

Small Business Spotlight REPORT

State in Focus: Rajasthan



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EXECUTIVE SUMMARY

- India's small business credit portfolio reached ₹50.9 lakh crore in June 2026, growing 14.9% YoY and 3.5% QoQ, reflecting sustained formalisation of business credit and strong financing demand.
- Growth was increasingly driven by sole proprietors, whose portfolio expanded 19.3% YoY, while active loans in the segment 27.4% YoY. The faster growth in active loans than portfolio outstanding suggests a broadening of credit access, supporting financial inclusion and formalisation of micro and small businesses.
- Asset quality remained resilient, with PAR 91-180 improving from 1.5% to 1.2% over the year.
- Among enterprises, manufacturing continues to anchor the portfolio (41.92% aggregated portfolio outstanding share of the borrower segment)
- The enterprises exhibited a gradual improvement in portfolio quality, with the share of Very Low Risk and Low Risk exposures increasing from 66.4% in Jun'24 to 70.9% in Jun'26, while sole proprietors saw only a marginal increase in low-risk exposures (55.1% to 56.1%) and a rise in Very High Risk exposures from 17.4% to 20.0%.

Rajasthan in Focus

- Rajasthan has emerged as one of the stronger-performing MSME markets in India, supported by a diversified economy, a large MSME base of over 53 lakh registered enterprises, and sustained policy support through industrial and MSME-focused initiatives.
- The state's small business credit portfolio reached ₹3.4 lakh crore in June 2026, accounting for 6.8% of the national portfolio, while expanding 16.8% YoY, faster than the national average of 14.9%.
- Rajasthan has above-average growth, with PAR 91-180 at 0.9% making it one of the better-performing large state portfolios from a risk-return perspective.
- The state's credit ecosystem retains a strong manufacturing orientation, with manufacturing accounting for 45.4% of enterprise exposure, compared to about 42% nationally. However, the strongest momentum is now shifting toward services (15.6% YoY growth).
- Credit concentration remains significant, with Jaipur Jodhpur and Ajmer together accounting for nearly 38% of Rajasthan's small business portfolio although emerging districts such as Sikar and Nagaur are growing materially faster than the state average, signalling an increasingly distributed growth pattern
- Within Rajasthan's manufacturing sector, Machinery & Equipment emerged as the strongest-performing industry, combining strong portfolio growth with improving delinquency trends.
- Rajasthan's enterprise portfolio displays a higher-quality borrower profile than the national average, with 77.3% of exposure concentrated in low-risk categories, compared with 70.9% nationally.

BACKGROUND AND APPROACH OF THE STUDY

Introduction

“Small Business” is defined here as those businesses, that have an aggregated credit exposure not exceeding ₹5 crore from the formal lending system.

This includes enterprises captured in commercial credit bureau records as well as proprietors who have taken business loans in their individual names. The definition used in this report differs from the Government's classification of Micro, Small and Medium Enterprises (MSMEs). However, we believe that a predominant section of micro as per the latest definition, is covered within the ₹5 crore credit exposure.



**Small Business
(Aggregate Credit
Exposure up to ₹5 Cr)**

Small Business product types

This report covers **enterprises** taking Working Capital (Cash Credit and Overdraft), Term Loans, and LAP. This apart, individuals (**sole proprietors**) also avail loans for business purposes under select product categories viz., Business Loans (BL), Commercial Vehicle Loans (CVL), Construction Equipment Loans (CEL), and Loan Against Property (LAP), which is reported separately to the consumer bureau. Such loans have also been considered for analysis purpose in this report.

*Dear Readers: Please note that the overlap segment that was covered till the previous edition - **sole proprietors with entity presence** - remains intact. However, it has now been distributed between the respective categories: **sole proprietors** (Individual borrowers with aggregated exposure up to ₹5 crore) and **enterprises** (commercial borrowers with aggregated exposure up to ₹5 crore).¹*

Within the 'Sole Proprietors with entity presence' portfolio (which was the previous Overlap segment), 57% comprises sole proprietors, while the remaining 43% consists of enterprises.

Chapter 1

The Small Business Credit Landscape

Enterprises with an aggregated credit exposure of up to ₹ 5 Cr

Sole proprietors with an aggregated credit exposure of up to ₹ 5 Cr

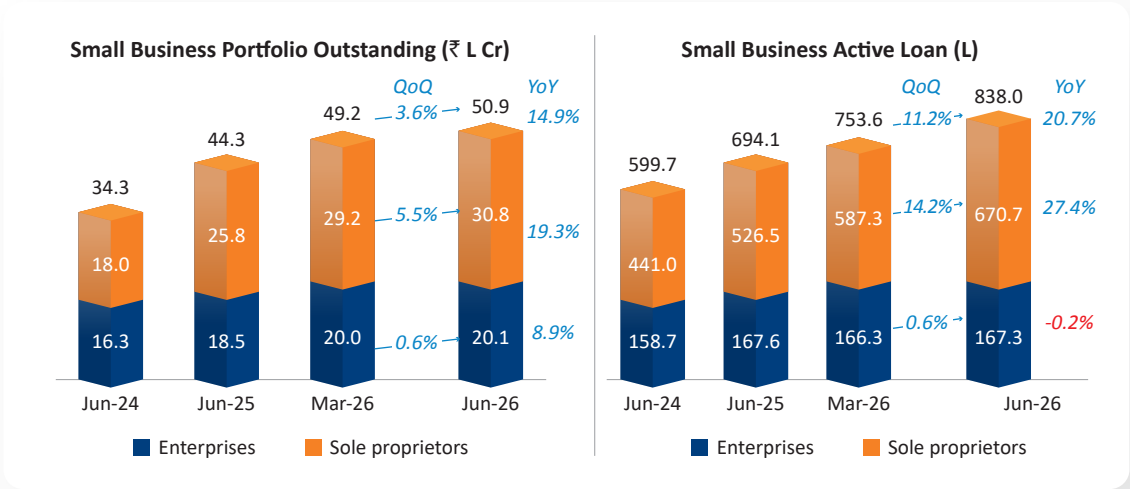


THE SMALL BUSINESS CREDIT LANDSCAPE

India's small business credit ecosystem maintained strong momentum in June 2026, driven by expanding credit access and robust demand from sole proprietors. At the same time, improving delinquency trends indicate healthier portfolio performance and strengthening credit quality across the segment.

- **The Small Business Credit portfolio outstanding reached ₹50.9 lakh crore as of June '26, crossing the ₹50 lakh crore milestone and growing 14.9% YoY and 3.6% QoQ.**
- Growth was led by sole proprietors, with POS rising 19.3% YoY, 5.5% QoQ and active loans expanding 27.4% YoY, 14.2% QoQ.
- The faster pace of active loan growth highlights deeper penetration of lower ticket size loans in June '26. This expansion was further supported by stable and improving performance. The overall active borrower count stood at 6.6 Cr as of Jun'26.

Overall small business credit exposure trends

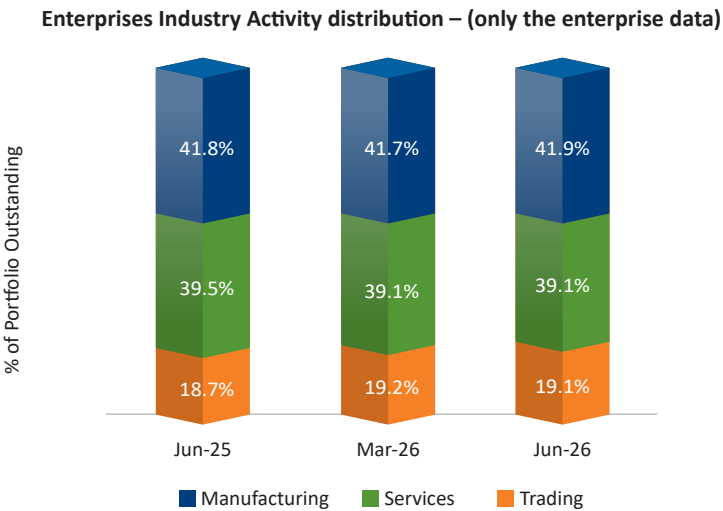


Overall small business performance trends

	Jun'24	Jun'25	Mar'26	Jun'26
PAR 31-90	3.3%	3.5%	3.1%	3.1%
PAR 91-180	1.4%	1.5%	1.1%	1.2%
PAR 180+	3.1%	3.0%	2.9%	3.0%

Portfolio outstanding is for credit exposure up to 720 days. PAR 180+ represents loans that are between 181 to 720 days past due and reported to the bureau.

By industry activity (considering only enterprises), manufacturing accounts for about 42% of the portfolio outstanding - a share that has remained largely constant over the years.

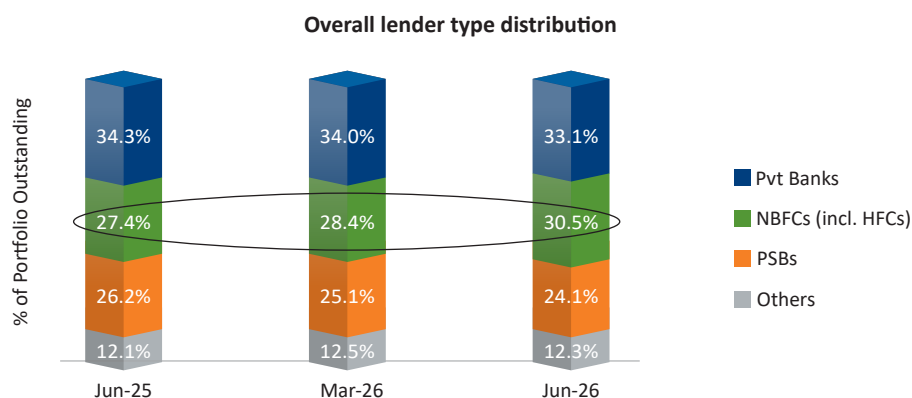


Industry classification has been carried out by integrating bureau data with government classifications, further refined using bureau defined logics.

Above chart excludes other business activities not specifically reported to the bureau under any industry activity category.

By lender type, NBFCs recorded the highest growth in portfolio outstanding among lender categories during the period under review, expanding 27.7% YoY, 11% QoQ as of Jun'26, enabled by offering by fast, flexible and customised solutions.

Much of this momentum came from the sole proprietor borrower segment, where NBFC credit grew 30.1% YoY, 13.4% QoQ. NBFC lending to enterprises also rose 18.3% YoY. The relative share of lender categories has evolved over time, with NBFCs increasing their participation in the small business segment.



Aggregated Portfolio Outstanding - Overall and by borrower segments

Lender Type	Overall small business (Jun'26)	
	YoY Growth %	QoQ Growth %
Pvt Banks	10.9%	0.8%
PSBs	5.9%	-0.4%
NBFCs	27.7%	11.0%
Others	16.7%	2.2%

Lender Type	Enterprises (Jun'26)	
	YoY Growth %	QoQ Growth %
Pvt Banks	7.3%	1.8%
PSBs	3.9%	-1.4%
NBFCs	18.3%	1.9%
Others	19.4%	1.4%

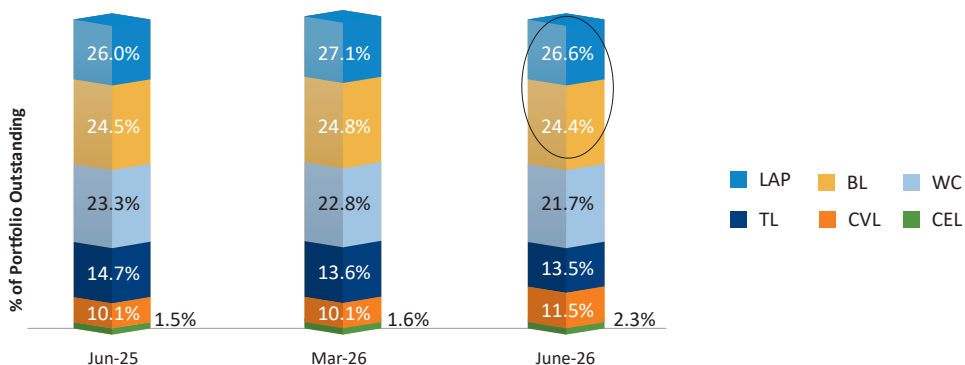
Lender Type	Sole proprietors (Jun'26)	
	YoY Growth %	QoQ Growth %
Pvt Banks	14.1%	0.0%
PSBs	8.9%	1.0%
NBFCs	30.1%	13.4%
Others	15.1%	2.7%

Lender type 'Others' comprises Cooperative Banks, Regional Rural Banks, Asset Reconstruction Companies, Foreign Banks etc.

By product type, LAP followed by BL together account for 51% of the overall small business portfolio. These products also drove portfolio outstanding growth, rising 17.5% YoY and 14.7% YoY respectively with 1.5% to 2.0% QoQ growth.

- Both products (LAP and BL) were predominantly fueled by the sole proprietor borrower segment, where growth averaged ~15% YoY. LAP also recorded a 32.8% YoY expansion within enterprises, even though it accounted for only 10.9% of the Enterprise POS.

Overall small business portfolio outstanding distribution – By product type



Product type	Overall small business (Jun'26)		
	YoY Growth %	QoQ Growth %	Leading lenders POS share for the product
LAP	17.5%	1.4%	Pvt banks (37.2%)*
BL	14.7%	1.9%	PSBs (30.9%)
WC	7.0%	-1.6%	PSBs (47.9%)
TL	5.8%	2.5%	Pvt banks (31.9%)
CVL	31.4%	18.4%	NBFCs (70.9%)

Product type	Enterprises (Jun'26)		
	% share	YoY Growth %	QoQ Growth %
Working Capital	54.9%	7.0%	-1.6%
Term Loans	34.2%	5.8%	2.5%
LAP	10.9%	32.8%	6.1%

Product type	Sole proprietors (Jun'26)		
	% share	YoY Growth %	QoQ Growth %
BL	40.4%	14.7%	1.9%
LAP	36.7%	14.9%	0.5%
CVL	19.0%	31.4%	18.4%
CEL	3.9%	75.5%	55.6%

*share reduced by 6pp in the last 2 years, with the gains absorbed by NBFCs

Geography analysis: State wise, growth was led by UP, which expanded 20.3% YoY and 4.6% QoQ. Much of this momentum came from sole proprietors, who recorded 24.3% YoY growth in UP.

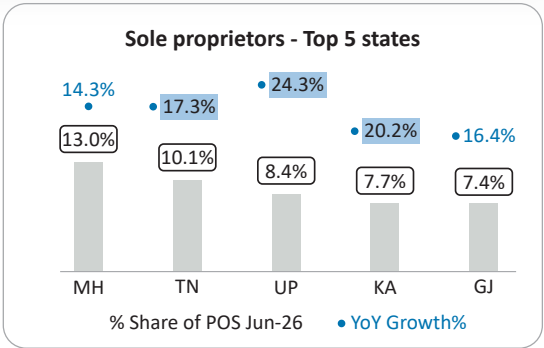
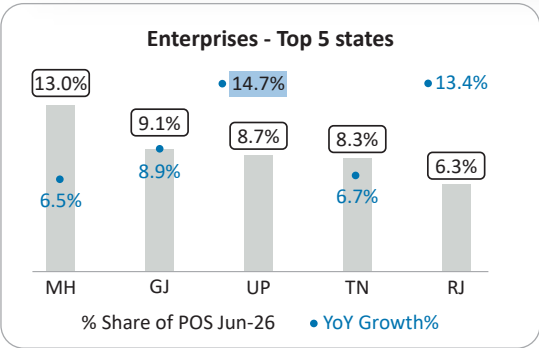


Delinquencies improved across all top 10 states between Jun '25 and Jun '26, though there was a slight uptick between Mar '26 and Jun '26, particularly in Maharashtra - a trend that warrants monitoring for potential seasonal impacts.

Overall Small Business credit exposure trends by states

Top 10 States	% Share of POS	Y-o-Y	Q-o-Q	PAR 91-180		
	Jun-26	Growth %	Growth %	Jun-25	Mar-26	Jun-26
Maharashtra	13.0%	11.1%	2.6%	1.6%	1.1%	1.4%
Tamil Nadu	9.4%	13.4%	4.1%	1.7%	1.4%	1.3%
Uttar Pradesh	8.5%	20.3%	4.6%	1.5%	1.2%	1.3%
Gujarat	8.1%	13.0%	3.2%	0.9%	0.7%	0.8%
Karnataka	7.1%	15.1%	5.9%	2.2%	1.4%	1.5%
Rajasthan	6.8%	16.8%	3.7%	1.1%	0.7%	0.9%
Telangana	5.3%	20.9%	4.2%	1.3%	0.9%	1.1%
Andhra Pradesh	5.2%	19.6%	4.5%	1.5%	1.0%	1.1%
Madhya Pradesh	4.8%	17.7%	5.6%	1.4%	1.0%	1.2%
West Bengal	4.1%	13.1%	1.6%	1.5%	1.4%	1.3%
Top 10	72.2%	15.4%	3.9%	1.5%	1.1%	1.2%
Rest of India	27.8%	13.8%	2.6%	1.5%	1.1%	1.2%
Pan India	100.0%	14.9%	3.6%	1.5%	1.1%	1.2%

RJ has one of the lower delinquencies



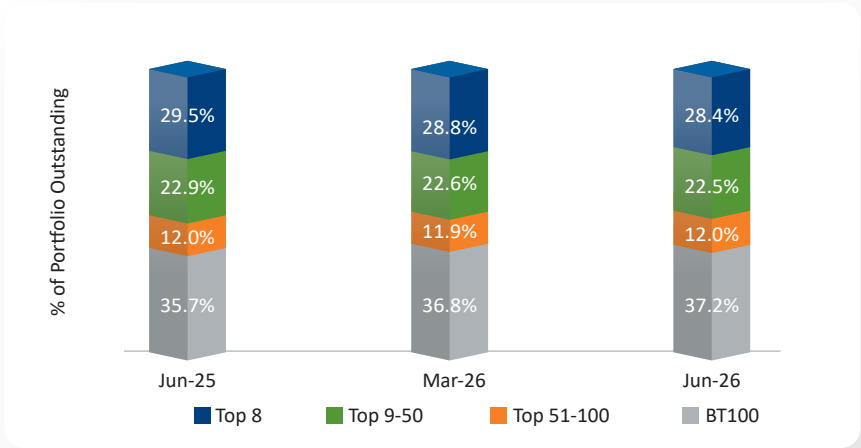
For enterprises, UP led growth at 14.7% YoY, followed by Rajasthan at 13.4%. For sole proprietors, UP posted 24.3% YoY growth, with Karnataka (20.2%) and Tamil Nadu (17.3%) emerging as key southern-state drivers.

Granular geographic analysis:

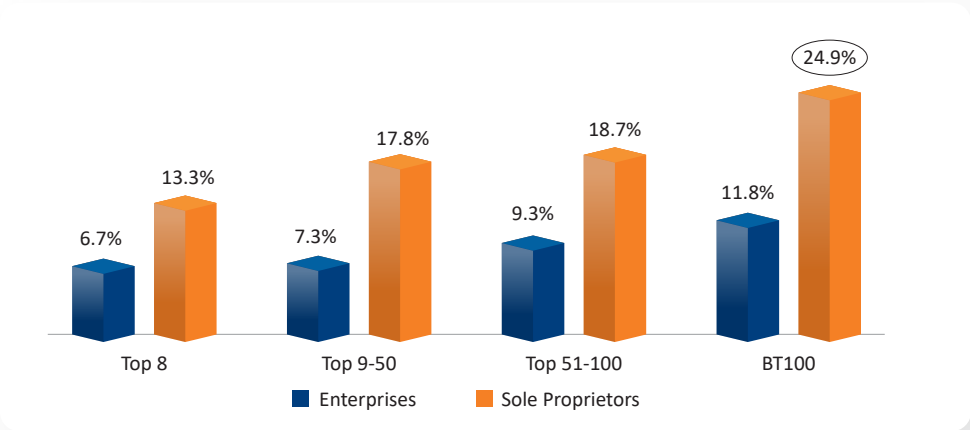
The share of small business credit outstanding in BT100* cities rose steadily from 34.5% in Jun'24 to 37.2% in Jun'26, while the share of the Top 8 cities declined from 30.4% to 28.4%. This indicates a gradual dispersal of small business credit beyond the largest metropolitan centres, supported by strong growth in sole proprietor lending, which expanded 24.9% YoY in BT100 cities in Jun'26.

Growth was led by sole proprietors, rising 24.9% YoY in June '26.

Small business portfolio outstanding distribution by City Classification



Enterprises and Sole proprietors YoY (Jun'25-Jun'26) growth trends

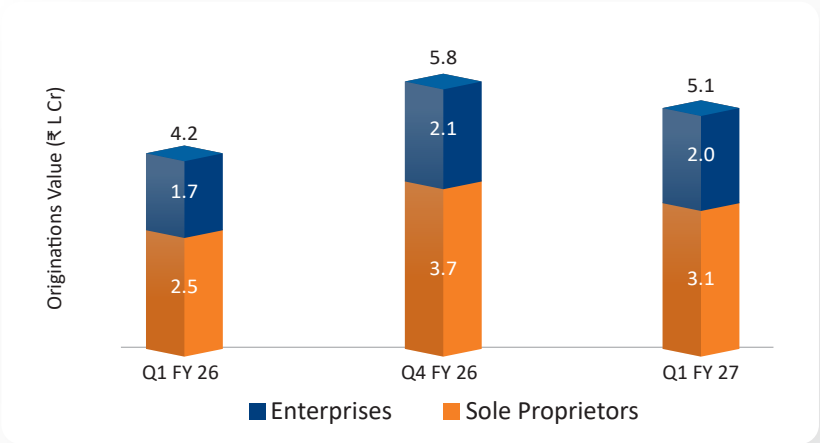


*Top 8, Top 9-50, Top 51-100 and Beyond Top 100 (BT100) cities are classified based on highest aggregated portfolio outstanding of consumer loans reported to CRIF at the end of the financial year

Originations:

Sanctioned amounts rose sharply in Q1 FY27 to ₹5.1 lakh crore. The increase coincided with continued availability of credit guarantee support mechanisms, as potentially reflected in the 15.2% YoY increase in ATS for working capital products (cash credit and overdraft). Growth was led by sole proprietors, whose originations surged 22.8% YoY between Q1 FY26 and Q1 FY27, reaching ₹3.1 lakh crore.

Originations for small businesses - Value and Average Ticket Size trends



Originations are slightly lower following the Q4 FY26 peak, but remain higher on a YoY basis.

Product Category	Average Ticket Size (₹ L)		
	Q1 FY26	Q1 FY27	YoY Growth %
WC (CC, OD)	28.7	33.0	15.2%
LAP	19.1	22.0	14.9%
TL	18.3	15.5	-15.1%
CVL	6.5	6.0	-7.1%
BL	3.1	2.8	-12.0%

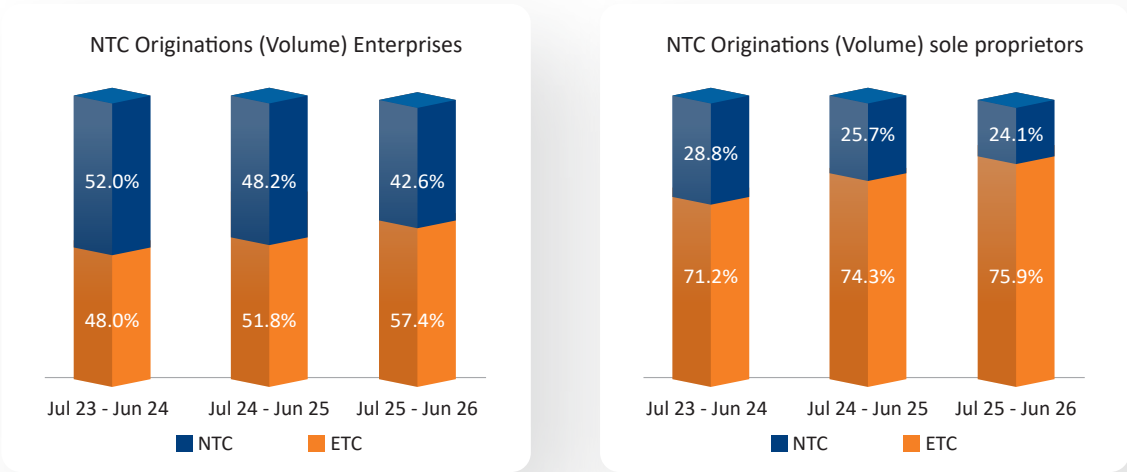
Ticket size declined across TL, BL, and CVL indicating more push on the number of loans in these products

New to Credit Analysis

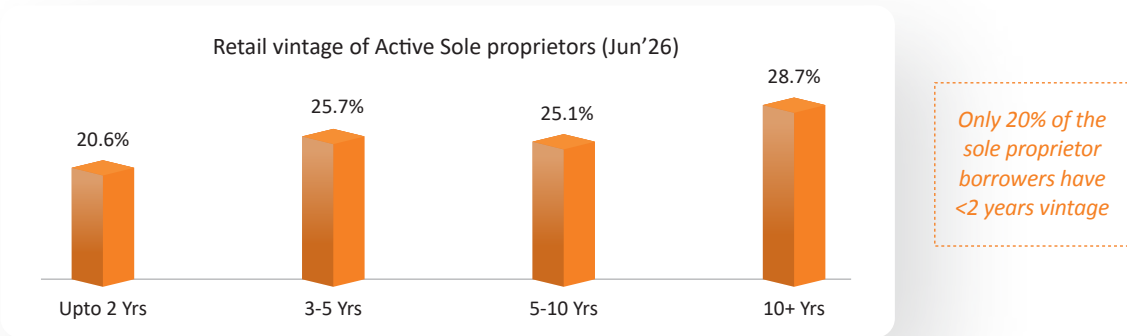
Methodology: NTC originations for **enterprises** are calculated based on accounts of borrowers new to Working Capital (CC or OD) or TL with a ticket size limit of ₹5 crore. Similarly, NTC originations for **sole proprietors** are based on accounts of borrowers new to BL, LAP, CVL, or CEL.

Highlight: Enterprises continue to record a higher NTC share than sole proprietors, indicating stronger first-time borrower participation in enterprise lending. **A significant share of sole proprietors have prior formal credit histories.** The declining trend across disbursal periods suggests that incremental originations are increasingly coming from borrowers already present in the formal credit ecosystem.

NTC Originations for Small Businesses



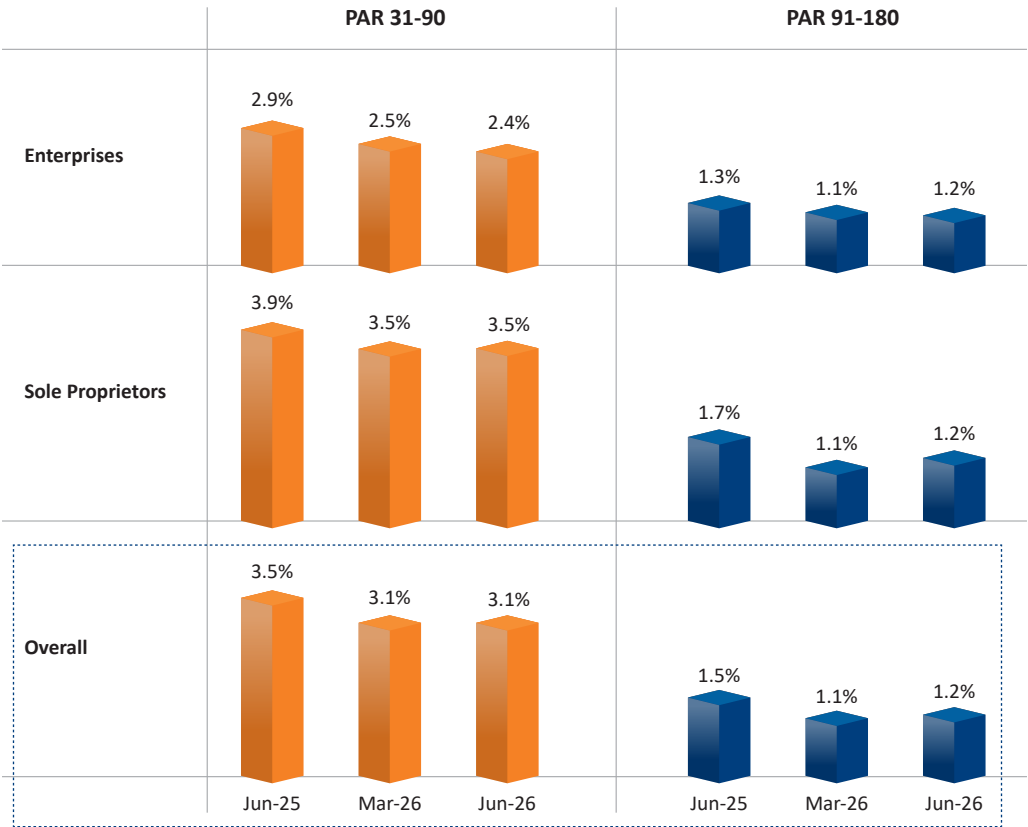
However, when analyzing sole proprietor/ individual borrowers holding BL, LAP, CEL, or CVL, more than 50% have a vintage (in retail bureau) of over 5 years. This indicates a strong borrower relationship and highlights a strong opportunity to further bring them into the formalization framework.



Only 20% of the sole proprietor borrowers have <2 years vintage

In terms of performance, PAR ratios may usually see a slight uptick in June as small businesses face seasonal pressures at the start of the financial year, including inventory build-up, tax-related outflows, and slower receivable collections, which can temporarily affect repayment capacity. However, sole proprietors' PAR 91–180 improved notably from 1.7% to 1.2% between Jun '25 and Jun '26, converging with enterprise PAR. Enterprises, meanwhile, continue to anchor the sector with lower delinquency levels. Overall PAR improvements were driven by both sole proprietors and enterprises.

Small business delinquency trends



RISK MONITORING

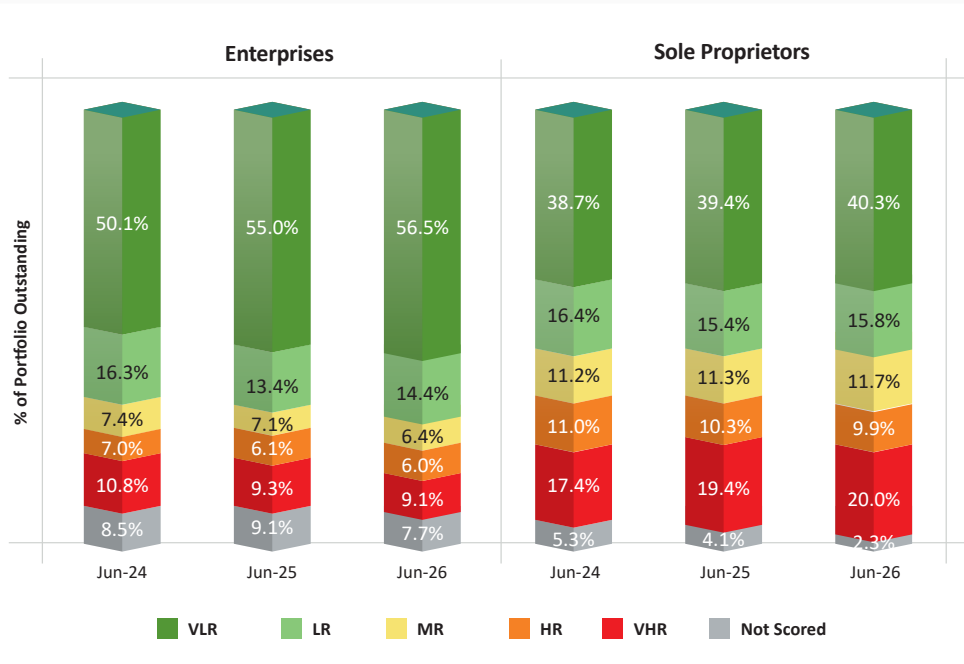


Improved credit monitoring-supported by stronger underwriting practices, enhanced digital data trails, and ongoing formalization-has boosted the share of Very Low Risk (VLR) and Low Risk (LR) distribution in POS. **For enterprises, this increased from 66.4% to 70.9%, while for sole proprietors it rose from 55.1% to 56.1% between Jun’24 and Jun’26.**



Concurrently, the share of **High Risk (HR) and Very High Risk (VHR) profiles in POS distribution also reduced for enterprises and almost remained constant for sole proprietors.** For enterprises, it reduced from 15.4%-15.1% between Jun’25 and Jun’26, and for sole proprietors it stayed at around 29.9% indicating further opportunities for risk monitoring and calibration.

Distribution of Portfolio Scores



Risk distribution for **Enterprises** is based on CIBR-CRIF India Business Rank. CIBR provides a 13-tranche ranking framework, enabling lenders to precisely differentiate credit risk across various business profiles. Risk Bands: Very Low Risk (CIBR-1 to CIBR-4), Low Risk (CIBR-5 to CIBR-7), Medium Risk (CIBR-8 to CIBR-9), High Risk (CIBR-10 to CIBR-11), Very High Risk (CIBR-12 to CIBR-13)

Risk distribution for **Sole Proprietors** is based on CRIF Credit Score, ranging from 300 to 900, predicts the possibility of customer defaulting. Score bands: Very High Risk (300–399), High Risk (400–577), Medium Risk (578–644), Low Risk (645–693), Very Low Risk (694–900), and Not Scored

Chapter 2

State in Focus: Rajasthan



STATE IN FOCUS: RAJASTHAN

Economic and MSME Snapshot

Rajasthan has emerged as one of India's fastest-growing state economies, supported by a diversified economic base comprising agriculture, manufacturing, mining, tourism, and services. For 2025-26, Rajasthan's Gross State Domestic Product (GSDP) at current prices is estimated at ₹18.75 lakh crore, making it the 7th-largest state economy in India. Its Gross State Value Added (GSVA) stands at ₹17.12 lakh crore. Over the five-year period from 2020-21 to 2025-26, Rajasthan's nominal GSDP expanded at a compound annual growth rate (CAGR) of around 13.0%, reflecting strong growth across agriculture, industry, and services sectors.

The services sector is the largest contributor to the economy, accounting for 46.5% of Gross State Value Added (GSVA), followed by the primary sector (28.3%) and the secondary sector (25.2%). Manufacturing remains a key growth driver, contributing approximately ₹1.28 lakh crore and registering a 5-year CAGR of approximately 11.1%. Supported by strong performance in trade, hospitality, transport, real estate, and financial services, along with its leadership in mining, minerals and tourism, Rajasthan has consolidated its position as one of India's leading state economies.²

As India's largest state by geographical area and a key node along the Delhi-Mumbai Industrial Corridor (DMIC), Rajasthan enjoys significant strategic advantages for industrial development and investment. Building on its growth momentum, the state has set an ambitious target of expanding its economy to US\$350 billion (approximately ₹30 lakh crore) by 2028-29.³

As of 31 July 2026, the state had 53.14 lakh registered MSMEs, comprising 52.83 lakh micro enterprises, 29,714 small enterprises, and 1,866 medium enterprises.⁴ These enterprises reportedly provide employment to over 1.77 crore persons,⁵ underscoring the sector's critical role in entrepreneurship, employment generation, and industrial development. The MSME landscape is led by trading enterprises (21.63 lakh), followed by services (18.10 lakh) and manufacturing (13.41 lakh), reflecting a broad-based and diversified enterprise ecosystem.

Rajasthan's MSME sector draws strength from a range of traditional and modern industries, including textiles, gems and jewellery, handicrafts, food processing, engineering and auto components, stone and marble processing, ceramics, and renewable energy equipment manufacturing. These sectoral strengths are further supported through cluster-based development initiatives. Under the MSE-CDP, approved Common Facility Centre projects include the Wooden Handicraft Cluster in Jodhpur and the Gota Zari Lace Cluster in Ajmer, reinforcing the competitiveness of the state's traditional industries.⁶

The state also hosts 18 SFURTI clusters across sectors such as agro-processing, handicrafts, textiles, honey, leather, woodcraft, metal craft, and stone carving. Spread across districts including Jodhpur, Barmer, Ajmer, Bikaner, Udaipur, and Bharatpur, reflecting sustained efforts to strengthen traditional industries, preserve artisanal skills, and promote rural enterprise development.⁷

The Rajasthan Industrial Development Policy 2026 places MSMEs at the centre of the state's industrial growth strategy, recognizing them as key drivers of entrepreneurship, employment generation, exports, and regional development. The policy aims to strengthen the MSME ecosystem through improved access to infrastructure, finance, technology, skilling, market linkages, and quality certification, while promoting a lifecycle approach that supports enterprises from startup to scale-up. It also seeks to deepen industrialization beyond major urban centres by integrating MSMEs with district-level development initiatives such as One District One Product (ODOP) and Panchh Gaurav.⁸

To build on this momentum, the state policy envisages the development of dedicated MSME clusters, Common Facility Centres (CFCs), plug-and-play industrial infrastructure, and shared production facilities, while promoting digitalization, e-commerce adoption, export readiness, and participation in domestic and international trade fairs.

A major thrust of the policy is improving the ease of doing business for MSMEs through simplified approvals, self-certification mechanisms, single-window facilitation, digital governance, faster land allotment, and reduced compliance burdens. The policy also emphasizes strengthening traditional artisan and handicraft industries through design innovation, branding, packaging, quality enhancement, and global market linkages. Overall, the policy signals a shift towards a more cluster-based, export-oriented, technology-enabled, and regionally balanced MSME development model, aimed at enhancing competitiveness while expanding employment and entrepreneurial opportunities across Rajasthan.

Complementing this, the **Rajasthan MSME Policy 2024** introduced a comprehensive package of fiscal and non-fiscal incentives aimed at addressing key constraints faced by MSMEs, particularly in access to finance, technology, markets, and competitiveness. The policy provides support through interest subsidies, reimbursement of credit guarantee fees, assistance for technology acquisition and quality certification, promotion of sustainable and green manufacturing practices, skill development support, and cluster-based interventions. Additional incentives have been extended to women entrepreneurs, SC/ST-led enterprises, and units established in underserved regions, reflecting an inclusive development approach.

Simultaneously, Rajasthan has continued to operationalise the **Raj Udyog Mitra** framework and the Rajasthan MSME Facilitation Act, which reduce compliance burdens through self-certification, simplified approvals, exemption from select inspections, and online single-window clearances, thereby improving ease of doing business for small enterprises.

Under the **Rising Rajasthan** programme, the large pipeline of investments across renewable energy, manufacturing, logistics and infrastructure is expected to create significant business opportunities for MSMEs through vendor development and integration into industrial supply chains. Major projects by leading companies in energy, cement, construction and urban infrastructure are likely to increase demand for local MSMEs engaged in engineering services, fabrication, electrical equipment, construction materials, logistics, maintenance and specialized manufacturing.⁹

Consequently, Rajasthan's investment-led growth strategy is emerging as an important driver of MSME expansion, complementing policy incentives with increased market access and participation in high-value industrial value chains.

²MOSPI

³<https://rising.rajasthan.gov.in/storage/app/public/files/pdf/rajasthan-industrial-development-policy-2026.pdf>

⁴https://sansad.in/getFile/annex/271/AU2479_FDilupi.pdf?source=pqars

⁵AU836_pmaCNP.pdf

⁶<https://slbcrajasthan.in/uploads/CEDocuments/CFC.pdf>

⁷https://slbcrajasthan.in/uploads/CEDocuments/Functional_clusters.pdf

⁸RAJASTHAN INDUSTRIAL DEVELOPMENT POLICY 2026

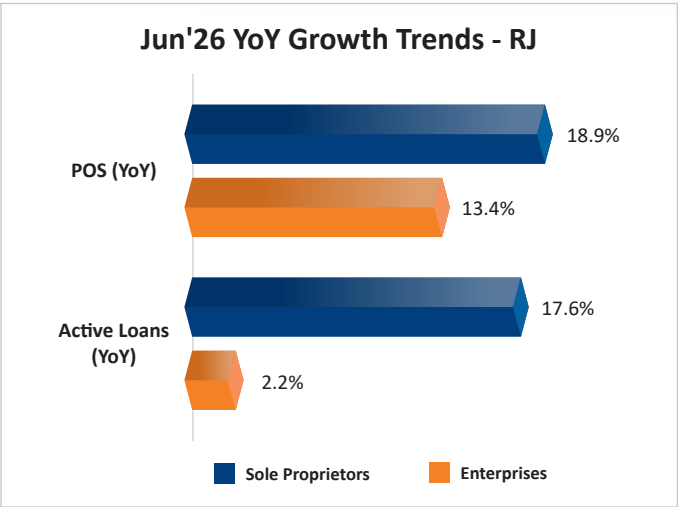
⁹https://www.ibef.org/download/1783573508_Rajasthan-April-2026.pdf

Credit analysis: At about 7% of Pan India share, Rajasthan’s portfolio outstanding grew 16.8% YoY, surpassing the Pan India growth rate of 15% and underscoring the region’s strong small business foothold.

Growth was largely driven by sole proprietors, who expanded 18.9% YoY - well above the overall pace.

Portfolio exposure and Number of Active Loans in Rajasthan

	Jun-24	Jun-25	Jun-26
Portfolio Outstanding (₹ L Cr)	2.2	2.9	3.4
Rajasthan YoY%		33.8%	16.8%
Pan India YoY%			14.9%
Share of Pan India (%)	6.4%	6.7%	6.8%
Number of active loans (L)	34.4	41.6	47.6
Rajasthan YoY%		21.0%	14.2%
Pan India YoY%			20.7%
Share of Pan India (%)	5.7%	6.0%	5.7%
PAR 91-180 (For Rajasthan)	0.9%	1.1%	0.9%



POS growth has remained healthy across both enterprises and sole proprietors in RJ.

Like Pan India, sole proprietors also account for 80% of the active loan share in Rajasthan.

Jaipur alone accounts for nearly a quarter of the entire state's portfolio, holding a 23.8% share in June 2026, though this is slightly down from 24.6% in June 2025.

The top three districts-Jaipur, Jodhpur (7.8%), and Ajmer (6.3%)-make up 37.9% of the total small business credit portfolio.

Portfolio & Performance of Top 10 RJ Districts - for small businesses

District	Portfolio Outstanding (% share)		Y-o-Y Growth %	PAR 91-180	
	Jun-25	Jun-26	Jun-26	Jun-25	Jun-26
JAIPUR	24.6%	23.8%	13.1%	0.9%	0.7%
JODHPUR	8.1%	7.8%	12.4%	0.9%	0.8%
AJMER	6.4%	6.3%	14.5%	1.0%	0.8%
ALWAR	5.7%	5.7%	16.4%	1.1%	0.9%
BHILWARA	4.4%	4.5%	18.1%	1.1%	0.9%
UDAIPUR	4.5%	4.4%	13.1%	1.0%	0.9%
BIKANER	4.1%	4.0%	14.2%	1.0%	0.8%
SIKAR	3.5%	3.7%	23.6%	0.9%	0.7%
NAGPUR	3.4%	3.5%	21.4%	1.5%	1.2%
KOTA	3.5%	3.3%	11.8%	1.1%	1.0%
Rest of Districts	31.8%	33.0%	21.3%	1.2%	1.0%
RJ Total	100.0%	100.0%	16.8%	1.1%	0.9%

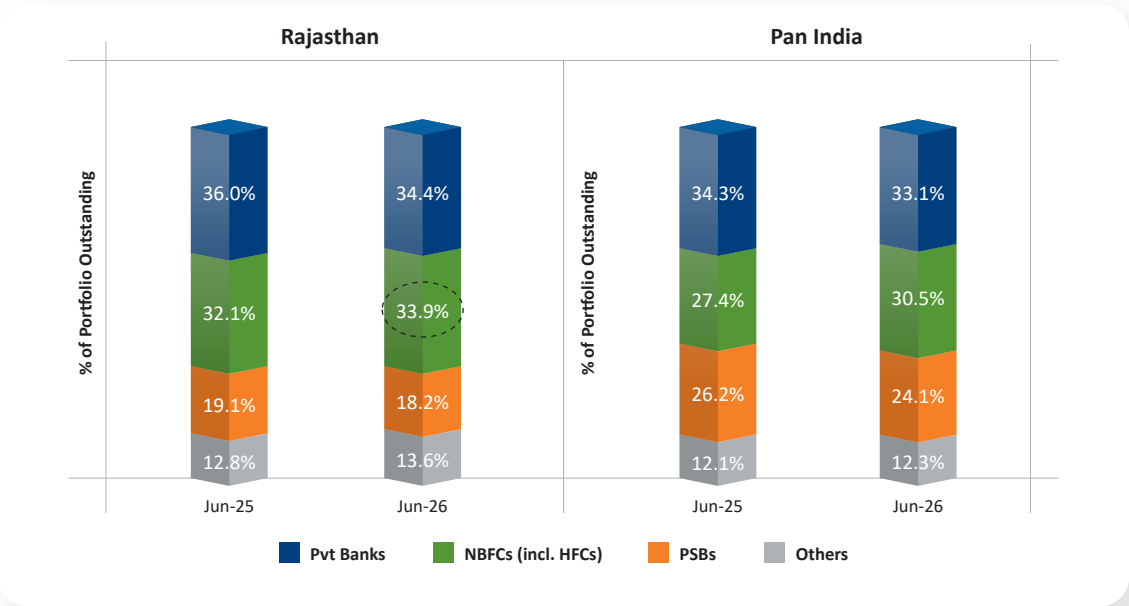
Emerging Growth Engines: Sikar (23.6%) and Nagaur (21.4%) registered the highest Y-o-Y growth rates among the listed districts, indicating rapid commercial expansion in these areas.

The "Rest of Districts" encompass 33.0% of the portfolio, indicating substantial economic activity spread across the remaining regions outside the top 10.

By lender type, NBFCs hold a strong foothold in Rajasthan with nearly 34% share.

Private banks also maintain a significant presence, offering tailored and flexible credit products - such as working capital limits and structured business loans - that directly appeal to modern small entrepreneurs. Private banks and NBFCs together account for a substantial share of the small business credit portfolio in Rajasthan.

Lender wise POS metrics for RJ State and Pan India (for comparison)



Lender type ‘Others’ comprises Cooperative Banks, Regional Rural Banks, Asset Reconstruction Companies, Foreign Banks etc

Lender Type	Jun'26	
	RJ YoY Growth%	Pan India YoY Growth%
PSBs	10.8%	5.9%
Pvt Banks	11.6%	11.0%
NBFCs (incl. HFCs)	23.3%	27.7%

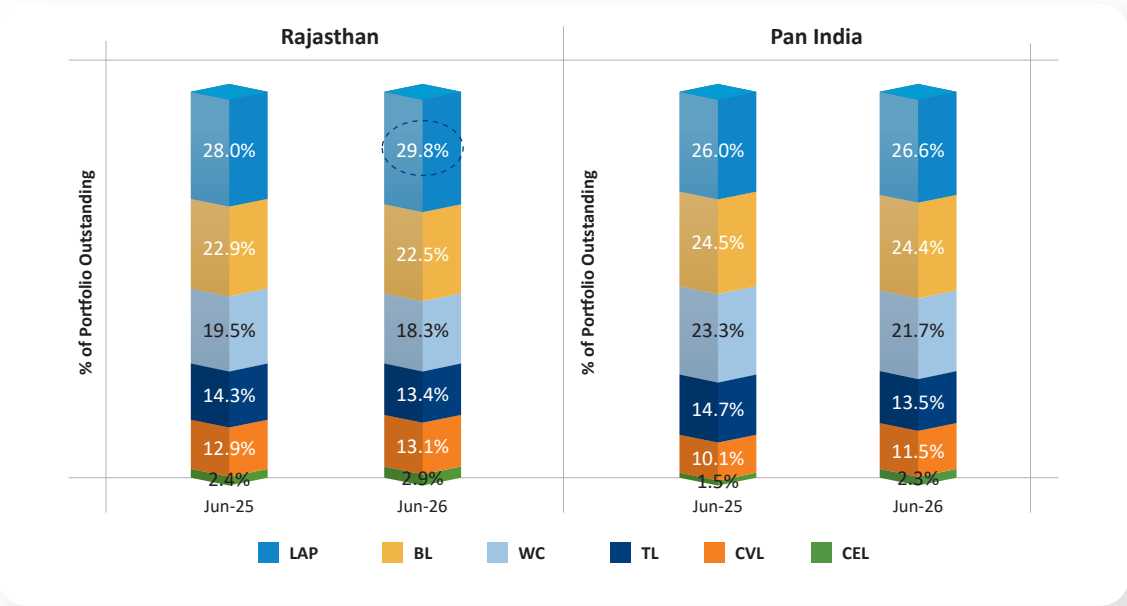
Share of NBFC credit in RJ to Enterprises: 16.7%

Share of NBFC credit in RJ to sole proprietors: 83.3%

LAP is the single largest credit product in Rajasthan, rising from 28.0% in June '25 to 29.8% in June '26.

Rajasthan's LAP segment grew at a robust 24.1% YoY, significantly outpacing the Pan India average of 17.5%.

Product type POS metrics for RJ State and Pan India (for comparison)



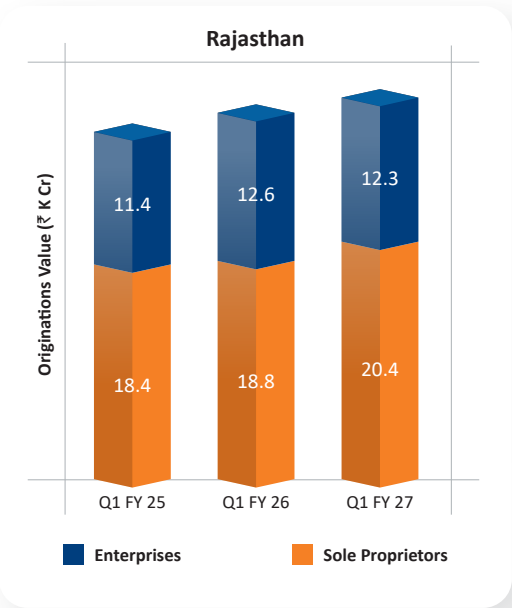
Key Products	Jun'26	
	RJ YoY Growth%	Pan India YoY Growth%
LAP	24.1%	17.5%
BL	14.7%	14.7%
WC	9.7%	7.0%
TL	10.0%	5.8%
CVL	18.2%	31.4%

RJ's product growth driven by LAP

Originations climbed to ₹32.7K crore, driven by sole proprietors alongside rising average ticket sizes - with Working Capital up 34% YoY and LAP up 19.1% YoY.

This reflects both larger day-to-day liquidity lines and higher capital mobilization against real estate collateral.

Originations for small businesses for RJ State - Value and ATS trends



Product Category	Average Ticket Size (₹ L)	
	Q1 FY27	YoY Growth %
LAP	19.3	19.1%
BL	3.2	-37.6%
TL	13.9	-34.2%
WC (CC, OD)	56.7	33.9%
CVL	7.0	-8.0%
CEL	14.9	8.3%

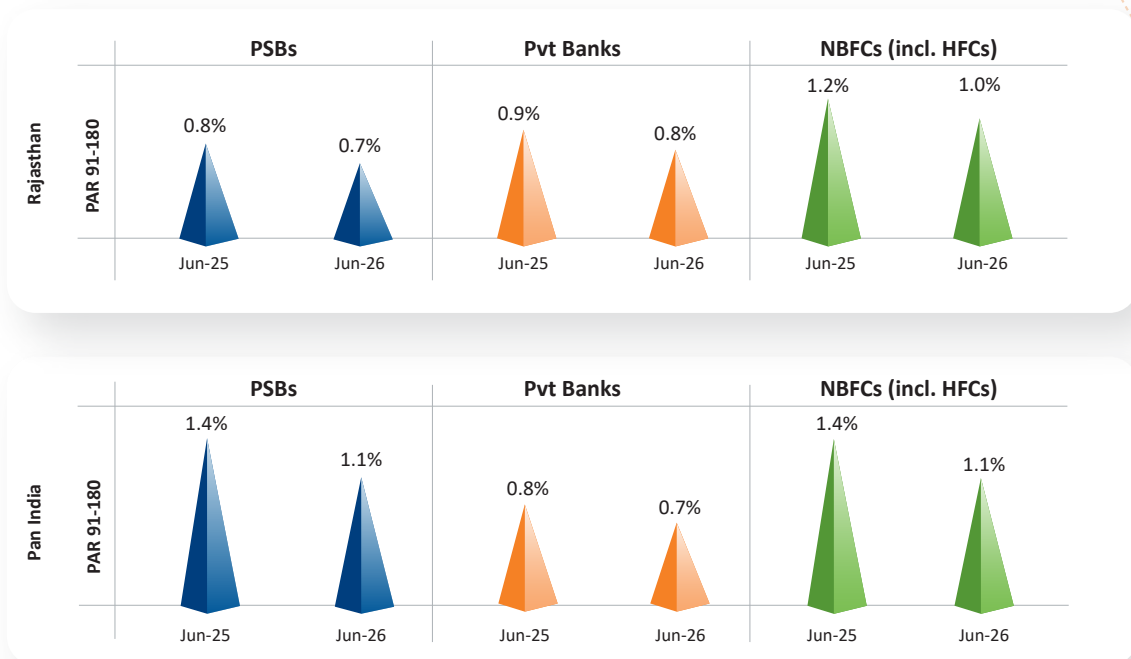
Leading products: LAP has shown growth in POS, resulting in higher ATS. In BL and TL, although ATS has declined, a considerable number of new loans have been generated.

WC in RJ presents a mixed picture, with the decline in active loans exceeding the decline in value, leading to an ATS increase.

Performance wise, Rajasthan has outperformed Pan India, reflecting a more mature and risk calibrated market across lender types.

As of June '26, Rajasthan's PAR 91–180 stood at 1% or lower, underscoring its stronger credit discipline

Lender wise PAR metrics for RJ State and PAN India



Top Industry and district analysis - Rajasthan

Overall, while **manufacturing leads the POS share at 45.4%, services have shown stronger momentum, growing 15.6% YoY.** This reflects a widening base for employment and small business diversification, partly shifting away from Rajasthan's traditional manufacturing clusters.¹⁰

For Rajasthan – share of industry activity

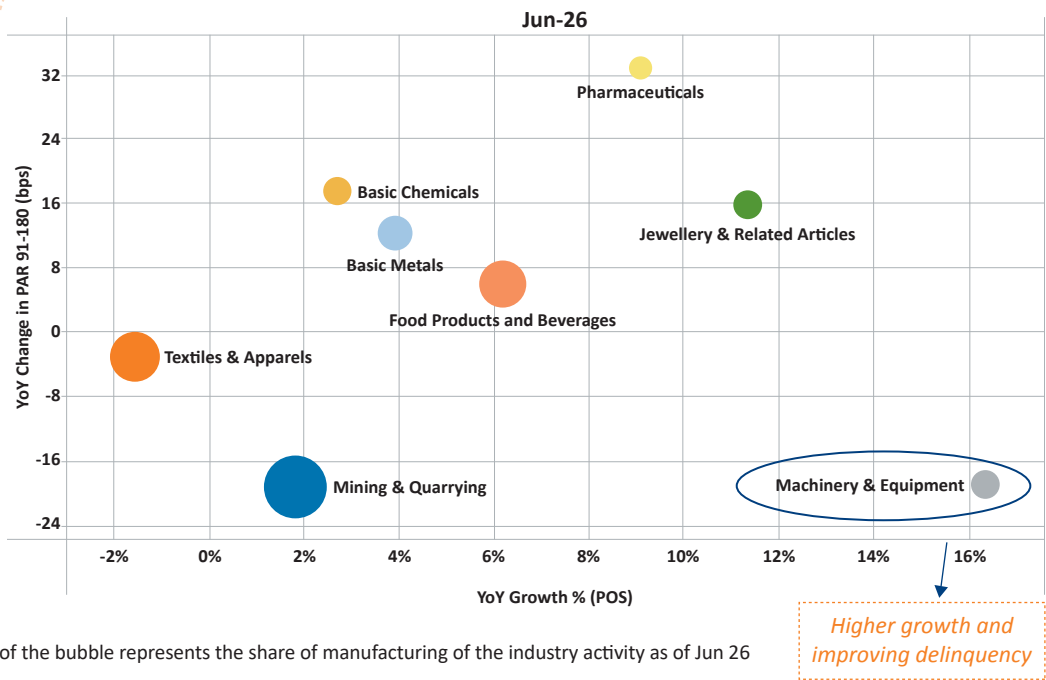
	POS		PAR 91-180	
	POS share (Jun'26)	YoY Growth (Jun'26)	Jun'25	Jun'26
Manufacturing	45.4% (vs. 41.9% Pan India)	3.5%	0.6%	0.6%
Services	34.8% (vs. 39.1% Pan India)	15.6%	0.6%	0.7%
Trading	19.8%	1.3%	0.4%	0.4%
Enterprises Total	100.0%		0.6%	0.6%

Other Business Activities not specifically reported to the bureau under any industry activity category is excluded in the above

¹⁰ This analysis is limited to Enterprises with aggregate exposure <₹5 Cr.

Top manufacturing industries:

(Industry classification has been carried out by integrating bureau data with government classifications and further refined using bureau defined logics).



Machinery & Equipment stand out as the strongest-performing segments, combining robust YoY growth with substantial improvements in PAR, indicating healthy business activity and strengthening credit quality.

Mining & Quarrying and **Textiles & Apparels** present a significant opportunity, as their unrealised growth potential and lower portfolio stress leave considerable room for improvement through targeted credit support and sector-specific interventions.

Concentration of Districts among top 5 manufacturing industries

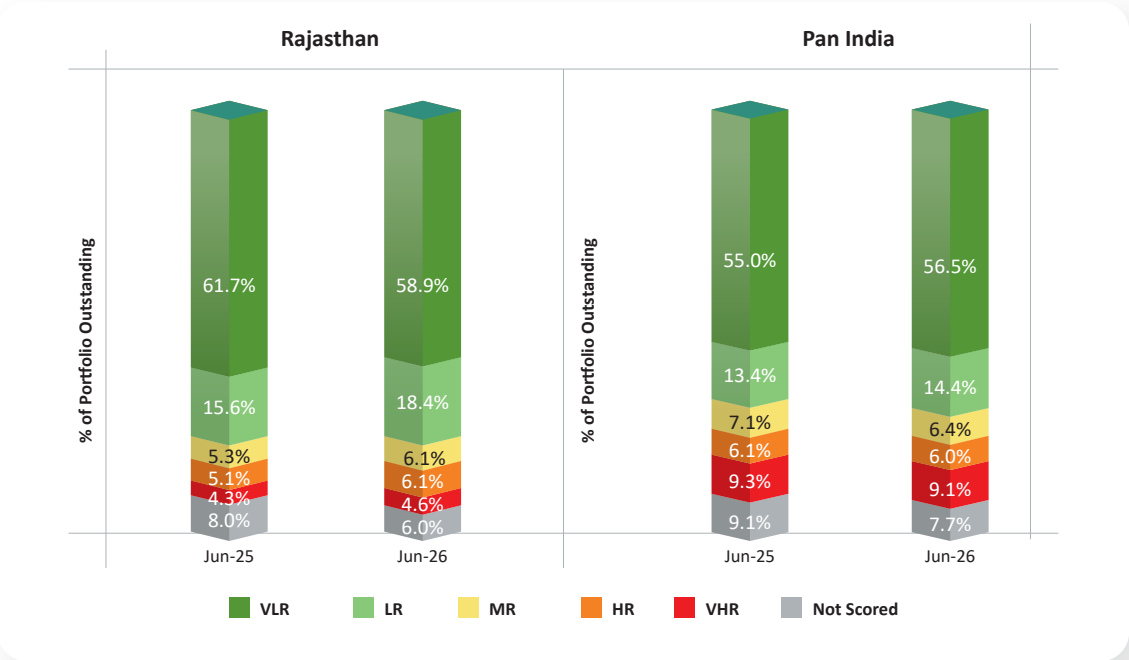
Top 5 Manufacturing Industries	Top 5 Districts concentration	Top District Name (Share)
Mining of Metal Ores, Quarrying of Stone, Sand and Clay	66.8%	Ajmer (33.1%)
Manufacture of Textiles, Wearing Apparels, dressing and dyeing of fur	75.2%	Jaipur (30.0%)
Manufacture of Food Products and Beverages	53.9%	Jaipur (24.0%)
Manufacture of Basic Metals	76.4%	Jaipur (34.5%)
Manufacture of Jewellery and Related Articles	79.1%	Jaipur (60.6%)

Overall, the top five districts account for nearly 70%-80% of the portfolio across most industry classifications, with Jaipur leading. In contrast, food products show a more dispersed footprint, with only 53.9% of activity concentrated in the top five districts - highlighting broader geographic spread of industry activity.

RISK MONITORING

Rajasthan continues to exhibit a stronger risk profile than the national average, with the combined share of Very Low Risk (VLR) and Low Risk (LR) remaining stable with **77.3%** share significantly higher than the **70.9%** observed at the national level in Jun'26. While the VLR segment moderated slightly from **61.7%** to **58.9%**, the decline was largely offset by growth in the LR segment, indicating a stable and well-performing portfolio. The state's share of high-risk segment has increased slightly between Jun'25 and Jun'26, however, it remains lower than the pan-India average, reinforcing its comparatively healthier credit quality.

Portfolio share by Risk band for RJ State
(Enterprises with Aggregate Credit Exposure Below ₹5 Crore)



Risk distribution for Enterprises is based on CIBR-CRIF India Business Rank. CIBR provides a 13-tranche ranking framework, enabling lenders to precisely differentiate credit risk across various business profiles.
Risk Bands: Very Low Risk (CIBR-1 to CIBR-4), Low Risk (CIBR-5 to CIBR-7), Medium Risk (CIBR-8 to CIBR-9), High Risk (CIBR-10 to CIBR-11), Very High Risk (CIBR-12 to CIBR-13), Not Scored

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Since its formation in 1990, SIDBI has been touching the lives of citizens across various strata of society through its integrated, innovative and inclusive approach for all round development of MSMEs. SIDBI has directly or indirectly through various credit and developmental measures impacted the myriad Micro, Small and Medium Enterprises (MSMEs) in the country, whether they are traditional, domestic small entrepreneurs, bottom-of-the-pyramid entrepreneurs, or high-end knowledge-based entrepreneurs.

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Powered by advanced technology, robust information management practices, and a culture of continuous innovation, CRIF CIC 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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CRIF CREDIT INFORMATION SERVICES - PRODUCT SUITE



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.



PRESENTS



Credit Goes to HER is an invite-only community, anchored by CRIF India for women shaping the future of India's evolving credit ecosystem. It is women in credit and credit for women. Designed to foster meaningful conversations, the community brings together women from across the country interested in elevating their career game and being part of invigorating conversation with executive leaders in credit.

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