

STRUCTURED FINANCE

**Q1 FY2026: Securitisation volumes rise
led by participation by NBFCs**

JULY 2025



List of abbreviations

2 W	Two Wheeler
AHFCs	Affordable Housing Finance Companies
CD ratio	Credit to Deposit ratio
CL/PL	Consumer loans / Personal loan
FY	Financial Year; refers to the 12-month period starting from April 1 and ending on March 31
DA	Direct Assignment
HFCs	Housing Finance Companies
HL	Home Loan
LHS	Left hand side
LAP	Loan against property
MF	Micro finance
MSME	Medium, Small, Micro Enterprise
NBFCs	Non Banking Financial Companies
NBFC-MFI	Non Banking Financial Company - Micro Finance Institution
PTC	Pass Through Certificate
Q	Quarter
RHS	Right hand side
SFB	Small Finance Bank
YoY	Year-on-Year



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First quarter of FY2026 reported moderate growth of ~16% fuelled primarily by the large NBFCs issuing high ticket transactions.

Vehicle loans continue to retain their top spot followed by the HL/LAP in the domestic securitisation space.



The overall securitisation volumes rose by ~16% (YoY basis) and stood at Rs. 51,000 crore for Q1 FY2026. This growth was led largely by the NBFCs.



The share of banks in securitisation volumes decreased in Q1 FY2026 as they achieved part normalisation of their CD ratios. ICRA expects NBFCs to drive the securitisation volumes in the current fiscal.



The PTC route of securitisation contributed ~59% for Q1 FY2026, which is line with the trend witnessed seen since FY2024.



The vehicle loans segment continued to dominate the securitisation market, followed by the HL and the LAP.



In Q1 FY2026 most of the MF securitisation took place by way of the PTC transactions compared to the DA route, which was preferred earlier. HL/ LAP securitisation continued being securitised through DA route and vehicles via the PTC route.



ICRA's rating upgrades have been largely driven by the build-up in credit enhancement in the transactions, following the amortisation of the pools. Downgrades have been limited primarily due to issuer-specific problems.



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