar-25	Dec-25	Mar-26
MH	14.7	16.4%	3.4%	2.7%	2.3%	1.7% ↓
UP	9.2	43.4%	5.0%	3.5%	2.2%	2.1% ↔
TN	7.6	16.4%	5.2%	2.0%	1.2%	0.9% ↓
KA	7.1	11.0%	2.1%	2.6%	1.9%	1.8% ↔
KL	7.0	20.6%	3.3%	3.4%	2.3%	1.5% ↓
WB	6.1	15.9%	2.1%	1.7%	1.2%	1.1% ↔
GJ	6.0	13.6%	6.4%	3.5%	2.1%	1.8% ↓
AP	5.3	17.6%	7.1%	2.4%	1.7%	1.6% ↔
TS	5.0	6.0%	2.7%	2.8%	1.8%	1.6% ↓
BR	4.4	38.0%	2.4%	2.5%	1.5%	1.5% ↔
Top 10	72.5	19.2%	3.9%	2.7%	1.9%	1.6% ↓
Rest Of India	28.0	24.9%	5.2%	2.8%	1.9%	1.8% ↔
Pan India	100.5	20.8%	4.3%	2.7%	1.9%	1.7% ↓

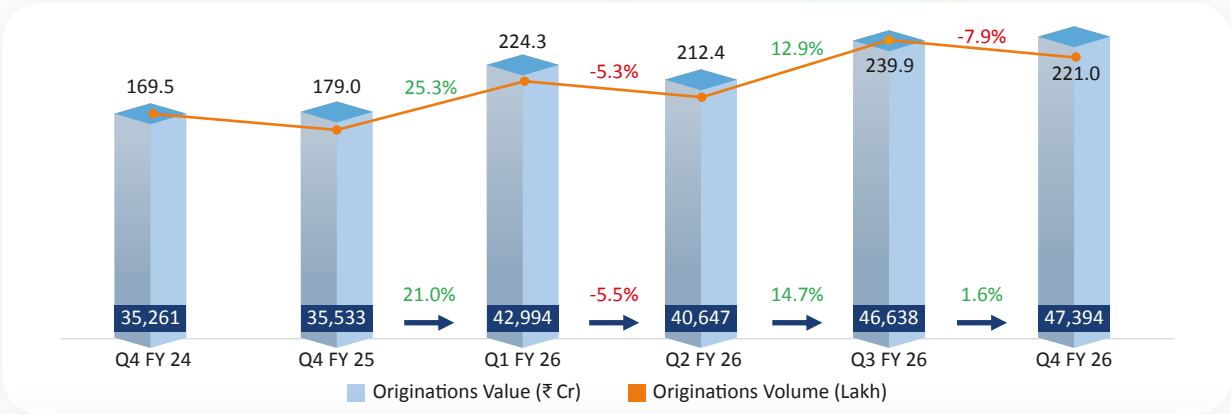
- **Portfolio:** The CD portfolio outstanding rose to ₹100.5K Cr in Mar'26, reflecting 20.8% YoY growth.
- However, QoQ growth moderated to 4.3% amid softer demand. This was also evident in active loans, which grew just 1.2% QoQ.
- **Performance:** PAR 31-180 improved slightly, easing from 1.9% in Dec'25 to 1.7% in Mar'26.
- However, PAR 360+ remains elevated at around 5%.

- **Key growth drivers:** UP (43.4%), BR (38.0%), and KL (20.6%) drove YoY expansion. On a QoQ basis, growth was led by AP, GJ and UP (>5% QoQ growth).
- **Performance:** PAR 31-180 improved across most states QoQ. However, UP - particularly in light of its higher growth rate - recorded a PAR 31-180 of 2.1%, above the pan-India average of 1.7%.

↓ Refers to QoQ Improvement (PAR) ↔ Refers to stable QoQ (PAR)

Originations moderated in Q4 FY26 post the festive-season demand

Consumer Durable Loans Originations Trends



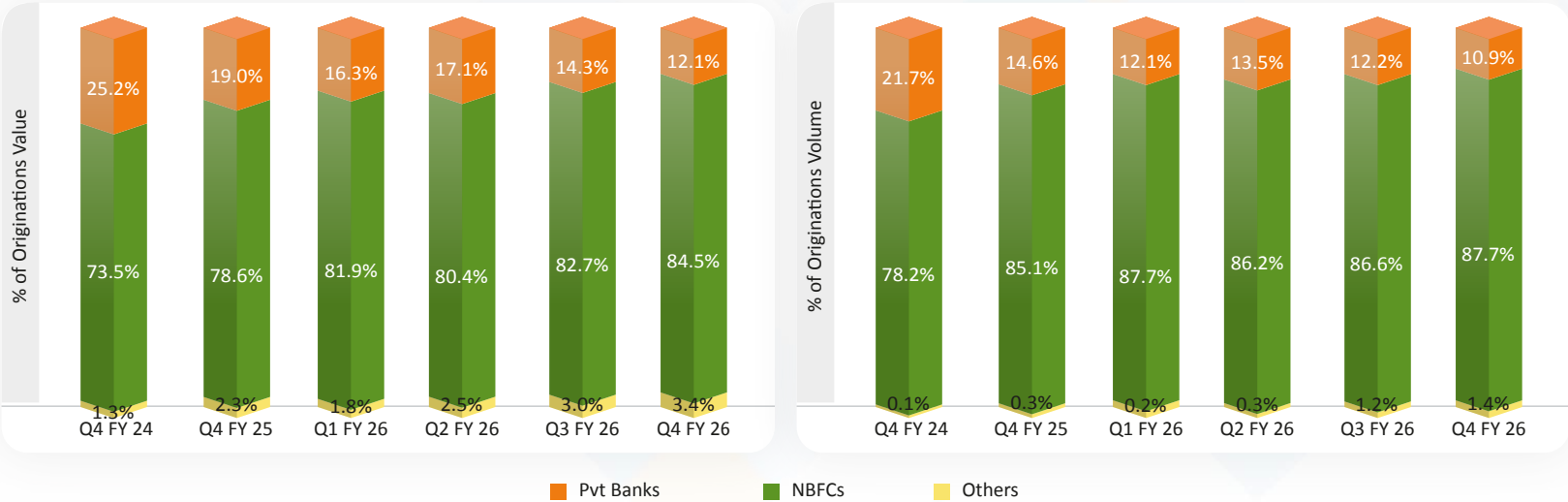
	FY23	FY24	FY25	FY26
Originations Value (₹ Cr)	1,34,568	1,57,369	1,57,219	1,77,673
YoY Growth %		16.9%	-0.1%	13.0%
Originations Volume (Lakh)	626.8	752.5	777.5	897.5
YoY Growth %		20.1%	3.3%	15.4%

Average ticket size almost remained the same at ~₹20K

- **Originations value:** After festive demand, originations value remained broadly stable in Q4 FY26 at ₹47.3K Cr, **indicating modest demand.** Parallely, originations volume also declined 8% QoQ to 221 lakh loans.
- **FY26 Trend:** However, overall originations value rose to ₹1.78L Cr in FY26, up 13% YoY, **supported by GST rationalizations** and higher demand during Q1 FY26 and Q3 FY26.

NBFCs maintain their lead in Consumer Durables lending market

Lender Type wise Originations Trends



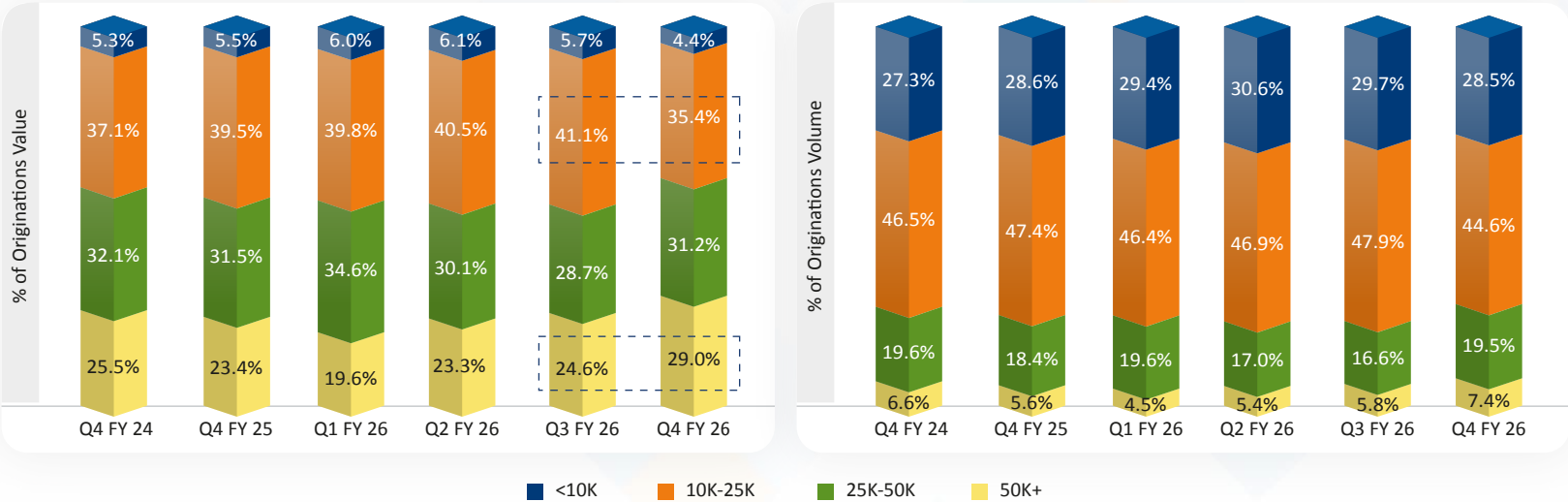
Dominance of NBFCs

- NBFCs continue to lead consumer durable loan originations, commanding 85% of value and 88% of volume in Q4 FY26. Their dominance is supported by speed, convenience, extensive networks, BNPL options and POS financing offerings.
- Private Banks’ share has steadily declined, slipping to 12.1% of value and 10.9% of volume in Q4 FY26 - signaling a notable shift in the lending landscape.

Note: Others include PSU Banks, SFBs, Foreign Banks, Cooperative Banks, RRBs, ARCs.

₹50K+ gained about 5 percentage points in originations value share during Q4 FY26, rising to 29%

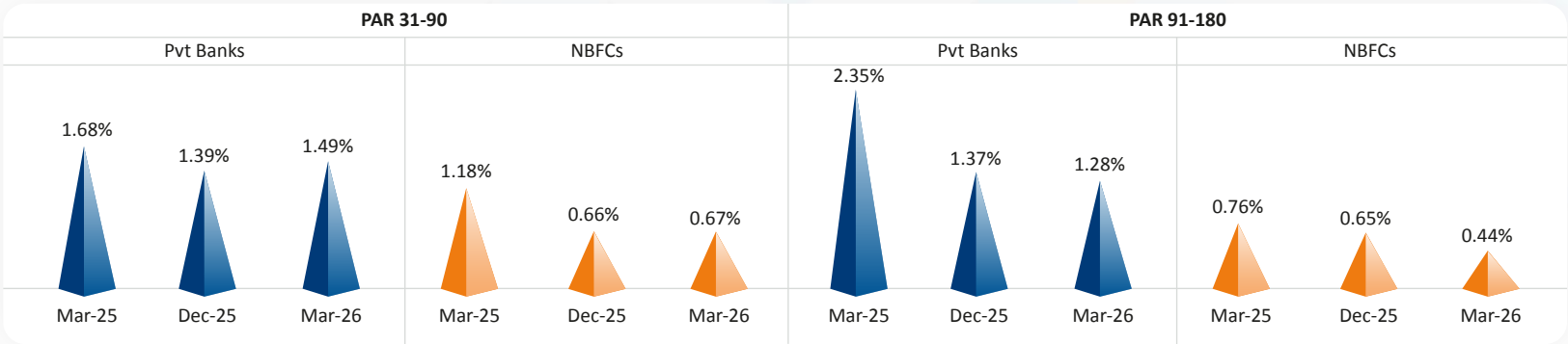
Ticket Size Wise Originations Trends



- Anchor segment:** The ₹10K-₹25K segment accounted for 35.4% of originations value and 45% of volumes in Q4 FY26. Its share, however, declined from 41.1% to 35.4% in value and from 47.9% to 44.6% in volume during the quarter.
- Growing ticket size segment:** Meanwhile, the ₹50K+ segment expanded its share of originations value to 29% and of originations volume to 7.4% in Q4 FY26, reflecting a shift away from the ₹10K - ₹25K band.

NBFCs continue to outperform in PAR 31–180 overall

Delinquency - Lender Type

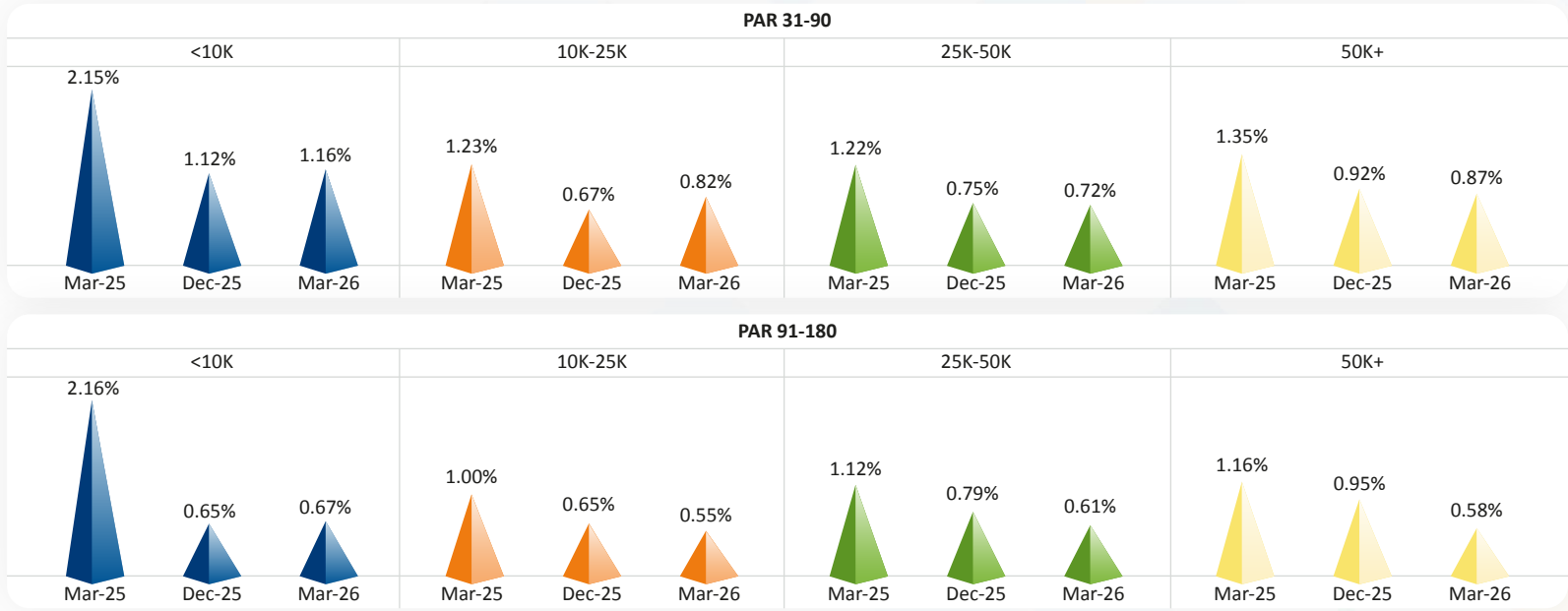


Improving asset quality in NBFCs, the anchor players:

- NBFCs, the market leaders in consumer durable lending, continue to perform well, contributing significantly to the overall improvement in asset quality. Its PAR 91-180 especially showed higher improvement between Dec’25 and Mar’26 (from 0.65% to 0.44%)
- Private Banks have also shown improvement in asset quality; however, their delinquency levels remain higher than those of NBFCs, despite having a comparatively smaller loan book.

Delinquency (PAR 91-180) improved or remained stable across all ticket-size segments in Mar'26 versus the prior quarter. PAR 31-90 improved for ₹25K+

Delinquency - Ticket Size



- **Key ticket sizes:** The ₹10K–₹25K and ₹25K–₹50K segments, together accounting for nearly 67% of originations value, showed improvement in the PAR 91–180 bucket. However, PAR 31–90 for the ₹10K–₹25K segment increased between Dec'25 and Mar'26.
- **Stronger controls:** Overall, the differences between PAR 31–90 and PAR 91–180 remain limited, underscoring the potential for stronger controls on early delinquency to prevent spillover into later delinquency buckets.

ABOUT HOW INDIA LENDS

'How India Lends' is CRIF High Mark's flagship publication that offers a data-driven, comprehensive view of India's lending ecosystem. The report presents in-depth insights into key credit trends. Given its strong industry reception and growing relevance, the report has evolved from an annual publication into a quarterly edition. This shift enables more timely tracking of emerging trends and sharper visibility into the evolving credit landscape—especially during dynamic periods such as quarter-ends.

Analytical Contact

Reach us at research@crifhighmark.com for any queries

ABOUT US

CRIF High Mark Credit Information Services Private Limited is one of the leading Credit Information Company (CIC) licensed by the Reserve Bank of India under the Credit Information Companies (Regulation) Act, 2005. Established in March 2011, the company plays a critical role in strengthening India's credit ecosystem by promoting responsible lending, financial inclusion, and informed decision-making.

CRIF High Mark delivers comprehensive credit information and analytics solutions to banks, financial institutions, NBFCs, housing finance and microfinance institutions, insurance companies, as well as MSMEs, corporates, and individual consumers. Its offerings are designed to enhance access to credit for underserved and previously excluded segments, while ensuring compliance with regulatory frameworks and data governance standards.

Powered by advanced technology, robust information management practices, and a culture of continuous innovation, CRIF High Mark supports lenders across the credit lifecycle from credit appraisal and risk assessment to portfolio monitoring. Its credit information database is enriched by contributions from over 5,000 member institutions, enabling data-driven insights that support a more resilient, transparent, and inclusive financial system in India.

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Commercial Report

- 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.



Consumer Report

- 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.



Microfinance Report

- Detailed microfinance credit report providing borrower-level loan history, group lending insights, and recent repayment information to support micro lending decisions.



Commercial Lite

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



Grameen Score

- Specialized score designed for rural borrowers to support inclusive lending decisions using historical bureau-led insights.



Portfolio review

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



Market Insights

- 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.



Lending Index

- Advanced loan-level risk assessment solution delivering sharper underwriting insights and stronger predictive differentiation.



Comprehensive CCIR

- Consolidated view of consumer, microfinance, and commercial credit linkages to support holistic credit assessment and portfolio monitoring.



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