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Managing risk, enabling trade

Atradius Payment Practices Barometer

B2B payment practices trends India 2026

In this report

About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey gives you the opportunity to hear directly from businesses trading on credit with B2B customers about how they are coping with evolving trends in customer payment behaviour. Staying informed about these trends is vital because it helps to identify emerging shifts in customer payment habits, allowing businesses to address potential liquidity pressure and maintain smooth operations.

Businesses operating in – or planning to enter – the markets and industries covered by our survey can gain valuable insights from our reports, which also shed light on the challenges and risks companies anticipate in the coming months, as well as their expectations for future growth.

This report presents the survey results for **India**.

The survey was conducted during the second half of Q2 2026. Findings should therefore be viewed with this in mind.

All reports highlighting market-specific findings of the 2026 edition of the Atradius Payment Practices Barometer for Asia are available for download from the Atradius website Knowledge and research.

B2B payment practices trends

India's payment environment faces mounting pressure

Survey findings in India set the backdrop for a business environment where payment behaviour and corporate liquidity is under pressure. Within this context, around half of B2B sales are conducted on credit, a share above the regional average and among the highest in Asia. This places India alongside more developed trade credit markets such as Singapore and closer to Vietnam than most of its regional peers. The recent expansion in credit use has also been stronger than across Asia, driven primarily by large industrial firms. This reflects both competitive pressures and the need to sustain commercial activity in a more demanding operating environment.

Payment terms typically extend from one to two months from invoicing, longer than in most Asian markets. This structurally lengthens the payment cycle and increases exposure to delays. At the same time, B2B payment behaviour remains less stable than across the region, pointing to a more volatile and less predictable environment. Although occasional improvements in payment performance are reported more often than deterioration, delays remain widespread. Nearly nine in ten firms report overdue invoices, with outstanding payments accounting for more than one third of receivables, above the regional average.

The drivers of these delays highlight underlying financial strain. Indian firms are more likely than their regional peers to cite customer liquidity constraints as a cause of late payment. Operational frictions, including approval and banking delays, also play a more prominent role. Together, these factors create a risk environment that combines financial pressure with process inefficiencies, increasing the need for close monitoring and effective cash flow management.

Despite relatively long payment terms, the overall collection cycle remains efficient compared to the regional average, as shown by Days Sales Outstanding (DSO), which also highlights a significant share of payments remaining long-term overdue. Progress in reducing this exposure has been limited in recent months, and long-term delays continue to increase the likelihood of losses.

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B2B payment practices trends

This is reflected in the bad debt profile. More firms report rising write-offs than declines in recent months, in line with Asia but affecting a larger share of businesses in India. Losses above 5% of receivables are more common, placing additional pressure on cash flow and margins. Write-offs in India are frequently linked to unresponsive customers rather than formal insolvency, making recovery more difficult. This points to a more complex and less structured credit environment.

The impact on working capital is clear. Payment risk disrupts cash flow planning and increases reliance on external financing. Rather than being fully absorbed, this pressure often passes through the supply chain, as firms delay payments to suppliers. As a result, financial flexibility is reduced, leaving businesses with fewer internal buffers to manage operational liquidity needs.

In response, firms in India adopt a more active approach to risk management. They rely less on provisions and more on operational tools, including tighter payment terms, advance payments and closer credit control. Digital tools and customer diversification support faster intervention, while the use of credit insurance is more widespread, particularly among smaller firms in industry. This reflects a need to protect cash flow in a less predictable payment environment, amid uncertainty around economic conditions, global trade flows and geopolitical developments impacting business operations.

Key insights on the next page

Key insights

India

Payment behaviour of B2B customers (12 months)

Exposure clusters: reported level of B2B invoices paid late by percentage of respondents

0% B2B invoices paid late
13%
Respondents

1% - 30% B2B invoices paid late
32%
Respondents

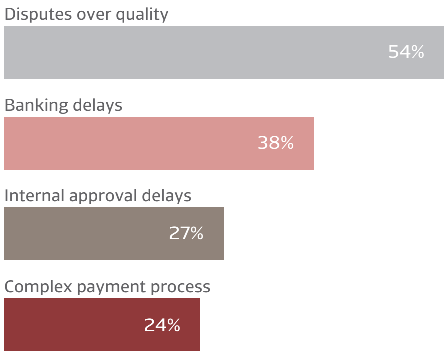
31% - 60% B2B invoices paid late
43%
Respondents

61% - 100% B2B invoices paid late
12%
Respondents

Sample: all respondents in the surveyed market
Source:Atradius Payment Practices Barometer India – 2026

Top 4 reasons B2B customers pay invoices late

% of respondents - multiple response



Sample: all respondents in the surveyed market
Source:Atradius Payment Practices Barometer India – 2026

Breakdown of past due payments

% of past due invoices by payment timing

<30 days
49%
Respondents

31-60 days
25%
Respondents

61-90 days
16%
Respondents

> 90 days
10%
Respondents

Sample: all respondents in the surveyed market
Source:Atradius Payment Practices Barometer India – 2026

Reported bad debts

% of respondents - bad debts levels

<1% bad debts
38%
Respondents

1% - 2% bad debts
16%
Respondents

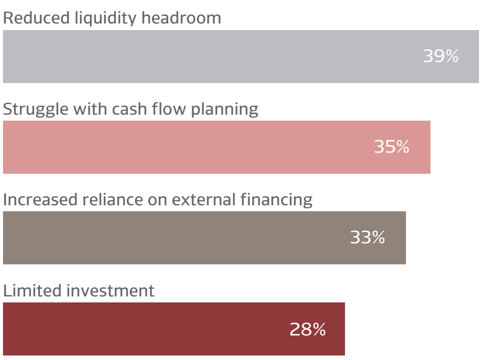
2% - 5% bad debts
26%
Respondents

> 5% bad debts
20%
Respondents

Sample: all respondents in the surveyed market
Source:Atradius Payment Practices Barometer India – 2026

Top 4 impacts of customer payment risk on working capital

% of respondents - multiple response



Sample: all respondents in the surveyed market
Source:Atradius Payment Practices Barometer India – 2026

Looking ahead

Most firms expect insolvencies to remain high

Even as current data signals continued pressure on collection cycles and bad debt exposure, Indian firms, particularly mid-sized businesses and those in industry, remain more optimistic than their Asian peers about the outlook for B2B payment behaviour in the coming months. This suggests companies are tightening controls and managing customer risk more actively, with early signs of improvement reflected more in expectations than in current outcomes. Consistent with this environment, many firms in India still struggle to clearly assess the direction of change. Nearly half expect insolvencies to remain elevated, in line with the regional share, pointing to ongoing stress in the business landscape. At the same time, fewer firms anticipate a further rise in insolvencies compared with Asia, suggesting more cautious expectations. A relatively larger share of businesses also report uncertainty, highlighting limited visibility on how conditions may evolve in the near term.

Expectations of improved profitability in the months ahead remain widespread. However, this sits alongside persistent pressure from delayed payments, liquidity constraints and rising bad debt. The contrast points to a gap between current strain and forward-looking confidence, with firms expecting that tighter customer risk management, stronger collections discipline and operational measures will gradually support performance, even if underlying conditions remain challenging.
When asked about the main risks expected to affect the outlook for B2B payment behaviour in the coming months, companies in India identify a slightly different mix compared with Asia, placing greater emphasis on domestic economic pressure and operational disruption. This focus reflects the reality of a market where payment risk is closely linked to business conditions on the ground. Concern about economic slowdown is more pronounced, reinforcing expectations of continued pressure on cash flow and payment performance. By contrast, inflation concerns are less acute, while views on interest rate risk remain broadly in line with the region.

Operational risks are more prominent in India, with more firms pointing to regulatory changes and supply chain disruptions as key concerns. These factors highlight the importance of managing day-to-day uncertainty in trading conditions. In contrast, cybersecurity risk is cited less frequently than across Asia, suggesting that firms place relatively less emphasis on system related threats and more on commercial and operational challenges. Fraud risk remains broadly consistent across both India and the wider region. Overall, the risk profile in India is more closely tied to real economy and operational dynamics than to purely financial or systemic factors. This reinforces the liquidity pressures already evident in the market and underlines the importance of active and disciplined customer payment risk management. As the year unfolds, businesses are likely to rely increasingly on early intervention, stronger monitoring and tighter credit control to navigate a complex environment and protect profitability.

Key insights on the next page

Key insights

India

Top 3 risks businesses expect to shape B2B payments (next 12 months)

% of respondents - multiple response

#1 | Economic slowdown

#2 | Inflation and cost pressures

#3 | Geopolitical instability

Sample: all respondents in the surveyed market

Source:Atradius Payment Practices Barometer India – 2026

Expected insolvency risk outlook (next 12 months)

% of respondents

Stay elevated	Rise further	Not sure
42%	46%	12%

Sample: all respondents in the surveyed market

Source:Atradius Payment Practices Barometer India – 2026

India's approach to payment risk mitigation reflects a more active and hands-on way of managing risk. Compared with Asia, firms rely less on bad debt reserves and more on operational measures such as tighter payment terms, upfront payments, active credit management and early payment incentives. As payment behaviour remains less predictable, more firms in India also turn to credit insurance to protect cash flow and reduce exposure to unexpected losses

Survey design

Sample overview – Total interviews = 301

Business sector	% of respondents
Industry	20%
Construction	20%
Trade	20%
Services	40%
TOTAL	**100%**

Business size	% of respondents
Micro <10 employees	23%
SME 10-49 employees	26%
SME 50-249 employees	24%
Large 250 or more employees	27%
TOTAL	**100%**

Survey methodology

We updated our panel to better reflect the market structure across activities and size classes. Additional details on the survey sample design can be found in the statistical appendix. For this edition, comparisons with previous reports are not possible, with annual variation captured only through respondent feedback.

Survey scope

Population: Companies from India were surveyed, with interviews conducted with the appropriate contacts responsible for accounts receivable management.

Sample design: The Strategic Sampling Plan enabled analysis of India data by sector and company size. Across Asia, a total of 2,145 businesses participated, with quotas maintained across four company size categories. The sample covers businesses where trade credit is actively used, by business sectors and size. Results are reported as weighted percentages to reflect the economic weight of each sector and size class, and market.

Selection process: Companies were contacted via an international internet panel, and respondents were screened for role and quota control at the start of the interview.

Interview method: Computer-Assisted Web Interviews (CAWI), each lasting approximately 15 minutes.

Timing: The survey was conducted during the second half of Q2 2026.

This is part of the 2026 edition of the Atradius Payment Practices Barometer for Asia available at Knowledge and research.

Interested in finding out more?

Please visit the Atradius website to access our latest publications. Click here to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by customers.

To find out more about B2B receivables collection practices in India and worldwide, please visit atradiuscollections.com.

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