# India's Digital Credit Revolution

## The Rise of Full-Stack Financial Platforms and the Middle India Opportunity

**Industry Report**

*Client: Moneyview Limited*

*01 March 2026*

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## Executive Summary

- *India's nominal GDP is projected to grow at ~10% CAGR between FY2026 and FY2031, anchored by rising private consumption enabled by the growth in household credit*
- *This economic growth is supported by favourable macroeconomic tailwinds, including a young workforce, rapid urbanisation, rising household incomes, and deepening digital penetration. Together, these factors are accelerating consumption, particularly in discretionary categories, while strengthening the long-term foundation for retail credit demand.*
- *Rising incomes have resulted in the expansion of middle-income households across city tiers, further driving this consumption growth. Middle-income households account for ~51% of all households in India in FY2025, a share projected to increase to ~57% by FY2030. This expansion is primarily driven by Tier-2 and beyond cities, which are expected to contribute 65-70% of this growth.*
- *Digital infrastructure is becoming increasingly integral to daily life in India, with the country's digital population expected to expand significantly by FY2030. India's digital adoption remains mobile-first, with the number of smartphone users projected to increase from 692-706 million in FY2025 to 960-1,080 million by FY2030.*
- *Rising incomes, young population and widespread digital adoption are together fuelling the emergence of 'Middle India,' a rapidly expanding, digitally savvy, upwardly mobile consumer class characterised by growing purchasing power and deeper engagement with formal and digital services.*
- *Sustained government initiatives, alongside the expansion of India's digital public infrastructure, are accelerating the adoption of digital consumption across sectors, as reflected in the growth of online commerce and digital services. This shift is also enabling broader uptake of digital financial services, supported by Aadhaar-based eKYC and UPI, and reflected in the rise of the RBI's Financial Inclusion Index from 43.4 in FY2017 to 67.0 in FY2025.*
- *As a result, India's adult population continues to present a significant headroom for growth – with ~56% projected to be a part of the formal credit ecosystem by FY2030. India's credit-served population is expected to expand from ~450-500 million in FY2025 to ~600-650 million by FY2030P. This expansion is likely to be led by Middle India, with data-led digital credit products – leveraging alternative data for underwriting and risk assessment – emerging as a key engine of retail loan growth.*
- *India's retail lending market is thus set to nearly double by FY2030, with retail loan sanctions projected to grow at a CAGR of 14-16% from ₹65 trillion (US$0.77 trillion) in FY2025 to ₹127-138 trillion (US$1.51-1.65 trillion) by FY2030P. Within this, unsecured loans have emerged as the faster-growing segment, expected to grow at a CAGR of 19-21% between FY 2025 and FY 2030.*
    a. ***Personal loans**, in particular, grew at a CAGR of ~25% between FY2020 and FY2025 and are projected to reach ₹28-31 trillion (US$0.33–0.36 trillion) by FY2030P, expanding at a CAGR of 19-21% over FY2025-FY2030.*
    b. ***Digital personal loans** accounted for ~13% of unsecured personal loans sanctioned in FY2025 and represent the fastest-growing segment within unsecured lending, projected to grow at a CAGR of 27–29% over FY2025-FY2030. This growth is driven by AI/ML-based underwriting, alternative-data models, and faster, frictionless access to credit.*
- *Against this backdrop, full-stack financial platforms are emerging as a structurally differentiated model in India's digital financial services landscape, integrating lending, insurance, payments, and investments within a single, data-led ecosystem.*
- *Moneyview Limited accounted for approximately 11% of total digital unsecured personal loan sanctions and around 1.5% of overall unsecured personal loan sanctions in FY2025, and reported the highest AUM among unlisted peers during the same period. With the personal loans market projected to expand to ₹28-31 trillion (US$0.33-0.36 trillion) and penetration expected to reach ~19% by FY2030, platforms such as Moneyview Limited are well positioned to benefit from the significant headroom for growth.*
- *Moneyview Limited reduced its annualised loss rate from 7.93% in FY2024 to 7.07% in FY2025, even as industry-wide delinquency levels increased, with the industry average rising from 7.80% to 9.35% over the same period.*

**Chapter 1: Indian Macroeconomic & Digital Tailwinds**

*India continues to stand out as the fastest-growing major economy, supported by rising household consumption, rapid digitization, deeper internet access, and the steady expansion of its middle-income population. These forces are reshaping the country's socioeconomic profile and driving the emergence of a broad Middle India cohort – young, aspirational, and increasingly confident in using digital platforms across consumer categories. As this segment becomes more integrated into formal financial channels and engages more actively with digital products, it is creating a large and steadily expanding base of consumers primed for credit adoption and broader financial services participation.*

*1.1. India is projected to be the third-largest economy in the world in FY2030 with favourable macroeconomic fundamentals enabling robust growth in private consumption, especially in discretionary categories*

India is the fifth largest economy in the world with a nominal GDP of ₹332 trillion (US$3.91 trillion) in Fiscal Year 2025 and the fourth largest economy at ₹351 trillion (US$4.1 trillion) in FY2026 as per International Monetary Fund ("IMF") data. Over the past decade between FY2015 and FY2025, India was the fastest growing country among G20 nations, as per IMF data. IMF also projects India's nominal GDP to display robust growth of ~10% annually between FY2026 and FY2031 leading to India becoming a ₹563 trillion (US$6.63 trillion) economy by FY2031. The IMF projects India to be the fastest-growing major economy by real GDP over FY2026–FY2030, with the country expected to become the world's third-largest economy by the end of this period. This growth trajectory is led by rapid investments in infrastructure, a demographic dividend, increased global economic integration and digital adoption among others.

*Figure 1: India will be the 3rd largest economy by FY2030, growing fastest among the major economies to reach US$6.6 trillion*
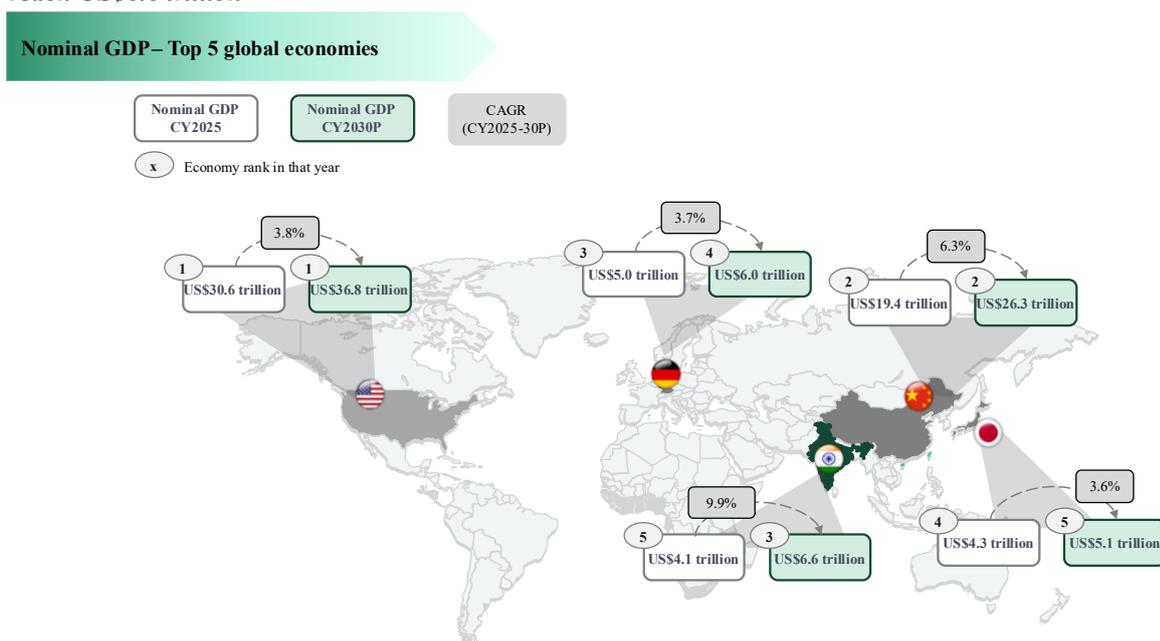


*Note(s): For India, this is FY2026 and FY2031 for other economies, it is CY2025 and CY2030 as per IMF*
*Source(s): World Economic Outlook (October 2025), IMF*

*Figure 2: India's GDP per capita in FY2025 was US$ 2,695 and is projected to grow at 8% CAGR to reach US$ 3,975 by FY2030 according to the IMF*



**Nominal GDP per capita – India**
*(FY2020, FY2025, FY2030, in US$)*

~US$2,041    CAGR +6%    ~US$2,695    CAGR +8%    ~US$3,975

FY2020    FY2025    FY2030P
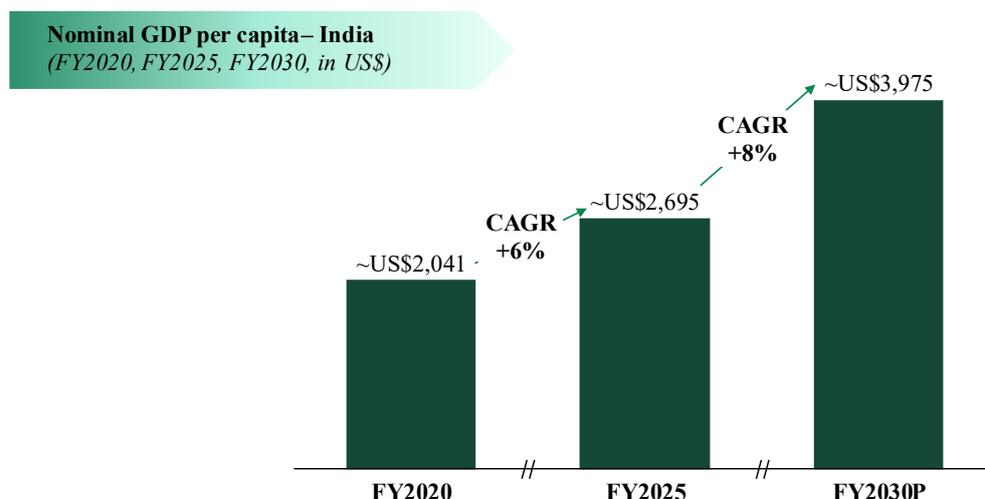
*Source(s): World Economic Outlook (October 2025), IMF*

## 1.2. Rising private consumption supported by an expanding credit market is shaping India's economic growth trajectory

India's economic growth continues to be anchored by two structural growth engines – expansion of credit and rising private consumption. India's Private Final Consumption Expenditure ("PFCE") remains the largest component of GDP, contributing ~61% of India's GDP based on Provisional Estimates ("PE") for FY2025 as per the Ministry of Statistics and Programme Implementation ("MoSPI"). In parallel, India's credit ecosystem has expanded steadily, supported by rising household incomes, increasing financial inclusion, and rapid digitisation of lending and payments infrastructure. The expansion and improved accessibility of formal credit have underpinned economic growth and strengthened private consumption by enabling households to meet a broader array of essential and aspirational needs.

### 1.2.1. India's private consumption is growing faster than GDP, providing an additional impetus to overall economic growth

India's private consumption continues to grow at a pace exceeding overall GDP growth, with PFCE registering a robust ~11% CAGR between FY2020 and FY2025. On a per capita basis, PFCE grew at ~9% between FY2020 and FY2025, compared to GDP per capita growth of ~6%, indicating a sustained increasing appetite for consumption in the economy. India's PFCE-to-GDP thus stands at ~61% in FY2025, which, compared to global developed economies such as the United States of America (USA) with a PFCE-to-GDP ratio of 68%, indicates potential for further growth. With rising disposable incomes and evolving aspirations, the next phase of growth is set to be driven increasingly by discretionary categories like consumer durables, travel and leisure, apparel, personal care, food services, and more. Consumer spending is moving beyond essentials to lifestyle and experience-oriented spending, further reinforcing the long-term consumption opportunity in India. This trend is reflected in the rise of discretionary items' share in the overall retail market, increasing from 51% in FY2020 to 54% in FY2025. With strong underlying growth in consumption spending, discretionary household expenditures in India are projected to further expand, reaching 58% by FY2030.

*Figure 3: India's PFCE has outpaced GDP growth at 11% CAGR between FY2020 and FY2025, with retail spends witnessing a shift towards discretionary spends*

PFCE[1] at current prices – India
*(FY2020, FY2025, in ₹ trillion (US$ trillion)*

Split of the retail market by discretionary and non-discretionary[2] - India
*(FY2020, FY2025, FY2030P, in %)*

CAGR ~11%

~₹203 (~US$2.4)

~₹123 (~US$1.4)

FY2020    FY2025

| | Non-discretionary | Discretionary |
|---|---|---|
| FY2020 | ~49% | ~51% |
| FY2025 | ~46% | ~54% |
| FY2030P | ~42% | ~58% |

PFCE as a % of GDP- ~60.5%    ~61.4%
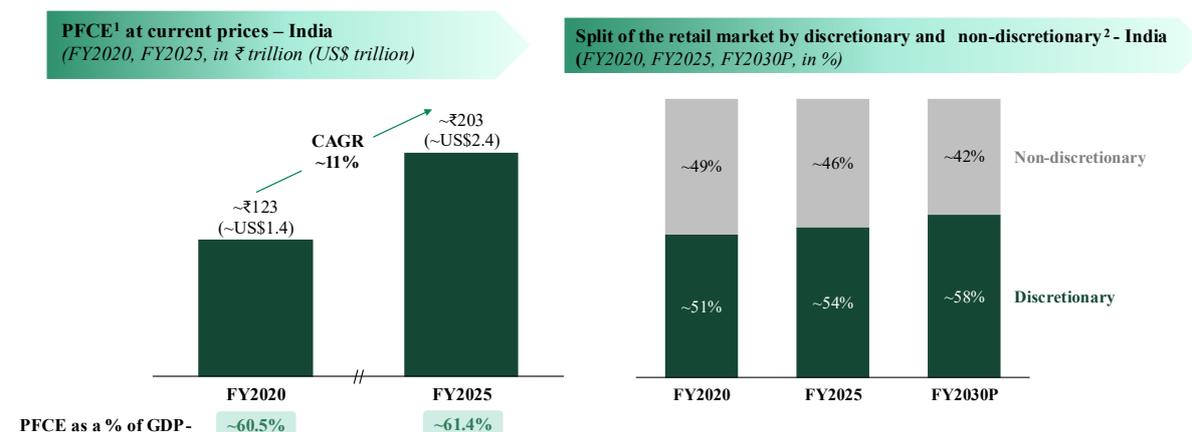
*Note(s):*
*1. Second revised estimates ("2nd RE") have been considered for Fiscal Year 2020, and Provisional Estimates ("PE") have been considered for Fiscal Year 2025*
*2. Discretionary expenditures include spending on categories such as FMCG (excl. staples) apparel, consumer electronics, consumer appliances, general merchandise, and beauty & personal care (BPC), among others. These tend to have cyclical demand, fluctuating with economic conditions. Non-Discretionary expenditures encompass spending on essential categories such as pharmaceuticals, staples and fresh food, which are less sensitive to economic changes*
*3. Conversion rate: US$ 1 = ₹85*
*Source(s): MoSPI, Redseer Research and Analysis*

### 1.2.2. Steady growth in household credit is enabling higher consumption and contributing to India's broader economic expansion

India has witnessed a steady expansion in household credit over the past five years, underpinned by widening access to formal finance and rising borrowing capability among households. As per RBI, India's outstanding household financial liabilities increased from ₹69.9 trillion in March 2020 to ₹136.6 trillion in March 2025, reflecting a CAGR of ~14% over the period. This sustained rise reflects the widening use of formal credit by households across a diverse set of needs, including home purchases and improvements, vehicle ownership, education-related expenses, healthcare, and other recurring financial commitments. As aspirations evolve and financial needs become more diverse, households are expected to engage more actively with formal credit, supported by wider product availability and more affordable borrowing options.

*Figure 4: Outstanding household financial liabilities in India nearly doubled between Mar-2020 and Mar-2025, growing at a ~14% CAGR*

Households Outstanding Financial Liabilities – India
*(Mar-2020, Mar-2023 , Mar-2025, in ₹ trillion (US$ trillion)*

CAGR ~14%

~₹137 (~US$1.6)

~₹102 (~US$1.2)

~₹70 (~US$0.8)

Mar-20    Mar-23    Mar-25
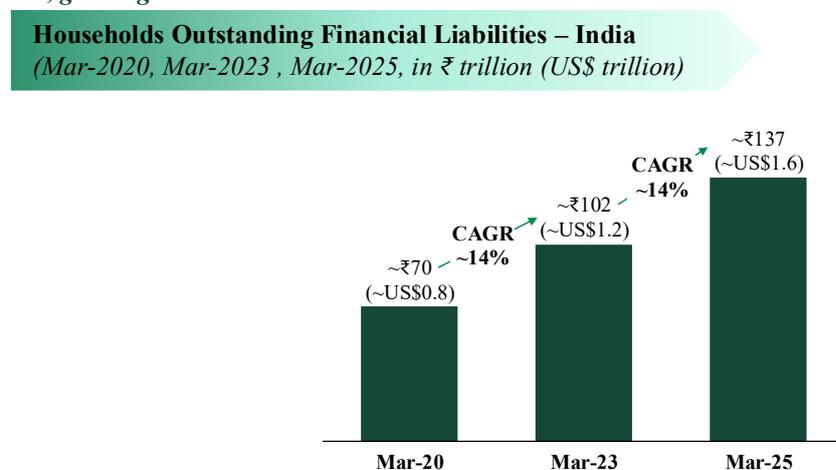
*Source(s): RBI, Redseer Research and Analysis*

### 1.3. Several key macroeconomic tailwinds are driving India's economic and consumption growth and laying the foundation for retail lending

With aspirational consumers allocating a growing share of their budgets to discretionary categories, demand for retail and consumer loans is set to accelerate. India's elevated consumption growth, particularly in non-essential segments highlights an increasing need for credit to bridge the gap between expenses and savings. The macroeconomic factors driving the consumption growth in India are as below:

#### 1.3.1. Growing young working population and increasing urbanization

India's working age population (15-64 years) reached roughly 995 million in CY2025 (~70% of total population) and is projected to reach 1.05 billion by CY2030 (~69% of total population). This is higher than that of other major economies like China (991 million) and the USA (225 million) as of CY2025. Additionally, India's median age was ~29 years in CY2025, significantly lower than that of China (40) and the USA (38). With rising aspirations and increasing disposable incomes, the young population is set to play a pivotal role in the growth of private consumption, particularly in discretionary categories.

*Figure 5: The median age of India's population is 29 years, and 70% of this population fall under the working age cohort of 15-64 years*
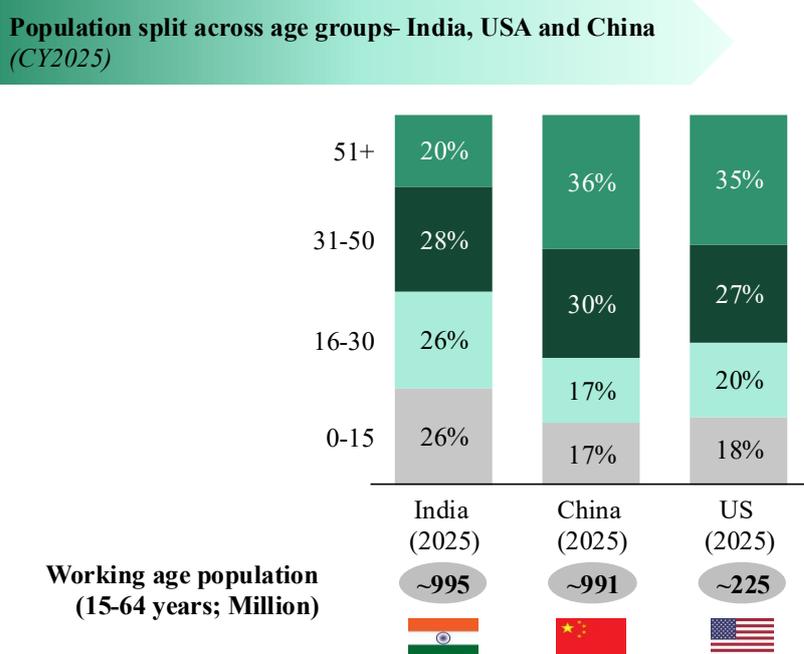


*Source(s): World Population Prospects*

India's working population is increasingly migrating to urban areas, in search of better job opportunities and higher standards of living. This has resulted in higher urban densities and the total number of households in urban areas reaching 122-132 million in CY2025. In CY2025, 37% of the total Indian population (~543 million people), lived in urban areas, in comparison to CY2020, when 35% of the total Indian population (~483 million people) lived in urban areas.

#### 1.3.2. Rising incomes have resulted in the expansion of middle-income households across city tiers, further driving the consumption growth

India's Gross National Income ("GNI") per capita (current prices) rose from ₹1,48,261 (US$1,744) in FY2020 to ₹2,31,462 (US$2,723) in FY2025, reflecting a CAGR of ~9.3%, according to data from MoSPI. Amid this structural shift in income levels, India's expanding middle-income segment continues to be a key driver of GNI growth. The number of middle-income households, including both upper-middle and lower-middle segments, increased ~1.2x, from ~145 million in FY2020 to ~176 million in FY2025. This growth has been propelled by

rapid economic development and the increasing formalization of employment. As of FY2025, middle-income households account for ~51% of all households in India, a share projected to rise to ~57% by FY2030.

*Figure 6: India's middle-income households are set to reach 212 million by FY2030 witnessing the largest number of household additions of 36 million*

| | FY2020 | | FY2025 | | FY2030P |
|---|---|---|---|---|---|
| Total Households | ~312 | +32 | ~344 | +28 | ~372 |
| High Income ₹ 1.1 million+ (US$ 13,000+) | ~29 (~9%) | +13 | ~42 (~12%) | +19 | ~61 (~16%) |
| Upper Middle-income ₹ 0.8-1.1 million (US$ 9,400 – 13,000) | ~51 (~16%) | +18 | ~69 (~20%) | +25 | ~94 (~25%) |
| Lower Middle-income ₹ 0.3-0.8 million (US$ 3,500 – 9,400) | ~94 (~30%) | +13 | ~107 (~31%) | +11 | ~118 (~32%) |
| Total Middle-income | ~145 | | ~176 | | ~212 |
| Low-income <₹ 0.3 million (<US$ 3,500) | ~138 (~44%) | -12 | ~126 (~37%) | -27 | ~99 (~26%) |
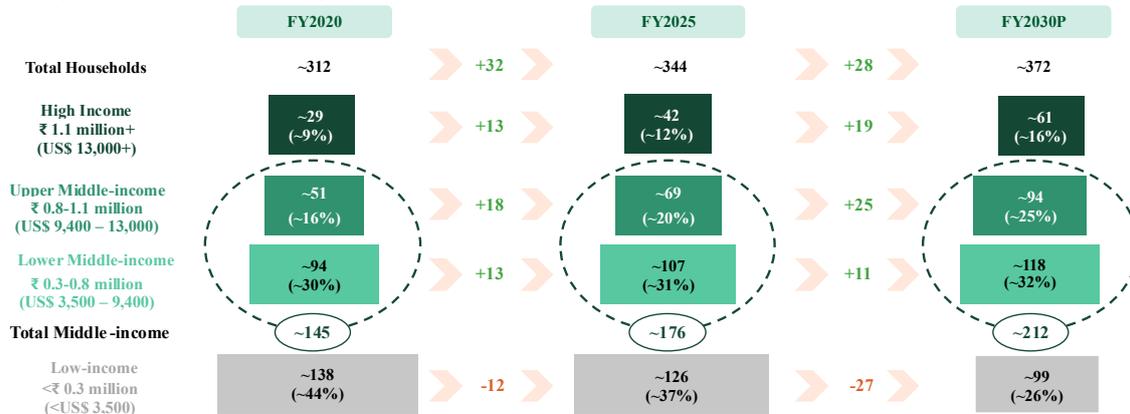
*Note(s):*
*1. Incomes are calculated based on real wage growth and account for wage inflation*
*2. Conversion rate: US$ 1 = ₹85*
*Source(s): Redseer Research and Analysis*

Tier-2 and beyond cities are set to drive the bulk of India's middle-income expansion, contributing nearly 65-70% of all net new middle-income households through FY2030. This shift reflects a structural broad-basing of income growth beyond metros, supported by growing industrial clusters, corporate offices and major government investments in infrastructure through initiatives such as the Smart Cities Mission and the PM Gati Shakti National Master Plan, which are improving connectivity, and regional mobility. Rising digital penetration and strengthening regional economic activity are further accelerating income progression in non-metro regions. As employment opportunities deepen and local ecosystems formalize, Tier 2+ cities are witnessing faster household movement into the middle-income bracket than metros, creating meaningful runway for future consumption and credit penetration among these areas.

*Figure 7: Tier-2+ cities are driving the majority of India's middle-income household growth, contributing 65–70% of net additions by FY2030*

**Growth in middle-income households- split by city tier**
*(FY2025, FY2030P, in million, %)*

**Growth Drivers**

~176 · FY2025
Metro & Tier-1 · 30-35%
Tier-2+ · 65-70%
~212 · FY2030P

**Government initiatives** like Smart Cities & PM Gati Shakti are driving connectivity & growth

**Rising digital penetration** is enabling access to jobs, financial services, and e-commerce

**₹1 trillion in personal income tax relief** from the FY2025-26 budget is boosting disposable incomes

*Source(s): Redseer Research and Analysis*

This is fuelling the rise of a highly aspirational society with a stronger inclination toward discretionary spending. This shift is driven not only by rising incomes but also by increased reliance on credit, such as BNPL, EMIs, and

personal loans, to meet lifestyle ambitions. In turn, this is accelerating the adoption of financial services and contributing significantly to overall consumption growth in the country.

### 1.3.3. Digital infrastructure is increasingly embedded in daily life, steadily shaping consumer habits around digital consumption and transactions

As per the Ministry of Electronics and Information Technology, India's digital economy accounted for 11.74% of the GDP in 2022-23 and is projected to contribute nearly one fifth of the GDP by 2029-30. This has been enabled by India's large base of digitally penetrated consumers driven by government digital initiatives such as Digital India, the BharatNet project and increasing smartphone penetration. As of FY2025, India has around 818-853 million (56-59% of the population) internet users, driven by low data costs, the availability of affordable smartphones (including smart featurephones), and the rollout of 4G connectivity. However, China's internet access penetration of ~75% in CY2024 highlights further growth opportunities for India.

With affordable data and 5G rollout, India's internet user base is set to grow at a 4-6% CAGR, reaching 990-1,140 million (65-75% of the population) by FY2030. India's digital journey is mobile-first with smartphone users projected to rise from 692-706 million in FY2025 to 960-1,080 million by FY2030 (7-9% CAGR). Digital transactors, currently at 442-469 million, are projected to nearly double to 854-983 million by FY2030, growing at 14-16% CAGR.

*Figure 8: India's digital population is projected to grow rapidly by FY2030, with digital transactors projected to constitute 56-65% of population*
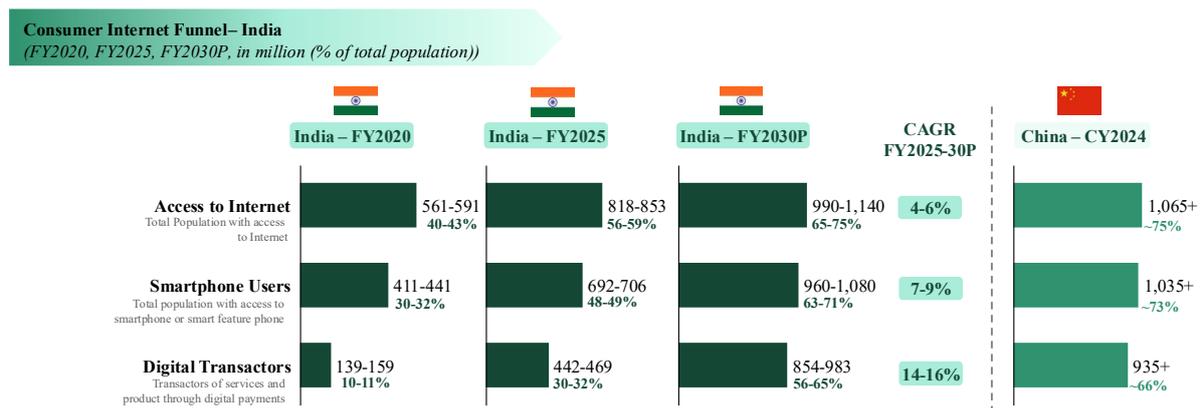


*Source(s): Redseer Research and Analysis*

Rising incomes, young population and widespread digital adoption are together fuelling the emergence of 'Middle India,' a rapidly expanding, digitally savvy, upwardly mobile consumer class. This cohort is influencing consumption patterns across sectors and showing greater engagement with formal financial systems, reflecting its growing relevance in India's economic and digital transition.

### 1.3.4. Rise of Middle India is reshaping major consumer sectors and driving the rapid expansion of the online consumer internet economy

India is undergoing a broad digital transformation, enabled by the rise of Middle India, which is reshaping consumption across multiple consumer sectors, from retail and food delivery to entertainment, mobility, and financial services. The rapid expansion of digital infrastructure and the maturation of India Stack have collectively accelerated the shift from offline to online channels. As consumers, especially Middle India, increasingly adopt digital-first experiences for everyday needs, like shopping, payments, entertainment/OTT, commuting, and financial transactions, traditional operating models are being disrupted and rebuilt around speed, convenience, personalization, and trust. This digital-led behavioural shift is expanding the overall addressable market for consumer internet platforms, increasing transaction volumes, and driving a structurally higher share of digital channels across categories. The result is a more connected consumer base that forms the backbone of India's next wave of digital consumption growth.

*Figure 9: Middle India-led digital adoption is expanding the market size of online consumer internet sectors India, with multiple sectors expected to grow at 20%+ CAGR between FY2025-2030P*

| Sector | Units | FY2025 | FY2030P | CAGR FY2025-30 |
|---|---|---|---|---|
| E-commerce | ₹ trillion ($ billion) | ~6 (~70) | 15-18 (174-214) | 20-25% |
| Food Delivery | ₹ trillion ($ billion) | ~0.79 (~9) | 1.7-2.2 (20-26) | 17-23% |
| Ride Hailing | ₹ trillion ($ billion) | 0.35-0.38 (4.1-4.4) | 1.08-1.16 (12.7-13.6) | 24-27% |
| Edtech | ₹ trillion ($ billion) | 0.81-0.88 (9.5-10.3) | 2.16-2.32 (25.4-27.3) | 20-24% |
| Online Home Services | ₹ trillion ($ billion) | ~0.04 (~0.5) | ~0.11 (~1.3) | 18-22% |

*Source(s): Redseer Research and Analysis*

### 1.3.5. Growing consumption and digital adoption within Middle India, alongside government initiatives, are supporting wider adoption of digital financial services, fostering broad-based financial inclusion

This consumption-led momentum is also reshaping how financial services are accessed and used in India. Rising internet and smartphone penetration, combined with intuitive digital interfaces and sustained fintech innovation, are accelerating adoption across payments, lending, insurance, savings, and investments. Foundational public digital infrastructure including Aadhaar-enabled eKYC, UPI-led real-time payments, and the Pradhan Mantri Jan Dhan Yojana (PMJDY) has significantly reduced onboarding and transaction frictions while expanding formal financial access. In parallel, continued government efforts to promote digital payments and financial inclusion have created a supportive environment for digital financial services to scale.

India's expanding financial inclusion is a direct outcome of these sustained policy efforts and digital infrastructure advancements. This progress is reflected in the Reserve Bank of India's Financial Inclusion Index (FI Index), which provides a comprehensive view of financial inclusion across banking, investments, insurance, pensions and postal services. Developed with inputs from the government and sectoral regulators, and capturing advancement across three dimensions: a) access (availability of financial services), b) usage (extent of active utilisation), c) quality (responsible and secure usage supported by consumer protection, literacy and grievance-redress mechanisms), the FI Index rose from 43.4 in FY2017 to 67.0 in FY2025.

*Figure 10: India's FI Index, reported by the RBI, has consistently risen and stands at 67.0 in FY2025*

**Financial Inclusion Index – India**
*(FY2017-25, in #)*

| FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| ~43.4 | ~46.0 | ~49.9 | ~53.1 | ~53.9 | ~56.4 | ~60.1 | ~64.2 | ~67.0 |

*Source(s): RBI*

Together, the above macro tailwinds have created the *Middle India*, forming the country's largest demographic cohort, defined by a young and expanding workforce, rising household incomes, growing comfort with digital infrastructure across consumption categories, and increasing engagement with formal financial services. The emerging class of digital-savvy, credit-seeking Indians - young, aspirational, and financially aware individuals who are increasingly relying on digital platforms to meet their evolving financial needs. As this segment becomes more financially aware and aspirational, its participation in the formal credit ecosystem is set to deepen, laying a strong foundation for the next phase of growth for lenders.

**Chapter 2: Financial Credit Services Landscape**

*India's credit landscape is expanding rapidly, supported by rising credit penetration and strong growth across retail loan categories, particularly personal loans, which continue to see sustained demand as consumers adopt digital, flexible credit options. Overall retail sanctions are projected to nearly double by FY2030, driven by rising consumption, growing financial awareness, and easier access to formal credit. As adoption deepens and expectations shift toward speed and convenience, digital-first lending models are set to drive the next phase of growth through faster onboarding, sharper underwriting, and more personalized credit experiences.*

### 2.1. A rapidly formalizing and credit-ready population is unlocking the next phase of retail lending growth

India's household debt penetration has witnessed a significant increase, rising from approximately ~35% of GDP in FY2020 to ~41% in March 2025, according to the RBI. This surge underscores a growing demand for credit, which is increasingly being channelled towards consumption and lifestyle aspirations, in addition to traditional needs such as home ownership and asset creation. Despite this growth, substantial headroom for further expansion remains when compared to global peers like the UK (~76%), USA (~69%), and China (~61%) as of CY2024 (as per the IMF), indicating sizeable long-term growth potential for formal lending.

*Figure 11: India's household debt as a % of GDP at 41% is lower than that of other countries, underscoring the significant growth potential for further credit penetration*



**Household Debt as a % of GDP– India and global benchmarks**
*(In %, As on end-Mar-2025 and Mar-2020 (India), CY2024 and CY2019 (China, United Kingdom, United States ))*

Legend: CY2020, CY2024

UK: ~86% / ~76%
USA: ~75% / ~69%
China: ~55% / ~61%
India: ~35% / ~41%
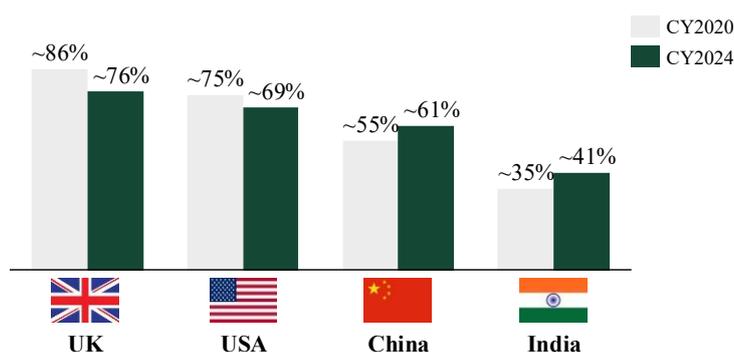
*Source(s): RBI, IMF, Redseer Research and Analysis*

This growth in India's household debt penetration has been supported by a combination of digital lending models and higher consumer consumption, enabled by government initiatives and regulatory support for credit access:

- **Emergence of Digital Lending Models:** The rise of digital-first lending and distribution models such as platform-based, aggregator, and marketplace, has enabled banks, NBFCs, and Fintech players to operate at scale with minimal physical infrastructure. These models facilitate efficient borrower-lender matching, digital onboarding, and complete loan lifecycle management. The alternative credit scoring models along with advanced analytics, allow lenders to analyse consumer behaviour and assess their creditworthiness. As a result, the digital first players can extend credit to previously excluded segments lacking formal credit histories. It has been accompanied by regulatory guardrails, including RBI's Digital Lending Guidelines, which mandate transparency, consent-based data usage, and borrower protection, as well as the Digital Personal Data Protection ("DPDP") Act, 2023, which strengthens data privacy, consent management, and accountability across digital lending journeys, supporting consumer trust and the long-term sustainability of digital credit models.
- **Regulatory Sandbox Initiatives**: The RBI's sandbox initiatives offer Fintech players and NBFCs a controlled environment to test innovative credit products, including alternative credit scoring, AI-driven underwriting, and embedded lending models, while ensuring regulatory oversight and consumer protection.

- **Public schemes by Government of India:** In the last decade, the Government of India has enlarged the ambit of multiple public schemes to improve credit penetration. The Kisan Credit Card, Stand-Up India schemes now cover multiple other arms that have widen the coverage of credit. Enhancement of Digital Public Infrastructure including platforms like 'Udyamimitra Portal' and 'PSB loan in 59minutes' facilitates deeper credit penetration in the financial ecosystem of India.

- **Empowering smaller businesses through credit guarantee schemes:** Government-backed guarantee schemes such as CGTMSE and CGFMU are lowering lender risk and expanding access to collateral-free formal credit. Complementing these, the Pradhan Mantri Mudra Yojana (PMMY) has significantly widened credit access, disbursing over ₹32 lakh crore through ~52 crore loans since 2015, with women accounting for nearly 68% of beneficiaries. Further, the Union Budget 2024–25 strengthened this ecosystem by increasing the 'Tarun' loan cap to ₹20 lakh and introducing the MSME Credit Card, improving access to working capital.

Historically, credit penetration in India was limited by a combination of factors, including limited access to formal credit, cultural hesitation towards borrowing, especially in rural and semi-urban regions, high savings mindset and a strong preference for self-funded expenditure. However, this landscape has shifted considerably over the past five years with a notable increase in the penetration of formal credit among its adult population. Enabled by expanding digital lending infrastructure, increased availability of credit products, and rising consumer comfort with borrowing, formal credit penetration has increased sharply from ~22% in FY2020 to ~46% in FY2025, representing 450-500 million adults, and is further projected to rise to ~56% by FY2030P. One of the key drivers of this expansion has been the rising credit demand from middle-income individuals with annual incomes between ₹3-11 lakh. This cohort represents the fastest-growing and the largest segments in India's formal credit landscape.

India's credit evolution is set to diverge from that of developed markets such as the United States and the United Kingdom, where formal credit access is near-universal, covering 95-97% of U.S. adults and ~84% of U.K. adults, largely driven by widespread credit card adoption. In contrast, India's credit ecosystem remains relatively nascent and structurally different, with growth increasingly led by digital-first, data-driven models. Digital personal loans, BNPL, and embedded finance, enabled by alternative data, are emerging as key entry points into formal credit, reflecting India's scale, rising incomes, and deep digital penetration. Traditional underwriting approaches, which relied primarily on bureau scores and formal documentation, provided limited visibility into the creditworthiness of these emerging segments. Today, India's digital infrastructure enables far richer and more real-time signals – cash-flow patterns, transaction histories, UPI behaviour, mobile usage, and behavioural markers – allowing lenders to assess creditworthiness with far greater precision.

India is thus leapfrogging to a more diverse and inclusive credit model. This creates a significant opportunity: as formal employment expands and incomes rise, lenders can tap into a large, fast-growing pool of first-time but

high-quality borrowers. With alternative-data underwriting and digital distribution becoming mainstream, India is on track to build a modern, scalable, and broad-based consumer credit ecosystems.

*Figure 12: India's adult population shows a significant headroom for growth – with ~56% projected to be a part of the formal credit ecosystem by FY2030*

**India's Credit-Profiled[I] Population**
*(FY2020, FY2025, FY2030P, in million, %)*

*India Adult Population (in Mn)*
*(16+ Years of age)*

| | | |
|---|---|---|
| ~1,007 | ~1,063 | ~1,100 |

*Credit served as a % of adult population*

| | | |
|---|---|---|
| ~22% | ~46% | ~56% |

| FY2020 | FY2025 | FY2030P |
|---|---|---|
| ~220 | 450-500 | 600-650 |
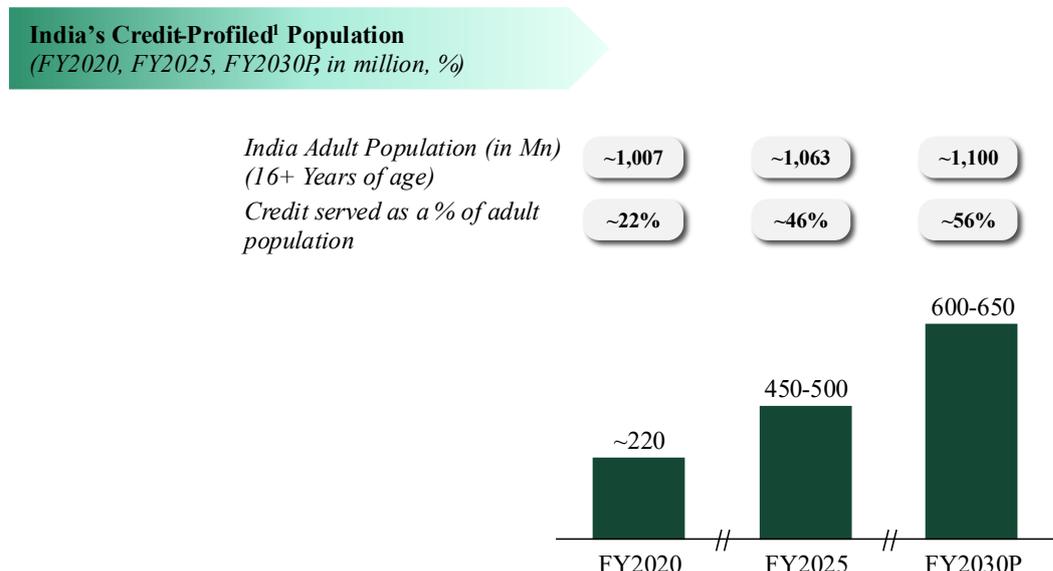
Note(s): Credit-profiled population refers to individuals having a credit record
Source(s): Redseer Research and Analysis

A key structural driver of India's evolving credit landscape is the steady inflow of young adults into formal employment. This cohort – central to the rise of *Middle India* – often has thin credit files not due to higher risk, but because they are early in their financial journeys. With stable incomes, rising discretionary spending, and high digital adoption, these consumers are inherently creditworthy and represent a structurally attractive segment for lenders.

This potential is increasingly translating into measurable adoption. Credit penetration among India's 18–35 age group has risen from ~14% in FY2020 to nearly 20% in FY2025, reflecting growing awareness, comfort, and demand for formal credit. As this digitally connected, middle-income base expands, credit is increasingly used to support aspirations across consumption, housing, education, and entrepreneurship. Further, the rise of digital-first lending players has accelerated innovation in underwriting, with alternative data sources – such as transaction histories, digital behaviour signals, and cash flow patterns – enabling more effective and responsible engagement with this segment.

## 2.2. India's retail loan sanctions are set to double by FY2030, driven by rising disposable incomes, enhanced digital payment infrastructure, innovative credit offerings, and expanded financial access

India's lending landscape has historically been dominated by large-ticket, non-retail loans, primarily catering to corporates, infrastructure, and industrial segments. However, over the past decade, a structural shift has taken place. Retail lending, once considered a smaller subset of the credit ecosystem, is now driving overall loan book expansion in the country. This shift has been fuelled by rising consumer aspirations, growing financial inclusion, and the proliferation of digital lending channels that have made credit more accessible to individuals and small businesses.

Retail lending in India refers to financial products offered by banks and financial institutions to individual borrowers, aimed at meeting personal financial needs such as purchasing a home or vehicle, managing daily expenses, or funding lifestyle aspirations. These loans are broadly classified into secured loans (e.g., home loans, auto loans, loans against property) and unsecured loans (e.g., personal loans, credit cards), depending on whether collateral is required.

Traditionally, secured loans, particularly home loans with larger ticket sizes and longer tenures, have dominated the retail lending landscape. However, in recent years, unsecured loans have emerged as the fastest-growing segment, driven primarily by rising consumption needs and evolving lifestyle demands. According to the RBI's June 2025 Financial Stability Report, non-housing retail loans, which are primarily used for consumption, now constitute the largest share of household debt in India, reflecting this structural shift. Retail loan sanctions amount to an estimated ~₹65 trillion (US$0.76 trillion) in FY2025 and are projected to grow at a CAGR of 14-16% between FY2025 and FY2030, reaching ₹127-138 trillion (US$1.49-1.63 trillion).

Growth in the unsecured segment will be fuelled by rising consumer aspirations, increased discretionary spending, a young and digitally native borrower base, and expanding access through digital lenders and fintech platforms. On the other hand, the secured segment is expected to benefit from rising home ownership in urban and semi-urban areas, increasing vehicle penetration, and greater formalization of credit in Tier-2+ cities.

*Figure 13: Retail loans sanctioned witnessed a growth of ~23% CAGR between FY2020 and FY2025 and are further projected to grow at 14-16% CAGR till FY2030, with unsecured loans outpacing secured loans*



India's retail loans sanctioned– split by secured vs. unsecured loans
*(In ₹ trillion (US$ trillion), FY2020, FY2025, FY2030P)*

**Growth Drivers**

**Rising Middle Class and Higher Consumption**
Expansion of the middle class is driving higher consumption, fuelling increased demand for credit

**Digital Public Infrastructure**
India's DPI stack (Aadhar, e-KYC, and UPI) streamlines seamless credit onboarding

**Diverse Credit Product Offerings**
Credit offerings like Credit on UPI boosts consumer credit accessibility via seamless, versatile borrowing options

**Fintech's Democratization of Financial Access**
Fintechs drive financial inclusion via easy digital onboarding and innovative, alternate credit assessment methods

*Note(s):*
*1. Secured loans include auto loans, housing loans, two-wheeler loans, gold loans, loans against securities, used car loans, tractor loans and property loans*
*2. Unsecured loans include personal loans, consumer durable loans, unsecured business loans, education loans, and credit card loans*
*3. Conversion rate: US$ 1 = ₹85*
*Source(s): Redseer Research and Analysis*

### 2.3. Unsecured lending, particularly personal loans, is witnessing rapid growth, expanding access to formal credit and supporting broader financial inclusion

India's growing economy is increasingly consumption-led, driven by rising aspirations, digital penetration, and expanding access to formal finance. According to the RBI's December 2025 Financial Stability Report, non-housing retail loans, which are primarily used for consumption, now constitute the largest share of household debt in India (~55.3% as of September 2025), reflecting this structural shift. Unsecured loans, which include personal, business, credit card, consumer durable, and education loans, reached ~₹26 trillion in loan sanctioned amount in FY2025, growing at a CAGR of ~26% between FY2020 and FY2025, significantly outpacing the ~21% CAGR of secured loans.

Unsecured loans, which do not require collateral, are well-suited for immediate consumption needs such as home upgrades and consumer durables, travel, health, and education, especially among India's young and rising middle-income segments. Their quick access and minimal documentation align with the on-demand nature of modern consumption. Unsecured lending today caters to both creditworthy new-to-credit consumers and individuals with established credit profiles, expanding financial inclusion and offering flexible financing to a broader base. As a result, products like personal loans have become a key pillar of India's consumption-led credit growth, supporting both access and resilience in the formal financial ecosystem.

Among overall unsecured loans sanctioned, personal loans form one of the largest contributors in terms of value. Between FY2020 and FY2025, personal loan sanctions grew at a CAGR of ~25%. By FY2030, personal loans are projected to expand to ₹28-31 trillion (US$ 0.33-0.36 trillion), growing at a CAGR of 19-21%, driven primarily by rising consumption needs, aspirational spending, and increasing digital adoption. This shift underscores a growing confidence in households' repayment capacity, while also highlighting the critical role of agile credit solutions in supporting evolving consumption patterns.

*Figure 14: Personal loans have grown at a CAGR of ~25% between FY2020 and FY2025, driven by rising consumption needs, aspirational spending and enhanced access through digital platforms*

**Personal Loans**
*(In ₹ trillion (US$ trillion),FY2020, FY2025, and FY2030P)*
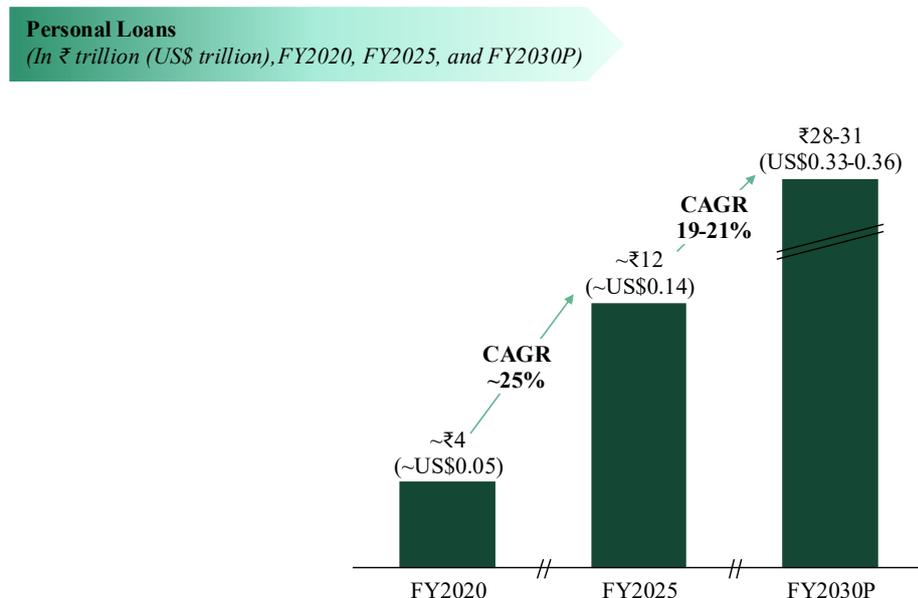


Note(s):
1. Personal loans includes the products – "Personal loans" and "Others" as defined in the FIDC
2. Conversion rate: US$ 1 = ₹85
Source(s): Redseer Research and Analysis

## 2.4. Digital lending platforms are central to this expansion of unsecured personal lending, using data-led underwriting to widen access and support healthy asset quality

Technological innovations and broad-based financial inclusion have enabled access to customer segments earlier outside the formal credit system, due to a lack of credit history, with digital lending platforms witnessing a surge in adoption. AI-led innovation and supportive regulation are driving a shift toward data-driven credit assessment, with the greatest disruption seen in retail and unsecured lending where technology reduces documentation burden and accelerates access.

Within retail loans, unsecured loans such as personal loans, BNPL and quick disbursal loans/salary advances are particularly well-suited for digitization due to their simplicity, quick processing times, and minimal documentation requirements. This allows for seamless, fast, and efficient loan disbursals, especially catering to the population which lies in the mid-income segment. As consumer demand for these products rises, it fuels the expansion of digital lending. As of FY2025, ~13% of all personal unsecured loans were digital and are projected to grow at a CAGR of 27-29% from FY2025 to FY2030.

*Figure 15: Digital loan sanctions in unsecured personal loans are projected to grow at a CAGR of 27-29% between FY2025 and FY2030P*



**Split of personal loan sanctions – by digital[1] and non-digital**
*(In ₹ trillion (US$ trillion),FY2020, FY2025, and FY2030P)*

| | ~₹4 (~US$0.05) | ~₹12 (~US$0.14) | ₹28-31 (US$0.33-0.36) | CAGR FY2025-30P |
|---|---|---|---|---|
| **Digital** | ~5% | ~13% | ~19% | 27-29% |
| **Non-digital** | ~95% | ~87% | ~81% | 17-19% |
| | FY2020 | FY2025 | FY2030P | |
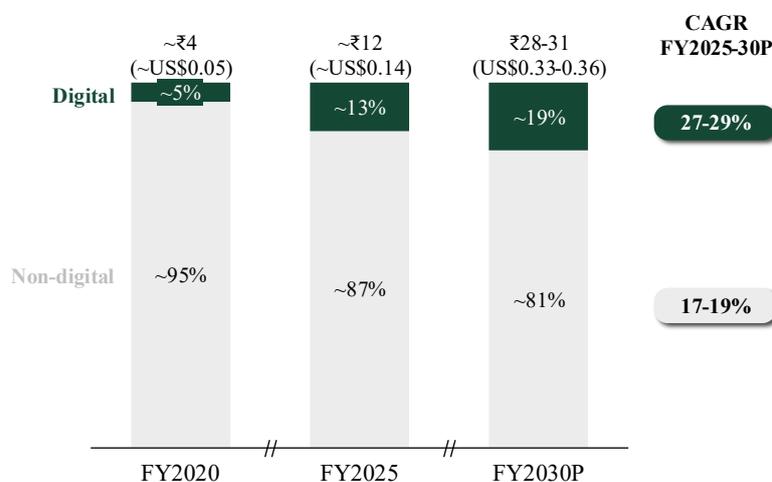
*Note(s):*
*1. Personal loans sanctioned by digital-first players (entities using technology for the entire loan lifecycle – acquisition, assessment, disbursement, and recovery). This includes loans disbursed via their own platform including their own NBFCs and their partner banks and NBFCs*
*2. Conversion rate: US$ 1 = ₹85*
*Source(s): Redseer Research and Analysis*

The ability of digital lenders to leverage alternative data – such as transaction behaviour, cash-flow signals, device metadata, and employment patterns – enables sharper risk segmentation and more dynamic underwriting than conventional bureau-led models.

These trends together point to a broad-based shift toward wider adoption of formal credit in India. Improved access, increasing penetration of unsecured and personal loans, and the growing role of digital lending platforms are reshaping how consumers enter and engage with the credit ecosystem. Supported by data-driven underwriting and digital distribution, credit is becoming more accessible, inclusive, and better aligned with the needs of a young, digitally connected population.

**Chapter 3: Digital lending is reshaping access to credit in India with Fintech players leading the change**

*India's digital lending landscape is being reshaped by LSP-led models, AI-driven underwriting, and supportive regulation. Digital platforms now enable faster, transparent, and frictionless credit journeys – aggregating offers, improving price discovery, and reaching a wider range of borrowers, especially in emerging segments. These shifts are streamlining access, reducing operational friction, and strengthening the role of digital players in India's retail credit ecosystem.*

India's credit ecosystem has evolved significantly in recent years, with the emergence of Loan Service Providers ("LSPs") playing a pivotal role in bridging the gap between borrowers and regulated lenders. LSPs are entities, typically digital platforms that facilitate loan origination and servicing on behalf of banks and NBFCs. Their core functions include customer acquisition, KYC & credit evaluation support, and post-disbursal servicing, and collections support all delivered through a technology-first approach. LSPs leverage digital infrastructure and data integrations to streamline lending operations. LSPs are rapidly evolving into fintech-led digital lenders or partnering with NBFCs and banks under co-lending models, integrating underwriting, AI-driven credit assessment, and real-time disbursal.

This evolution of lending models underscores the role of digital lenders in reshaping the credit landscape by simplifying access, reducing friction, and expanding reach. They offer seamless, end-to-end digital journeys with a broad range of loan products, allowing consumers to compare, apply, and receive funds with minimal documentation and rapid turnaround. At the same time, their speed, transparency, and intuitive experience are increasingly attracting prime customers, who value convenience and control over the slower, manual processes of traditional lenders.

Traditional models often depend on manual processes and legacy systems with outdated underwriting methods ,making them risk averse. Digital underwriting backed by AI/ML and the use of alternative data, such as mobile usage, transaction patterns, and real-time bank feeds, digital lenders are moving beyond static bureau-based assessments to more dynamic, holistic credit evaluations. Supported by favourable regulation and growing digital adoption, they are emerging as a scalable and inclusive model, driving deeper credit penetration across both emerging and established customer segments in India.

*Figure 16: Comparison of various lending models*

| | **Traditional** | **Direct Selling Agents (DSAs)** | **Lending Service Providers (LSPs)** |
|---|---|---|---|
| *Description* | Origination of loans with customer acquisition through physical branches, agents and call centers | Individuals or firms that source loan leads for lending partners | Platform facilitating end-to-end loan journeys for partner Regulated Entities (REs) |
| *Funding & Risks* | Loans are funded from the lender's own balance sheet, with the entire credit risk borne by the lender | Do not fund or carry any credit risk; operate on referral basis | Loans are funded by partner lenders, with the LSP participating in credit risk through Default Loss Guarantee (DLG) |
| *Revenue Model* | Revenue from interest on loans | Earns commission on successful leads | Earns fees for onboarding and servicing from partner lenders |
| *Capital Requirements* | High, due to lending capital and branch infrastructure | No capital requirement | Low, as no lending capital is required; capital needed for DLG |
| *Players* | Banks and NBFCs | Local agents and digital marketplaces | Fintechs |

*Note(s): DSAs facilitate loan sourcing for lenders but do not undertake underwriting, disbursement, or balance sheet risk, and therefore are not a direct lending model*
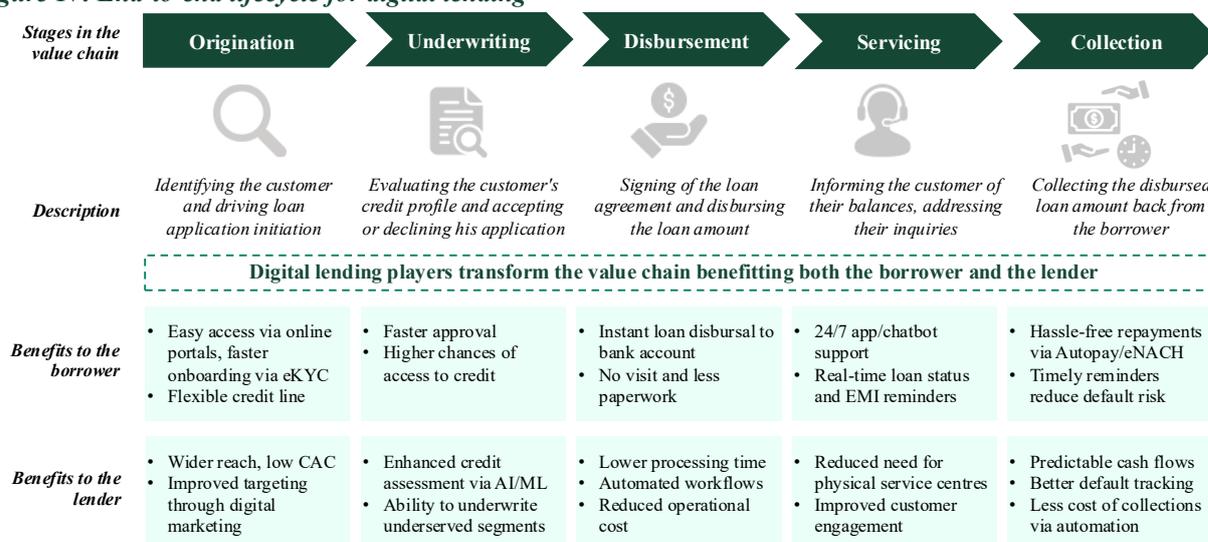*Source(s): Redseer Research*

The LSP model is inherently capital light, as revenues are generated through fees rather than direct capital deployment. This structure allows for higher return on equity compared to traditional lending models and supports rapid, scalable growth with minimal equity requirement. This makes LSPs an attractive proposition for fintechs aiming for rapid growth with lean balance sheets.

### 3.1. Digital platforms are building full-stack credit models, driven by innovations in accessibility, speed, and personalization

As digital platforms evolve, they are increasingly developing full-stack credit models that encompass both secured and unsecured products, covering the entire loan lifecycle from origination to repayment. These models integrate underwriting, risk assessment, loan servicing, and collections into a seamless offering. As underwriting models have matured, especially among scaled players, the focus has shifted toward delivering faster, more intuitive, and frictionless credit journeys, setting them apart from traditional lenders.

*Figure 17: End-to-end lifecycle for digital lending*

| Stages in the value chain | Origination | Underwriting | Disbursement | Servicing | Collection |
|---|---|---|---|---|---|
| **Description** | Identifying the customer and driving loan application initiation | Evaluating the customer's credit profile and accepting or declining his application | Signing of the loan agreement and disbursing the loan amount | Informing the customer of their balances, addressing their inquiries | Collecting the disbursed loan amount back from the borrower |
| | **Digital lending players transform the value chain benefitting both the borrower and the lender** | | | | |
| **Benefits to the borrower** | • Easy access via online portals, faster onboarding via eKYC<br>• Flexible credit line | • Faster approval<br>• Higher chances of access to credit | • Instant loan disbursal to bank account<br>• No visit and less paperwork | • 24/7 app/chatbot support<br>• Real-time loan status and EMI reminders | • Hassle-free repayments via Autopay/eNACH<br>• Timely reminders reduce default risk |
| **Benefits to the lender** | • Wider reach, low CAC<br>• Improved targeting through digital marketing | • Enhanced credit assessment via AI/ML<br>• Ability to underwrite underserved segments | • Lower processing time<br>• Automated workflows<br>• Reduced operational cost | • Reduced need for physical service centres<br>• Improved customer engagement | • Predictable cash flows<br>• Better default tracking<br>• Less cost of collections via automation |

Source(s): Redseer Research

Across the value-chain, multiple innovations by digital platforms are driving the next phase of growth for this segment.

1. **Risk-based supply differentiation and aggregated credit access**: Lending platforms segment demand based on consumer risk profiles and strategically leverage their partnerships with external lenders alongside internal capital to achieve an optimal risk balance in loan disbursement. Platforms pool offers from multiple banks and NBFCs, and by aggregating diverse lending options, they enable broader access to credit for consumers who might otherwise face barriers due to stringent eligibility criteria or lack of traditional credit history. This contrasts with own-book models that apply fixed pricing thresholds, limiting flexibility.

2. **Enhanced price discovery**: Borrowers can compare loan terms, interest rates, and conditions side-by-side. This drives more informed and cost-effective borrowing decisions.

3. **Greater loan transparency**: Detailed disclosures on eligibility, fees, tenure, and repayment help improve borrower trust as users gain clarity on total cost and repayment obligations upfront.

4. **Faster digital journeys**: Digital tools like eKYC, pre-approved offers, and instant disbursals streamline the process, reducing paperwork and enhancing borrower experience.

5. **AI-powered product discovery and customization:** AI and data-driven algorithms not only match users with best-fit loan products but also enable real-time product customization based on borrower profiles, behaviour, and needs. This enhances both relevance and conversion while improving borrower satisfaction. This further plays into personalization in ticket size, tenure, repayment schedules, and pricing, moving away from the one-size-fits-all approach of traditional lenders.

6. **Lean operating model**: Digital-first, branch-light operations reduce overhead and fixed costs. This leads to better scalability and healthier unit economics.

### *3.2. Government initiatives and digital public infrastructure are strengthening the foundation for sustainable digital lending in India*

Government-led regulatory initiatives have played a foundational role in building the digital rails for financial inclusion in India. Some of these are –

A. **India Stack and Digital Public Infrastructure (DPI):** A layered digital foundation, comprising Aadhaar, e-KYC, e-Sign, DigiLocker, and the Unified Payments Interface (UPI), has significantly reduced the cost, time, and complexity of accessing financial services.

- Real-time verification (via Aadhaar and e-KYC), consent-based data sharing (via DigiLocker), and secure authentication (via e-Sign) have enabled seamless onboarding and servicing.

- UPI, a key layer of the Stack, has become India's most widely used digital payment method, with transaction value rising from ~₹21 trillion in FY2020 to an estimated ₹261 trillion in FY2025 (~65% CAGR). Its scale, interoperability, and near-zero transaction cost have made it central to day-to-day financial access.

B. **Government-led inclusion initiatives:** The Pradhan Mantri Jan Dhan Yojana (PMJDY) has brought millions of previously unbanked citizens into the formal financial system.

- Between March 2020 and March 2025, the share of Jan Dhan accounts in rural and semi-urban areas increased from 59% to 67%. As of March 2025, 87-92% of the population now has access to a bank account, laying the foundation for access to credit, insurance, and savings.

- Complementing this, the BharatNet initiative has played a critical role in expanding high-speed internet connectivity across rural India, enabling last-mile access to digital financial services.

- Combined with Aadhaar and mobile connectivity, the JAM trinity has enabled direct benefit transfers and improved financial inclusion outcomes.

C. **Consumer protection:** As adoption of digital finance grows, regulators have introduced measures to build trust and safeguard users. Stricter norms on data privacy, pricing transparency, and grievance redressal have been introduced for digital lenders.

These measures have enhanced consumer confidence, particularly among first-time borrowers, and improved the long-term sustainability of digital lending models.

### *3.3. Growing consumer demand, rapid evolution of digital lending platforms, and strong regulatory guardrails are together driving the expansion of digital lending in India*

Some of the key drivers supporting the growth of digital lending in India are highlighted below:

1. **Consumer-driven surge in unsecured credit**: A noticeable rise in demand for unsecured personal loans is driven by consumption-led credit needs and facilitated by digital platforms. These include short-term, quick disbursal loans, BNPL (Buy Now Pay Later), and salary advances. Digital lenders are better positioned to serve these segments efficiently due to lower operational costs and agile technology stacks.

2. **Role of digital lending players in making credit more accessible:**
   a. **Gateway product for onboarding credit-served and tier-2+ consumers:** To evaluate creditworthiness, especially for 'thin-file' individuals, digital platforms leverage alternative data such as mobile usage, credit scores, transaction history, banking behaviour, utility payments, and even social media activity. This enables more inclusive and precise risk assessment by lenders and insurers. This is reflected in the 40-42% of the entire digital loan

sanctioned in FY2025 emerging from tier-2+ cities in India, a rise of ~10 percentage points from FY2020. This share is further projected to increase to 48-50% by FY2030.

    b. **Emergence of Digital Underwriting Models:** Digital underwriting models use AI/ML for behavioural and analytics-driven approaches to analyse structured and unstructured data to assess credit risk. Behavioural models analyse surrogate data indicative of behaviour from sources like spending pattern, e-commerce and social media usage, telecom, and employment patterns. Analytics models can generate predictive insights and these models enable real-time, personalized credit decisions, improving risk profiling, fraud detection, and financial inclusion while ensuring ethical and secure data usage.

    c. **Hyper-personalization and operational agility:** Digital lenders offer highly customizable loan products tailored to individual needs through advanced profile analysis, ranging from flexible repayment schedules to dynamically priced interest rates based on risk scores. Combined with streamlined digital processes and automated KYC, this flexibility significantly reduces turnaround times and enhances user experience, making digital lending a preferred choice over traditional banking.

3. **Regulatory initiatives**: India's government has launched multiple initiatives to improve the credit access towards long term sustainability of digital lending. Recent regulatory developments including the RBI's Digital Lending Guidelines and the expansion of the co-lending framework have created a clearer operating environment for digital lenders and are designed to facilitate wider participation by banks and NBFCs Details of these are included below:

    a. RBI's approval of the **Default Loss Guarantee (DLG)** framework aims to drive sustainable digital lending by mitigating credit risk and encouraging lending to segments that may otherwise face eligibility barriers. By enabling third-party risk sharing (capped at 5% of the loan portfolio), the framework boosts lender confidence and fosters collaboration between fintech companies, banks, and NBFCs. It also enhances regulatory clarity, helping Lending Service Providers (LSPs) build brand trust with both investors and consumers, supporting long-term growth.

    b. RBI prioritises data protection through the Digital Lending chapter of Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 and the Digital Lending chapter of Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 which seek to promote transparency, borrower protection, and data security. Key measures include clear loan disclosures, consent-based disbursals, regulated charges, and robust grievance redressal, reducing fraud risk and strengthening trust in the ecosystem.

    c. To ensure responsible lending practices, RBI is fostering the development of industry-led self-regulation through frameworks for recognition of **Self-Regulatory Organizations (SROs) for Digital Lending**. These entities will promote adherence to best practices, reduce malpractices like predatory lending, and serve as a bridge between digital lenders and regulators.

    d. To harmonize lending norms, the RBI has **expanded the co-lending framework** through Reserve Bank of India (Co-Lending Arrangements) Directions, 2025 **enabling partnerships** to include all regulated entities. This capital-light model benefits small, mid-sized, and digital NBFCs by enabling them to partner with larger or traditional NBFCs directly, without needing to wait for a banking partner

Digital platforms are now increasingly evolving into integrated credit ecosystems, enabling consumers to begin their financial journey with entry-level unsecured personal loans and gradually progress to adjacent lending products such as home loans and loan against property ("LAP"), credit cards, etc.. Their ability to drive this progression reflects strong product innovation, superior data-driven underwriting, and personalized engagement strategies. By cross-selling complementary offerings – such as insurance, digital gold, and investment products – they enhance customer lifetime value and deepen financial participation. These capabilities underline their right to win in this segment, positioning them as end-to-end financial solution providers tailored to the evolving needs of today's consumers.

**Chapter 4: Full-Stack Financial Platforms – Lending as a gateway to monetize consumer's financial spend**

*Lending acts as the anchor of the platform model, giving players deep financial context through recurring EMI interactions and repayment behaviour. Personal loans often serve as the first formal credit product, allowing platforms to identify high-quality users early, strengthen engagement, and guide them toward higher-value credit over time. Leveraging this data advantage, digital lenders are evolving into full-stack financial services providers, using embedded journeys and cross-sell engines to expand into products like insurance and build stronger, more profitable customer relationships.*

India's financial services landscape is now being reshaped by the rapid adoption of technology-led products across payments, lending, insurance, and wealth management. While digital penetration is already deep in segments like payments and investments, lending and insurance are now entering a phase of accelerated digital transformation. At the centre of this shift is the rise of full-stack financial platforms which are integrated ecosystems that offer a seamless suite of financial products within a single interface. These platforms are redefining access, driving personalization, and enabling monetization across the consumer's financial journey, with lending increasingly emerging as the primary gateway to onboard and engage users.

*Table 1: India's digital financial services have expanded significantly; digital payments and digital personal loans witnessed a growth of 37% and 51% CAGR respectively between FY2020 and FY2025*

| Indicative Landscape | FY2020 | FY2025 | CAGR FY2020-25 |
|---|---|---|---|
| Digital Payments Penetration[2] | ~19% | ~45% | ~37% |
| Total UPI TPV | ~₹21 trillion | ~₹261 trillion | ~65% |
| Credit Card TPV[3] | ~₹11 trillion | ~₹26 trillion | ~19% |
| Digital Loans as % of Unsecured Personal Loans | ~5% | ~13% | |
| Digital Personal Loans Sanctioned | ~₹0.2 trillion | ~₹1.6 trillion | ~51% |
| Digital Insurance Penetration[4] | ~1.7% | 3-4% | - |
| NSE Active Clients on Digital-first platforms[5] | 6-8% | 38-40% | - |

*Note(s):*
*1. The landscape is non-exhaustive*
*2. Digital payments as a percentage of overall PFCE*
*3. TPV stands for total payment value*
*4. The digital GDPI penetration includes only non-assisted insurance sales and is calculated as the ratio of the GDPI from digital channels to the overall GDPI generated in the year*
*5. Brokers with over 0.1 million active clients as of June 30, 2025, and no advisory services, are classified as digital-first platforms*
*Source(s): Redseer Research and Analysis*

*4.1. Personal lending anchors the platform play by unlocking financial context that powers deeper user engagement*

Personal lending plays a central role in anchoring a platform-led financial services strategy. It is often the first product that introduces users to formal credit, enabling platforms to capture detailed financial information such as income patterns, spending behaviour, and repayment discipline. Unlike transactional products such as payments, lending builds a longer-term relationship through recurring interactions of EMI cycles, which creates ongoing visibility into a user's financial behaviour. This allows platforms to engage users beyond one-time product sales and build trust over time.

Credit journeys often begin with short-tenure products such as personal loans. As users establish repayment behaviour and credit history over time, platforms may be able to extend higher-value credit offerings, including longer-tenure personal loans, auto loans, or home loans. This lifecycle-oriented approach can help platforms stay relevant as users' financial needs evolve and potentially support longer-term engagement. As users progress through different life stages, their financial needs evolve. Rising consumption in early adulthood may drive credit card usage, a home purchase in the late 30s may trigger demand for home loans, and life milestones such as marriage, parenthood, or retirement planning may increase relevance of insurance and investment products.

Notably, progression along this path is not driven solely by income levels but can also be informed by behavioural data available to the platform, allowing early identification of higher-quality customers and more calibrated engagement over time.

*Figure 18: India's credit borrower journey is characterised by a gradual progression from short-tenure entry products to long-tenure, higher-value credit products*

**India's Credit Borrower Journey**



|  |  |  |  |  |
|---|---|---|---|---|
| **Personal Loan** | **Credit Cards** | **Consumer Durable / Auto Loans** | **Gold Loan** | **Home Loan** |
| • Increasingly the first formal credit product<br>• Helps establish initial repayment track record<br>• Creates early bureau visibility and shapes first credit score | • Builds ongoing repayment discipline through monthly cycles<br>• Deepens credit history via utilisation and timely payments<br>• Expands eligibility for future credit products | • Supports planned, higher-value purchases through structured EMIs<br>• Reflects growing financial needs and stability<br>• Strengthens borrower profile through longer-tenure repayment | • Serves as a flexible, secured option for mid-journey financial needs<br>• Provides quick access to credit via secure asset base<br>• Supports medium-ticket requirements with minimal documentation | • Represents a key lifestage financial milestone<br>• Highest ticket, longest tenure credit product for most consumers<br>• Demonstrates maturity in credit behaviour and stable income profile |

*Note(s): The borrower journey is illustrative and based on indicative patterns only*
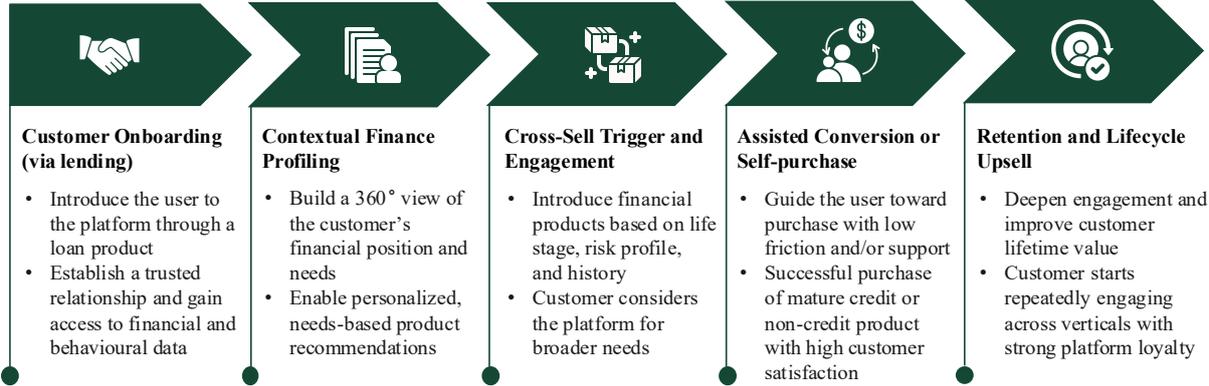*Source(s): Redseer Research and Analysis*

As users move along this lending journey, the platform also benefits from a steady stream of first-party data, enabling sharper underwriting models and risk-adjusted pricing. This strengthens portfolio quality while expanding the pool of eligible borrowers. Over time, lending becomes more than a standalone vertical and acts as the entry point and foundation for a broader relationship with the user.

### 4.2. Leveraging the broader data-driven opportunity, credit platforms are building diversified revenue streams through personalized cross-sell across financial services

The financial context unlocked through personal lending enables platforms to deliver highly contextual cross-sell offerings across the user's financial lifecycle. With ongoing visibility into income patterns, repayment behaviour, and cash flow timing, platforms can surface relevant products, such as insurance for financially disciplined users. These recommendations are grounded in behavioural data rather than static segmentation, allowing platforms to tailor offerings with greater precision. By personalizing product selection, timing, and communication, platforms can align offerings with each user's evolving financial capacity and intent.

Building on this evolving engagement model, credit platforms are increasingly capitalizing on cross-sell opportunities to diversify revenue streams and improve unit economics. With acquisition costs already absorbed through lending, platforms can layer high-margin financial products, such as insurance, wealth management, or co-branded credit products, into the user journey with minimal incremental cost. This shift not only enhances customer lifetime value but also allows platforms to tap into more RoE-accretive offerings like secured loans (ex. housing loans), digital gold, and investment advisory. These cross-sell levers form the foundation for a scalable, full-stack financial services business.

*Figure 19: Journey from onboarding a consumer via a personal loan product to cross-selling additional financial products*



| Customer Onboarding (via lending) | Contextual Finance Profiling | Cross-Sell Trigger and Engagement | Assisted Conversion or Self-purchase | Retention and Lifecycle Upsell |
|---|---|---|---|---|
| • Introduce the user to the platform through a loan product<br>• Establish a trusted relationship and gain access to financial and behavioural data | • Build a 360° view of the customer's financial position and needs<br>• Enable personalized, needs-based product recommendations | • Introduce financial products based on life stage, risk profile, and history<br>• Customer considers the platform for broader needs | • Guide the user toward purchase with low friction and/or support<br>• Successful purchase of mature credit or non-credit product with high customer satisfaction | • Deepen engagement and improve customer lifetime value<br>• Customer starts repeatedly engaging across verticals with strong platform loyalty |

*Source(s): Redseer Research*

As digital platforms expand their engagement beyond personal loans into broader credit offerings and complementary financial products, several high-growth segments are emerging as key opportunities. These are outlined below:

### 4.2.1. Home Loans

Home loans have traditionally been the stronghold of banks, given the secured nature, long tenures, and lower cost of capital associated with the segment. Home loans as a market, accounts to ~₹12 trillion in FY2025 in terms of amount sanctioned, which is projected to grow at a CAGR of 8-10% by FY2030. The government's push for affordable housing, through initiatives like the Pradhan Mantri Awas Yojana (PMAY), income tax rebates on home loan interest payments, and interest rate reductions by the Reserve Bank of India (RBI), has played a vital role in increasing home ownership aspirations and thus will give a push to the home loans market.

*Figure 20: India's home loan market is projected to grow at 8-10% CAGR between FY2025 and FY2030P*

**Home Loans**
*(In ₹ trillion (US$ trillion), FY2020, FY2025, and FY2030P)*
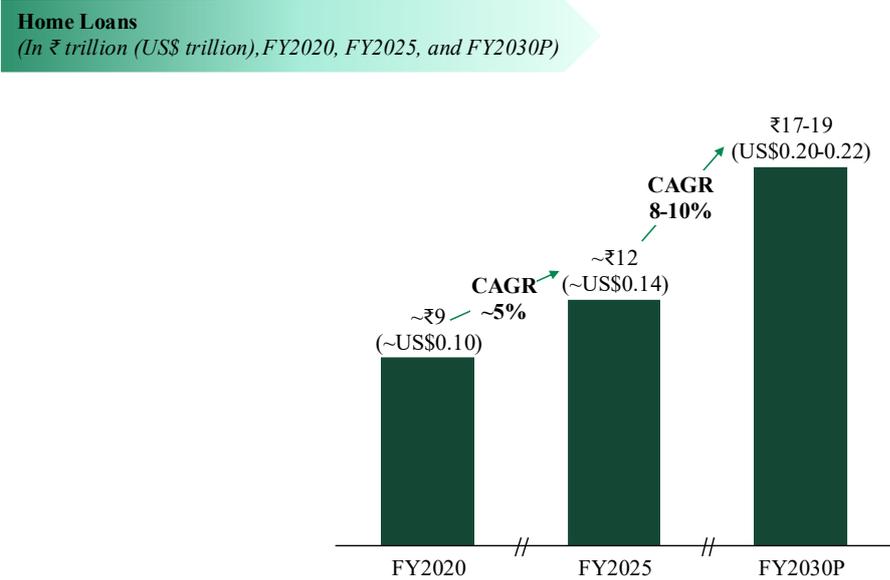


*Note(s): Conversion rate: US$ 1 = ₹85*
*Source(s): Redseer Research and Analysis*

However, this landscape is evolving, presenting a compelling opportunity for NBFC-led digital lenders to expand their presence. Between FY2025 and FY2030P, NBFC-led home loan sanctions are projected to grow at a CAGR over 9-10% driven by their ability to serve informal segments, offer personalized underwriting, and respond swiftly to shifting demand.

Digital-first model helps address key inefficiencies in traditional secured lending, such as long turnaround times (TAT), manual documentation, and limited transparency, while leveraging digital infrastructure that is not constrained by physical geographic presence to deliver a streamlined, technology-enabled lending experience. Full-stack fintech NBFCs use AI/ML-based underwriting engines, third-party data integrations, and digital KYC to approve and disburse loans within days, reducing TAT from 3-4 weeks to as little as 1-2 days. Moreover, these players are increasingly focusing on Tier 2+ cities, where traditional institutions lack sufficient reach. The asset-light nature of fintech NBFCs also allows them to offer flexible loan ticket sizes, customized repayment plans, and competitive pricing, thereby widening the customer funnel across diverse borrower profiles.
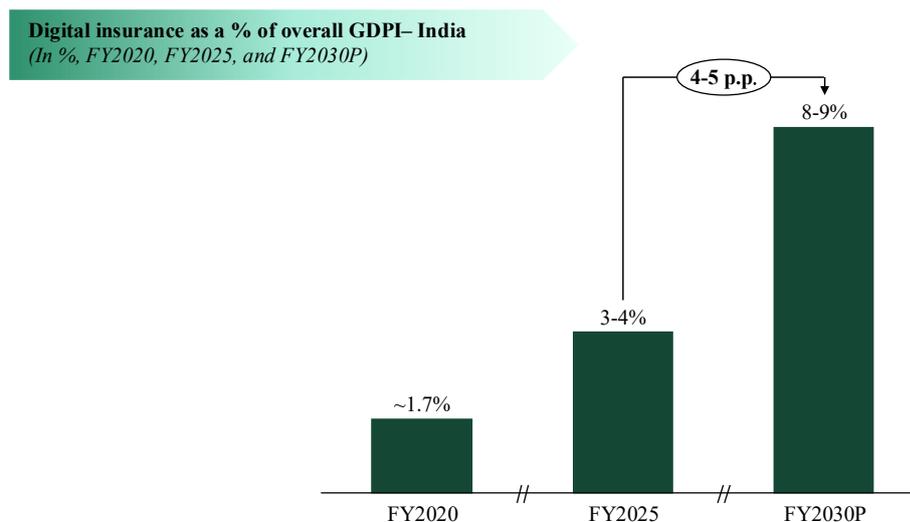
### 4.2.2. Insurance Distribution

Within financial services, insurance distribution presents a highly attractive opportunity, characterized by low penetration and significant headroom for growth. As a rapidly expanding market, it aligns well with the scale, data richness, and engagement advantages inherent to digital credit platforms. India's insurance penetration remains materially lower than global peers, at 3.7% in CY2024, compared to 4.3% in China, 11.8% in the United Kingdom, and 12.1% in the United States. India's total GDPI has been growing at a CAGR of ~9% between FY2020 and FY2025, reaching ₹11.9 trillion (US$ 140 billion) in FY2025. Currently, life insurance dominates this market, accounting for ~74% of the total GDPI, followed by Health and Motor at 10% and 8% respectively. By FY2030 insurance GDPI is projected to rise to ₹19-21 trillion (US$ 221-242 billion), growing at a CAGR of 10-12% for the next five years. This is being driven by greater risk awareness, regulatory focus on underserved areas, and the expansion of embedded and context-specific insurance products. The rise of digital distribution and bundled offerings is further improving accessibility and driving adoption across diverse consumer segments.

While life insurance distribution in India continues to be dominated by individual agents and direct channels, brokers play a significantly larger role in non-life insurance. This is driven by the need for price comparison, product customization, insurer selection, and claims support across fragmented offerings, making brokers a critical channel in the non-life distribution ecosystem.

Digital channels, in particular, have witnessed significant traction in recent years, propelled by increased internet access, smartphone adoption, and growing customer comfort with online transactions. While direct digital business currently forms a small share of overall distribution, its growth signals a gradual shift toward a hybrid model, where digital platforms complement rather than replace traditional intermediaries.

*Figure 21: India's digital insurance penetration has risen from 1.7% to 3.7% over the last five years and is projected to grow to 8-9% by FY2030P*



**Digital insurance as a % of overall GDPI– India**
*(In %, FY2020, FY2025, and FY2030P)*

4-5 p.p.

8-9%

3-4%

~1.7%

FY2020    FY2025    FY2030P

*Note(s): The digital GDPI penetration includes only non-assisted insurance sales and is calculated as the ratio of the GDPI from digital channels to the overall GDPI generated in the year*
*Source(s): IRDAI, Redseer Research and Analysis*

As credit players tap into verticals like insurance distribution their ability to scale profitably hinges on leveraging core capabilities developed through lending. These players are not only using data-driven models to underwrite loans but also leveraging the infrastructure to cross-sell financial products and optimize economics. The following capabilities are central to how credit platforms are driving diversification and sustainable growth:

- **Holistic risk assessment via enriched datasets:** Digital lenders already leverage alternative data such as income flows, transaction history, digital payment behaviour, mobile usage, to assess creditworthiness. These same inputs can power more inclusive and accurate insurance risk assessment, especially for first-time buyers, enabling personalized products with better risk-pricing and wider reach.
- **Embedded insurance at credit touchpoints:** Lending journeys create natural, high-intent moments to embed contextual insurance – such as credit life at disbursal, asset protection during financing, and income protection at EMI setup – while seamless autofill, timely nudges, and clear disclosures improve conversion, enhance borrower protection, and generate incremental fee-based revenue.
- **Flexible distribution and servicing models:** Lenders can adopt different insurance distribution roles – such as corporate agent, aggregator, or broker – depending on the use case, customer segment, and product complexity. This flexibility enables platforms to monetize origination, servicing, and claims support while remaining asset-light and avoiding underwriting risk.
- **Capital-light, high-ROI expansion:** With existing data, engagement infrastructure, and trust, platforms can scale insurance distribution with minimal capital. Like lending marketplaces, insurance revenue is fee-based and RoE-accretive, offering strong margin potential without burdening the balance sheet.

### 4.2.3. Credit Cards

Credit card transactions in India amount to ~₹26 trillion (US$0.3 trillion) in FY2025, having grown at a CAGR of ~19% over the last 5 years. This has been driven by growing consumer preference for credit in high-value discretionary spending, followed by increased credit card penetration, expansion of reward-linked offerings, and a shift from cash and debit to digital, credit-based transactions across online and offline channels. Traditionally led by banks, the credit card market is now seeing growing participation from NBFC-led digital platforms through co-branded credit cards and Credit-on-UPI.

For co-branded cards the partnerships with issuing banks and consumer brands offer a capital-light route to enter the revolving credit space, without taking on full regulatory or balance sheet responsibility. Co-branded cards have gained strong traction due to their personalized rewards and alignment with specific consumer spends (e.g., travel, e-commerce, fuel). Their share of total credit cards issued has grown from 3-5% in FY2020 to 16-17% in FY2025, with over one-third of all new cards being co-branded. This segment is projected to capture over 25% market share by FY2030, growing at a 35-40% CAGR, ~2x faster than traditional cards.

Another disruptive innovation is the launch of credit on UPI, which is poised to expand credit access to the Indian markets. UPI has become a ubiquitous payment platform, clocking over 185 billion transactions FY2025, having grown at a CAGR of ~71% from ~13 billion transactions in FY2020, according to National Payments Corporation of India ("NPCI"). At the same time the total value of UPI transactions has grown from ~₹21 trillion (US$0.25 trillion) in FY2020 to ~₹261 trillion (US$3.06 trillion) in FY2025 at a CAGR of ~65%. Embedding credit directly into UPI enables direct credit access to 370-400 yearly active users of UPI, offering:

- **Simplified access to credit**: By linking pre-approved credit lines to UPI handles, users can seamlessly access credit at the point of sale, including offline kirana stores.
- **Inclusion into formal credit system**: Credit on UPI has the potential to include users outside the traditional salaried or high-income base, especially self-employed individuals and micro-entrepreneurs who continue to rely on informal credit sources.
- **Cost-efficient infrastructure**: UPI eliminates the need for physical card issuance and expensive point-of-sale (PoS) infrastructure, thereby reducing operational costs for issuers and enabling scalable credit distribution.

The RBI's regulatory push to allow interoperable credit on UPI further enhances this proposition by ensuring wider merchant acceptance and fair market competition.

For digital lenders, co-branded cards offers a strategic lever to expand their financial services portfolio, deepen user engagement, and tap into a fast-growing, high-retention consumer segment. The following drivers make this segment a high value diversification option for the platforms:

- **Increased credit-card penetration:** Credit card penetration, has grown at a CAGR of over 15% in the last four years, reaching approximately ~110 million cards as of March 2025, according to the RBI. However, this figure still lags global benchmarks, indicating a significant headroom for future growth.
- **India's rising digital-savvy middle class:** Consumers are increasingly seeking personalized rewards, better user experiences, and convenience. Co-branded credit cards, by being tailored to consumers' spending habits across travel, e-commerce, fuel, or food delivery, offer curated rewards and experiences that traditional credit cards typically do not. This differentiated value proposition has led to a surge in consumer adoption.
- **Greater involvement from a diverse range of non-banking partners:** Large consumer brands, mobility providers, and online platforms, have started entering the credit ecosystem by launching co-branded partnerships. These companies leverage their customer insights and high engagement to drive card issuance and usage, while banks benefit from an expanded distribution network and enhanced product relevance.

### 4.2.4. Digital Gold

Digital gold has emerged as a transformative financial service in India, bridging the nation's traditional affinity for gold with modern digital technology. The Securities and Exchange Board of India (SEBI) has developed the Electronic Gold Receipt (EGR) system, which was notified as 'securities' under the Securities Contracts (Regulation) Act 1956 in December 2021 enabling gold to be traded electronically on stock exchanges with proper regulatory oversight.

Indian fintech companies have pioneered several innovations in the digital gold space. Platforms have created infrastructure that allows users to invest as little as Rs 1-10 in digital gold.

Key fintech innovations include:

- Fractional ownership models enabling micro-investments
- UPI Auto Pay integration for systematic investment plans
- 24/7 trading capabilities through mobile applications
- Vault storage solutions with insurance coverage
- Instant liquidity through buy-back guarantees

*Collectively, these offerings reflect the evolution of digital platforms into comprehensive financial ecosystems with multiple, complementary revenue streams.*
By diversifying into multiple financial services streams, these full-stack digital providers are increasingly emerging as critical enablers of inclusive financial growth. Their integrated models allow for seamless customer journeys across credit, insurance, and investment products, enabling not just efficient cross-sell but also addressing structural gaps in financial access and engagement. By combining digital reach, real-time data, and modular offerings, these platforms are well-positioned to drive penetration across consumer segments through the following levers:
- **Enhancing pan-India access:** Digital platforms bridge gaps in credit, insurance, and investment access by reaching individuals and small businesses, particularly in remote regions, through intuitive, mobile-first interfaces.
- **Speed and convenience:** With digital onboarding and e-KYC often completed within 5-10 minutes, these platforms offer a frictionless alternative to traditional institutions, enabling rapid access to credit, insurance, and investment products with minimal documentation.

- **Data-driven underwriting** Digital providers leverage alternative data sources, ranging from transaction histories to utility payments, to enable more accurate and data-driven risk assessments, strengthening underwriting precision across customer segments.
- **Product innovation:** Digital models are expanding reach through innovative offerings like BNPL for instant checkout credit, digital gold for micro-investing, and usage-based insurance products like Pay-As-You-Drive ("PAYD"), which personalize premiums based on actual behaviour.

By addressing both accessibility and personalization, full-stack digital platforms are becoming foundational to India's next phase of financial inclusion and product adoption.

## Chapter 5: Total Addressable Market (TAM)

India's digital lending ecosystem stands at a structural inflection point. A combination of macro shifts such as rising household incomes, deepening digital adoption across city tiers, and stronger awareness of formal credit has accelerated the mainstreaming of retail credit. This transition is being led by the rise of *Middle India*, now the country's largest and fastest-growing demographic cohort, increasingly comfortable with formal finance and digital borrowing channels. As this cohort engages more actively with formal credit channels, the credit-served adult population in India is projected to reach 600-650 million by FY2030, significantly widening the borrower base for full-stack digital lending players.

*Figure 22: Four key structural drivers are powering the expansion of retail credit in India*

**1 Expansion of *Middle India***

- *Middle India is projected to reach ~212 million households by FY2030, emerging as the primary driver of incremental consumption and credit demand.*
- *This cohort is digitally savvy and increasingly formalised, enabling higher adoption of unsecured and consumption-led financial products.*

**2 Product shift towards unsecured and consumption-led credit**

- *Unsecured retail loans have grown faster than secured loans (~26% vs ~21% CAGR, FY2020–FY2025), led by consumption-linked demand.*
- *Personal loans are projected to reach ₹28–31 trillion by FY2030P, supported by growing digital lending.*

**Key Growth Drivers for Digital Lending in India**

**4 Broadening inclusion within the formal credit system**

- *India's **credit-served population is expected to expand to 600-650 million by FY2030P**, driven by digital onboarding and alternative underwriting.*
- *Financial inclusion has strengthened, reflected in the RBI Financial Inclusion Index rising from 43.4 in FY2017 to 67.0 in FY2025.*

**3 Digital infrastructure and fintech led enablement**

- *India's DPI is driving higher digital lending penetration, with **digital personal loans accounting for ~13% of sanctions** in FY2025.*
- ***Full-stack digital platforms** integrating lending, payments, insurance, and investments **are emerging as a differentiated, data-led model.***

*Source(s): Redseer Research and Analysis*

The total market opportunity in terms of total retail loan sanctioned for a full-stack digital lender in India stands at ~₹65 trillion (US$0.76 trillion) in FY2025, having grown at a CAGR of ~23% from ~₹23 trillion (US$0.27 trillion) in FY2020. It is projected to grow further to ₹127-138 trillion (US$ 1.49-1.63 trillion) by FY2030 at a CAGR of 14-16%. This growth is underpinned by rising consumption and discretionary spends within middle-income households, DPI-led rails that reduce onboarding friction and enable faster credit delivery, wider product availability across secured and unsecured categories, and fintech-led distribution and underwriting models that extend formal credit access to thin-file borrowers.

*Figure 23: The addressable retail lending opportunity for digital players is projected to reach ₹127-138 trillion (US$1.49-1.63 trillion) and 600-650 million adults by FY2030, highlighting substantial headroom to scale into mature loan categories and unlock meaningful cross-sell potential*

**Total Addressable Market (TAM)**
*(In million, %, ₹ trillion (US$ trillion), FY2020, FY2025, FY2030P)*

|  | FY2020 | FY2025 | FY2030P |
|---|---|---|---|
| **India's Credit Served Population** | ~220 | 450-500 | 600-650 |
| **Credit Served as a % of Adult Population[1]** | ~22% | ~46% | ~56% |
| **Total Addressable Market** | ₹23 trillion (US$0.27 trillion) | ₹65 trillion (US$0.76 trillion) | ₹127-138 trillion (US$1.49-1.63 trillion) |

*Note(s):*
*1. Adult population is ~1007 million, ~1,063 million, and ~1,100 million in FY2020, FY2025 and FY2030 respectively*
*2. Conversion rate: US$ 1 = ₹85*
*Source(s): Redseer Research and Analysis*

As borrowers gain comfort with formal credit, they naturally evolve from personal loans to more mature products such as consumer durable financing, auto loans, gold loans, and eventually home loans. This progression unlocks additional lending opportunities across categories and significantly increases the lifetime credit potential of each borrower as their needs and eligibility expand.

This journey also amplifies cross-sell potential. Digital lenders, equipped with deep behavioural insights, strong customer relationships, and scalable distribution infrastructure, are well-positioned to introduce adjacent financial products – from credit cards to insurance and wealth solutions. A unified product suite enhances customer lifetime value and strengthens the strategic advantage of full-stack digital financial platforms in a rapidly growing market.

## Chapter 6: Competitive Landscape

In recent years, India's retail credit market has undergone a structural shift, supported by rising consumption demand, deeper digital penetration, and expanding access to formal credit. This evolution has accelerated the adoption of unsecured credit products such as personal loans, BNPL and short-tenure loans, which are typically characterised by faster decisioning requirements and limited documentation, making them well-suited to digital-led models.

This transformation has been enabled by the emergence of full-stack digital lending platforms that combine technology-led acquisition and underwriting with institutionally governed balance-sheet capabilities. Operating at scale in digital unsecured lending requires strong execution across the end-to-end credit lifecycle, including robust customer sourcing, data-led underwriting and risk assessment, compliant and efficient disbursal processes, and collections infrastructure capable of managing high-frequency repayment behaviour. As the market has evolved, platforms have increasingly adopted hybrid models that combine marketplace-led sourcing with captive NBFC arms, enabling greater control over underwriting policies, portfolio monitoring, and collections outcomes, while also supporting sustained scale and regulatory alignment.

This section benchmarks the largest full-stack digital lending platforms in India – **Moneyview, Kreditbee, Kissht, Fibe, and Navi**. These players operate through hybrid models that combine marketplace-led sourcing with captive NBFC arms, enabling a higher degree of control over underwriting, disbursal, and collections. Each of these players have ₹1000+ crore in total revenue in FY2025 across both their digital platforms and NBFC arms.

Alongside these digital-first players, the broader digital financial services marketplace also includes listed incumbents such as **Paytm** ("One 97 Communications Limited"), **Policy Bazaar** ("PB Fintech Limited") which are listed digital financial services platforms, while **SBI Cards and Payments Services Limited** and **Bajaj Finance Limited** are listed NBFCs, all of which offer comparable products at scale through varied business models. Together, these peers provide a comprehensive view of the performance of the digital financial service ecosystem in India. A global view of the peer market includes players like **Nu Bank** ("Nu Holdings Ltd.") and **Sofi Cards** ("Sofi Technologies Inc."). They provide a high-level view of how digital financial services market is moving globally.

*Table 1: Legal names of the unlisted peers, listed digital platforms, listed NBFCs and listed global peers*

| Unlisted Peers | Legal Name of the Entity |
|---|---|
| **Unlisted Peers – Digital Lending Platforms** | |
| Moneyview | Moneyview Limited |
| Kreditbee[1] | KrazyBee Services Private Limited |
| Kissht | Onemi Technology Solutions Private Limited |
| Navi | Navi Limited |
| Fibe | Social Worth Technologies Private Limited |
| **Listed Peers – Digital Platforms** | |
| Policybazaar | PB Fintech Ltd. |
| PayTM | One97 Communications Ltd. |
| **Listed NBFCs** | |
| Bajaj Finance | Bajaj Finance Ltd. |
| SBI Cards and Payments | SBI Cards and Payments Services Ltd. |
| **Listed Global Peers – Consolidated** | |
| Nu Bank | Nu Holdings Ltd. |
| Sofi Cards | Sofi Technologies Inc. |

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[1] Only the NBFC has been considered for the purpose of this analysis, as following the July 2024 dissolution of KreditBee's parent entity, Finnov Private Limited, the NBFC and the technology platform now operate as separate entities with no single consolidated parent. Any deviations from this treatment have been explicitly highlighted where applicable.

*Table 2: Moneyview Limited is the largest full-stack digital lending platform among its unlisted peers in India as of FY2025, based on assets under management.*

| Players | Loan AUM (₹ Millions) | | | | Total AUM Growth (%) | |
|---|---|---|---|---|---|---|
| | *9M[1] – FY2026* | *FY2025* | *FY2024* | *FY2023* | *FY2025* | *FY2024* |
| **Unlisted Peers – Digital Lending Platforms** | | | | | | |
| Moneyview Limited[2] | 1,98,148.20 | 1,67,151.41 | 1,28,848.26 | 76,440.46 | 29.73% | 68.56% |
| KrazyBee Services Private Limited[3] | NA | 1,01,020.00 | 76,440.00 | 46,440.00 | 32.16% | 64.60% |
| Onemi Technology Solutions Private Limited[4] | NA | 40,866.38 | 26,042.75 | 12,679.28 | 56.92% | 105.40% |
| Navi Limited | NA | 1,16,949.30 | NA | NA | NA | NA |
| Social Worth Technologies Private Limited[5] | NA | 52,870.00 | 40,640.00 | 19,630.00 | 30.09% | 107.03% |
| **Listed Peers – Digital Platforms** | | | | | | |
| PB Fintech Ltd. | NA | NA | NA | NA | NA | NA |
| One97 Communications Ltd. | NA | NA | NA | NA | NA | NA |
| **Listed NBFCs** | | | | | | |
| Bajaj Finance Ltd.[6] | 48,58,830.00 | 41,66,610.00 | 33,06,150.00 | 24,73,790.00 | 26.03% | 33.65% |
| SBI Cards and Payments Services Ltd.[7] | 5,72,130.00 | 5,58,400.00 | 5,08,460.00 | 4,07,220.00 | 9.82% | 24.86% |
| **Listed Global Peers – Consolidated** | | | | | | |
| Nu Holdings Ltd. | NA | NA | NA | NA | NA | NA |
| Sofi Technologies Inc. | NA | NA | NA | NA | NA | NA |

*Note(s):*
*1. Figures for 9M FY2026 represent the 9 months ended December 31, 2025*
*2. Managed AUM refers to the aggregate value of principal outstanding for the loans serviced through our platform as of the last day of the relevant period/Fiscal*
*3. Consolidated entity data (KrazyBee Services Private Limited and Finnovation Tech Solutions Private Limited) is considered, FY2025, FY2024 and FY2023 data sourced from credit rating reports*
*4. Data sourced from DRHP, AUM represents aggregate of principal outstanding held in on-book and held in off-book lending partners books as on the last day of the relevant period (includes on-book and off-book AUM)*
*5. Data Sourced from credit ratings reports*
*6. Before accelerated ECL provision and one-time charge of New Labour Codes for 9M-FY2026*
*7. Receivables considered as AUM, and for 9M-FY2026, Receivables at the end of Q3FY2026 is considered*
*Source(s): Annual Reports, Credit Bureau Reports*


*Figure 24: Moneyview Limited accounted for approximately 11% of total digital unsecured personal loan sanctions and around 1.5% of overall unsecured personal loan sanctions in FY2025 and reported the highest AUM among unlisted peers during the same period. With the personal loans market projected to expand to ₹28-31 trillion (US$0.33-0.36 trillion) and penetration expected to reach ~19% by FY2030, platforms such as Moneyview Limited are well positioned to benefit from the significant headroom for growth.*
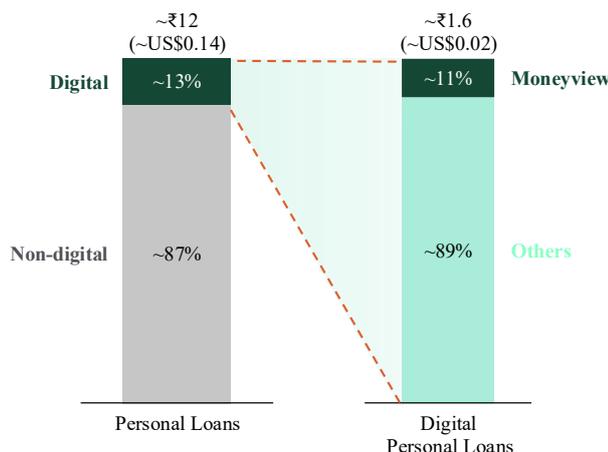
Source(s): Redseer Research and Analysis

**Table 3: Moneyview Limited has recorded the highest year-on-year growth in total income among all the peers mentioned above in both FY2024 and FY2025.**

| Players | Total Income[1] (₹ Millions) | | | | Total Income Growth (%) | |
|---|---|---|---|---|---|---|
| | *9M[2] – FY2026* | *FY2025* | *FY2024* | *FY2023* | *FY2025* | *FY2024* |
| **Unlisted Peers – Digital Lending Platforms** | | | | | | |
| Moneyview Limited | 24,085.43 | 23,785.29 | 13,892.41 | 6,770.21 | 71.21% | 105.20% |
| KrazyBee Services Private Limited[3] | NA | 21,868.35 | 14,003.27 | 7,176.79 | 56.17% | 95.12% |
| Onemi Technology Solutions Private Limited[4] | NA | 13,526.88 | 17,003.02 | 10,015.05 | -20.44% | 69.77% |
| Navi Limited | NA | 26,891.40 | 22,745.00[5] | 16,843.65 | 18.23% | 35.04% |
| Social Worth Technologies Private Limited[6] | NA | 12,684.90 | 8,415.86 | 4,289.21 | 50.73% | 96.21% |
| **Listed Peers – Digital Platforms** | | | | | | |
| PB Fintech Ltd. | 50,008.10 | 53,849.40 | 38,182.50 | 28,168.40 | 41.03% | 35.55% |
| One97 Communications Ltd. | 68,490.00 | 76,249.00 | 1,05,247.00 | 84,000.00 | -27.55% | 25.29% |
| **Listed NBFCs** | | | | | | |
| Bajaj Finance Ltd. | 6,09,230.80 | 6,97,247.80 | 5,49,825.10 | 4,14,182.60 | 26.81% | 32.75% |
| SBI Cards and Payments Services Ltd. | 1,55,205.90 | 1,86,371.50 | 1,74,835.00 | 1,42,856.70 | 6.60% | 22.38% |
| **Listed Global Peers – Consolidated** | | | | | | |
| Nu Holdings Ltd.[7,8] | NA | 9,78,951.38 | 6,82,462.96 | 4,07,339.64 | 43.44% | 67.54% |
| Sofi Technologies Inc.[7,8] | NA | 2,27,363.02 | 1,80,437.07 | 1,33,750.48 | 26.01% | 34.91% |

*Note(s):*

*1. Total Income is the aggregate of revenue from operations and other income during the relevant period / year*

*2. Figures for 9M FY2026 represent the 9 months ended December 31, 2025*

*3. Only the NBFC has been considered here*

*4. Data sourced from DRHP*

*5. Excluding one-off gain of ₹5,192.46 million on sale of subsidiary*

*6. Data Sourced from credit ratings report for FY2025 and Consolidated Financial Statements for FY2024 and FY2023*

*7. For global firms, CY2022, CY2023, and CY2024 have been considered as proxies for FY2023, FY2024, and FY2025, respectively, to account for differences in accounting standards*

*8. Conversion rate: US$ 1=₹ 85*

*Source(s): Annual Reports, Investor Presentations, Financial Results, Credit Bureau Reports*

*Figure 25: Moneyview Limited reduced its annualised loss rate from 7.93% in FY2024 to 7.07% in FY2025, even as industry-wide delinquency levels increased, with the industry average rising from 7.80% to 9.35% over the same period.*

**Annualised losses[1] – Industry and Moneyview**
*(In %, FY2023, FY2024, and FY2025)*
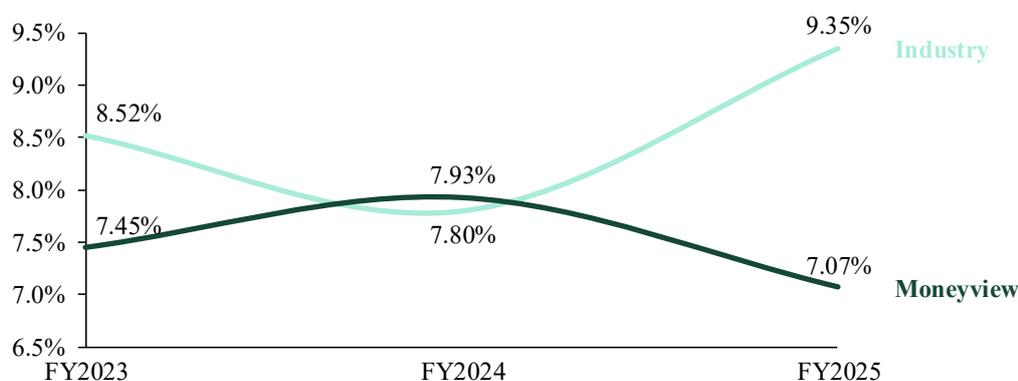


Note(s): Annualized losses for the industry are calculated as the sum of unsecured personal loans from Banks and NBFCs transitioning into 90+ DPD (Days Past Due) and write-offs during the period / year, divided by average AUM. Annualized losses of loans facilitated by the Moneyview platform are calculated as the sum of loans transitioning into 90+ DPD and write offs during the period / year, divided by average AUM.
Source(s): Equifax, Redseer Research and Analysis

During Fiscal 2023 to 2025, the broader lending industry was impacted by macroeconomic headwinds and sustained inflationary pressures, which weakened borrower affordability and led to an increase in delinquencies across the industry. Despite these industry headwinds, Moneyview demonstrated resilience and reduced its annualised losses over the past year, supported by strong risk segmentation enabled through the integration of alternative data, such as transaction behaviour, cash-flow stability, device and app metadata, and employment patterns, alongside traditional bureau signals. Together, these capabilities allow for dynamic underwriting, fast recalibration of credit limits, and early risk detection, resulting in improved loss rates.

*Table 4: This combination of disciplined loss management and expanding access has enabled Moneyview Limited to maintain the highest profit before tax ("PBT") among unlisted peers in FY2025, while also recording the strongest year-on-year Profit Before Tax ("PBT") growth within this peer set.*

| Players | Profit Before Tax[1] (₹ Millions) | | | | PBT Growth (%) | |
|---|---|---|---|---|---|---|
| | *9M[2] – FY2026* | *FY2025* | *FY2024* | *FY2023* | *FY2025* | *FY2024* |
| **Unlisted Peers – Digital Lending Platforms** | | | | | | |
| Moneyview Limited | 3,284.90 | 3,192.11 | 1,983.03 | 1,616.84 | 60.97% | 22.65% |
| KrazyBee Services Private Limited[3] | NA | 2,968.09 | 2,683.87 | 874.98 | 10.59% | 206.73% |
| Onemi Technology Solutions Private Limited[4] | NA | 2,162.64 | 2,674.41 | 239.53 | -19.14% | 1016.52% |
| Navi Limited[5] | NA | -410.66 | -2,161.00 | -1,910.73 | NM | NM |
| Social Worth Technologies Private Limited | NA | 1565.51 | 1356.18 | 67.63 | 15.44% | 1905.29% |
| **Listed Peers – Digital Platforms** | | | | | | |
| PB Fintech Ltd. | 4,354.70 | 3,465.70 | 771.10 | -4,879.60 | 349.45% | NM |
| One97 Communications Ltd. | 5,950.00 | -14,685.00 | -13,847.00 | -17,429.00 | NM | NM |
| **Listed NBFCs** | | | | | | |
| Bajaj Finance Ltd.[6] | 1,86,720.30 | 2,20,796.30 | 1,93,095.70 | 1,55,278.60 | 14.35% | 24.35% |
| SBI Cards and Payments Services Ltd. | 20,972.70 | 25,806.80 | 32,318.00 | 30,305.70 | -20.15% | 6.64% |

| Listed Global Peers – Consolidated | | | | | | |
|---|---|---|---|---|---|---|
| Nu Holdings Ltd.[7,8] | NA | 2,37,591.83 | 1,30,821.63 | -26,256.59 | 81.62% | NM |
| Sofi Technologies Inc.[7,8] | NA | 19,834.33 | -25,598.43 | -27,091.29 | NM | NM |

*Note(s):*
*1. Profit before tax excludes exceptional items*
*2. Figures for 9M FY2026 represent the 9 months ended December 31, 2025*
*3. Only the NBFC has been considered here*
*4. Data sourced from DRHP*
*5. From continuing operations*
*6. After accelerated ECL provision and one-time charge of New Labour Codes for 9MFY2026*
*7. For global firms, CY2022, CY2023, and CY2024 have been considered as proxies for FY2023, FY2024, and FY2025, respectively, to account for differences in accounting standards,*
*8. Conversion rate: US$ 1=₹ 85*
*Source(s): Annual Reports, Investor Presentations, Financial Results, Credit Bureau Reports*

## Threats and Challenges

Some of the threats and challenges facing full-stack financial services platforms are as follows:

1. **Regulatory uncertainty and structural shifts:** Frequent regulatory interventions by the RBI, around DLG caps, BNPL norms, and restrictions on outsourcing of core lending functions, pose significant business model risks. Sudden policy shifts can impact unit economics, restrict product offerings, change product strategy, and require time-consuming platform overhauls. With expansion of service offerings, platforms fall under the purview of more regulatory bodies such as IRDAI, SEBI, etc., exposing themselves to higher degrees of scrutiny.

2. **Capital access and liquidity risk**: Fintech NBFCs are dependent on external funding and face challenges in accessing long-term, low-cost capital. In a tight credit environment, this can constrain disbursal capacity and force platforms to scale back. Smaller NBFCs within platforms may struggle with credit ratings and investor confidence. Sustained access to capital will be a critical differentiator for platforms looking to scale beyond niche customer segments.

3. **Rising delinquencies and credit quality deterioration:** Rapid growth into sub-prime and new-to-credit segments exposes platforms to higher default risk. A lack of credit bureau depth in many cases weakens risk assessment. As economic conditions tighten, maintaining portfolio quality without compromising growth is a key challenge. Failure to balance growth with asset quality could lead to rising GNPA levels and increased provisioning burdens.

4. **Profitability pressure amid high customer acquisition costs:** Intense competition has pushed platforms to offer zero-cost EMIs, deep discounts, and cashback-led acquisition. Coupled with rising digital marketing costs and limited pricing power in lending, this puts pressure on contribution margins and delays breakeven for many players. Without a path to sustainable unit economics, long-term profitability remains elusive for many digital lenders. To sustain operations, platforms must optimize customer acquisition funnels and improve monetization per user, through cross-selling high-margin products.

5. **Data privacy, cybersecurity, and platform risk:** As digital lenders collect and process sensitive financial and behavioural data, they face mounting scrutiny under data protection laws (e.g., DPDP Act). Any breach or misuse can erode customer trust and invite regulatory action. Securing systems against fraud and cyberattacks is increasingly non-negotiable. As data becomes core to credit and other financial decisions, robust privacy and security protocols are key to long-term defensibility

6. **Stricter risk weights on unsecured lending and personal loans:** In response to rising concerns over asset quality and aggressive retail credit expansion, the Reserve Bank of India (RBI) in November 2023 increased the risk weights on unsecured personal loans by 25 percentage points, for both banks and NBFCs. These regulatory moves significantly raise the capital requirement for lending institutions, making unsecured credit, like BNPL, personal loans, and consumer finance, more expensive to originate and maintain.

Despite these challenges, the outlook for digital financial services platforms in India remains highly promising. A large and expanding base of credit users, increasing comfort with digital credit, and supportive regulatory intent toward financial inclusion continue to create strong tailwinds. Platforms that navigate regulatory shifts, maintain portfolio quality, build consumer trust, and expand offerings are well-positioned to scale sustainably and capture meaningful share in India's rapidly formalizing financial ecosystem.

**Glossary**

| Terms in Use | Definition |
|---|---|
| Compound Annual Growth Rate ("CAGR") | CAGR (Compound Annual Growth Rate) is the average annual growth rate of an investment or value over a specified period, assuming constant year-on-year growth. |
| CY | Calendar Year (January to December) |
| Consumer Loans | Include Personal loans, Auto loans, Housing loans, Loans against property, and other sanctions which include gold loans, loans against securities, consumer durable loans, education loans, credit card loans |
| Conversion Rate | US$ 1 = ₹85 |
| DigiLocker | DigiLocker is a Ministry of Electronics and Information Technology (MeitY), Government of India-launched secure cloud-based platform for storage, sharing and verification of documents & certificates |
| E-commerce | Retail business model that involves customers buying and selling goods over the internet |
| e-KYC | Electronic Know-Your-Customer is a digital process to verify a customer's identity without the need for physical documents |
| Financial Inclusion ("FI") Index | The Financial Inclusion Index (FI Index) is a composite measure that tracks the extent of financial inclusion in a country, considering access to banking, credit, insurance, and digital financial services |
| Fintech | Financial technology used to describe new technology that seeks to support, improve and automate the delivery and use of financial services |
| FY | Financial year as per Indian standard which begins on 1st April of the base year and ends on 31st March of the following year. For reference, FY 24 includes time period 1st April 2023 to 31st March, 2024. |
| Gross Domestic Product ("GDP") | Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. |
| Gross National Income ("GNI") | Gross National Income (GNI) measures the total domestic and foreign value added claimed by residents at a given period in time. |
| Merchant Loans | Includes Secured and Unsecured Business Loans and Commercial Vehicle Loans |
| Metro | Metro cities indicate 8 cities, namely – Mumbai (Maharashtra), Delhi (NCT), Bangalore (Karnataka), Chennai (Tamil Nadu), Hyderabad (Telangana), Kolkata (West Bengal), Pune (Maharashtra) and Ahmedabad (Gujarat) |
| Middle-income households | Households with annual income between ₹0.3-1.1 million (US$ 3,500-13,000) |
| Private Final Consumption Expenditure ("PFCE") | Expenditure incurred by the resident households and non-profit institutions serving households on final consumption of goods and services, whether made within or outside the economic territory |

| | |
|---|---|
| Tier-1 | Cities with a population of more than 1 million |
| Tier-2+ | Cities with a population of less than 1 million |
| TPV | Total Payment Value |
| UPI | UPI stands for Unified Payments Interface, a real-time payment system that allows users to transfer funds between bank accounts using a mobile app |
| NM | Not Meaningful |