



MICROFINANCE INDUSTRY NETWORK

Media Coverage Report

Consolidated Coverage

April 2025

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40	30.04.2025	The Economic Times	Online

Three-Lender Cap Rule: Newly Introduced Loan Rule Effective from April 1

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URL - <https://studycafe.in/three-lender-cap-rule-newly-introduced-loan-rule-effective-from-april-1-372724.html?srltid=AfmBOopfZeRtdP0gZvJkmFGBze37IANL2HHUKo1vJcnHPeqyWLpknJKn>

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THREE-LENDER CAP RULE: NEWLY INTRODUCED LOAN RULE EFFECTIVE FROM APRIL 1

The new rule, i.e., the three-lender cap rule, will be available for micro-lenders, including banks and non-banks and will be applicable from April 1, 2025.

Three-Lender Cap Rule for Borrowers Effective from April 1

Nidhi | Apr 1, 2025 |



THREE-LENDER CAP RULE FOR MICROFINANCE

Three-Lender Cap Rule: Newly Introduced Loan Rule Effective from April 1

The new rule will restrict the borrowers to just a few lenders. MFIN (Microfinance Institutions Network) had introduced in August last year a four-lender cap restricting borrowers to four lenders after it found high debt levels to be resulting in defaults. This limit aims to prevent Excessive borrowing. However, this measure is expected to increase the financial strain on both lenders and borrowers in the short term.

The new rule, i.e., **the three-lender cap rule**, will be available for micro-lenders, including banks and non-banks and will be implemented from April 1, 2025.

What is the Three-Lender Cap Rule?

As per the three-lender cap rule, a borrower is restricted to obtaining loans from no more than three lenders. Experts say that the rule will bring credit discipline in the long run.

As per an expert, the three-lender cap rule will restore discipline among lenders and borrowers. In the short term, this rule is expected to cause some challenges. However, in the medium and long term, the rule will bring positive outcomes.

How will it impact the Borrowers?

According to a report, around **5.3%**, or approximately **4.5 million** microborrowers out of the total 84 million microfinance borrowers, had borrowed loans from more than three lenders as of December last year. Approximately **8%** of borrowers of Bandhan Bank also took loans from three other lenders. On the other hand, the ratio was **14%** for IndusInd Bank.

Due to the new rule, borrowers who have too much debt will find it difficult to get loans from different sources, which could lead to more defaults and worsening loan quality for lenders in the short term.

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URL - <https://c4scourses.in/banking-finance/key-changes-in-regulatory-guidelines-effective-april-1-2025/>

Key Changes in Regulatory Guidelines Effective April 1, 2025

📖 Banking/Finance - April 1, 2025

1. Priority Sector Lending (PSL) Guidelines by RBI

- **Objective:** To enhance credit flow to priority sectors and foster inclusive growth.
- **Changes:**
 - **Increased Limits:**
 - **Education Loans:** Raised limits to encourage access to education financing.
 - **Renewable Energy Loans:** Expanded support for financing renewable energy projects.
 - **Affordable Housing Loans:** Increased limits for loans under affordable housing schemes.
- **Impact:** These changes are expected to boost lending to key sectors that contribute to economic growth and social welfare.

Risk Weights on Bank Loans to Non-Banking Financial Companies (NBFCs)

- **Change:** The RBI has restored the risk weight on bank loans to NBFCs from **125% to 100%**.
- **Effective Date:** April 1, 2025.
- **Impact:** This adjustment reduces the capital burden on banks lending to NBFCs, helping the sector deal with higher borrowing costs.

Revised SRO Guidelines for Micro Finance Institutions (MFIs)

- **Implemented by:** RBI-recognized Self-Regulatory Organization (SRO) for MFIs, MFIN.
- **New Guidelines:**
 - **Borrower Limit:** A borrower will not be able to obtain loans from more than **four lenders** simultaneously.
- **Objective:** This rule aims to reduce over-borrowing and mitigate the risk of excessive debt burdens on borrowers.

Prompt Corrective Action (PCA) Framework for Urban Cooperative Banks

- **Change:** The existing **Supervisory Action Framework (SAF)** for weak Urban Cooperative Banks (UCBs) will be replaced by the **PCA framework**.
- **Effective Date:** April 1, 2025.
- **Key Criteria for PCA:**
 - **Consecutive Losses:** Banks incurring losses for two consecutive years.
 - **Net NPAs:** Net Non-Performing Assets (NPAs) above 6% but below 9%.
 - **Capital Adequacy Ratio (CAR):** CAR up to 250 basis points below the required level.
- **Impact:** The PCA framework is designed to be **principle-based**, with fewer parameters, providing RBI with more flexibility to address financial stress in UCBs.

BL

లోన్ తీసుకునేవారికి ఆర్బీఐ అలర్ట్

రుణాలు తీసుకోవాలనుకునే వారికి అలర్ట్. నేటి నుంచి రిజర్వ్ బ్యాంక్ ఆఫ్ ఇండియా కొత్త నిబంధనను అమల్లోకి తీసుకు వచ్చింది.

By అంజి

Published on : 1 Apr 2025 8:46 AM



లోన్ తీసుకునేవారికి ఆర్బీఐ అలర్ట్

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Also Read - పెరగనున్న సిమెంట్ ధర

ఆర్బీఐ గుర్తింపు పొందిన స్వీయ-నియంత్రణ సంస్థ.. మైక్రోఫైనాన్స్ కంపెనీల కోసం, MFIN నుండి సవరించిన మార్గదర్శకాల ప్రకారం.. రుణగ్రహీతలు ఇకపై ఒకేసారి నలుగురి కంటే ఎక్కువ రుణదాతల నుండి రుణాలు పొందలేరు. ఏప్రిల్ 1 నుండి అమలులోకి వచ్చే ఈ మార్గదర్శకాలు అధిక రుణాన్ని నివారించడానికి, మరింత బాధ్యతాయుతమైన రుణ పద్ధతులను నిర్ధారించడానికి రూపొందించబడ్డాయి.

ఇదిలా ఉంటే.. భారతీయ రిజర్వ్ బ్యాంక్.. ఏటీఎం నగదు ఉపసంహరణలకు కస్టమర్ల నుండి వసూలు చేయగల గరిష్ట రుసుమును రూ.23కి పెంచింది. మే 1, 2025 నుండి అమల్లోకి వచ్చే ఈ కొత్త రుసుము, మునుపటి రూ.21 పరిమితిని ఇది భర్తీ చేస్తుంది. భారతీయ రిజర్వ్ బ్యాంక్ ఏప్రిల్ 1, 2025 నుండి అమలులోకి వచ్చే విధంగా, నాన్-బ్యాంకింగ్ ఫైనాన్షియల్ కంపెనీలకు (NBFCలు) ఇచ్చే బ్యాంకు రుణాలపై రిస్క్ వెయిట్లను మునుపటి 125 శాతం నుండి 100 శాతానికి పునరుద్ధరించింది, ఇది అధిక రుణ వ్యయాలతో పోరాడుతున్న ఈ రంగానికి ఉపశమనం కలిగిస్తుంది.

India's Subprime Bubble Grew 2,100%. Now a Bust Looms

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India's Subprime Bubble Grew 2,100%. Now a Bust Looms

Multiple lenders are chasing the same borrowers amid stagnant incomes at the bottom of the pyramid.

April 4, 2025 at 2:30 AM GMT+5:30



By **Andy Mukherjee**

Andy Mukherjee is a Bloomberg Opinion columnist covering industrial companies and financial services in Asia. Previously, he worked for Reuters, the Straits Times and Bloomberg News.



Multiple lenders are chasing the same borrowers in India. Photographed: Adiel Halim/Bloomberg

Subprime loans in India are teetering on the edge of a fresh crisis, with surveys showing signs of distress among 68% of borrowers. Those who have provided the capital for a multiyear 2,100% expansion will have to stomach losses. The \$45 billion industry will probably muddle through its latest difficulties, though analysts want the central bank to come up with more robust supervision.

It's hard to disagree with that assessment. True financial inclusion has to mean more than a bubble – followed by a bust. The share of loans overdue for between 91 and 180 days has jumped to 3.3%, from a post-pandemic low of 0.8% in June 2023. There's more pain ahead. With 27% of borrowers taking out new loans to service old ones, and some families driven to more extreme coping strategies, such as pulling children out of school, the industry is bracing itself for higher defaults.

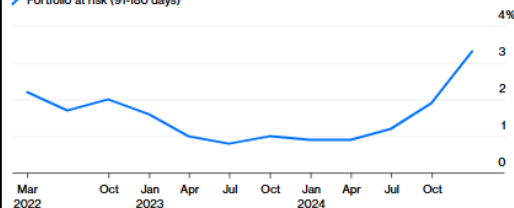
We're talking about very different subprime loans to the ones that crippled the US mortgage industry and contributed to the Global Financial Crisis in 2007-2008. These are small, collateral-free advances known as microfinance that serve millions of self-employed people or those working irregular jobs. There's huge appetite for such debt in an economy where nine out of 10 workers have no formal occupation. Yet, it's a segment that would otherwise not qualify for bank loans.

The industry ensured discipline in the past by advancing money to groups of four to six women and making it their joint responsibility to ensure all members stayed current with repayments. But the social-distancing norms that came with the pandemic put a halt to cohesive rituals like weekly collection meetings.

Pandemic Is Over, But Stress Returns

The percentage of overdue Indian micro loans has risen sharply

Portfolio at risk (91-180 days)



Source: Microfinance Industry Network, Micrometer Dec. 2024



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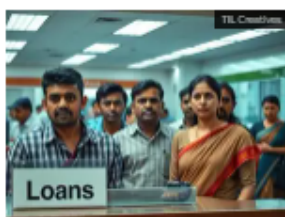
India's subprime bubble grew 2,100%; now a bust looms as debt traps millions of families

By Andy Mukherjee, Bloomberg • Last Updated: Apr 04, 2025, 02:39:00 PM IST

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Synopsis

Subprime loans in India's microfinance sector are experiencing significant distress, with a 68% borrower stress rate and rising overdue loans. The industry's challenges are attributed to borrowers taking new loans to repay old ones, highlighting the need for more robust central bank supervision.



India's subprime time bomb ticks as debt traps millions of families

Subprime [loans in India](#) are teetering on the edge of a fresh crisis, with surveys showing signs of distress among 68% of borrowers. Those who have provided the capital for a multiyear 2,100% expansion will have to stomach losses. The \$45 billion industry will probably muddle through its latest difficulties, though analysts want the central bank to come up with

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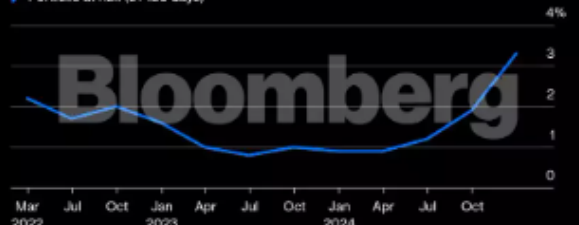
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Bloomberg Opinion



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India subprime loans on edge of crisis with distress among 68% borrowers

The \$45 billion industry will probably muddle through its latest difficulties, though analysts want the central bank to come up with more robust supervision

Bloomberg

5 min read Last Updated : Apr 04 2025 | 7:00 AM IST



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By Andy Mukherjee

Subprime loans in India are teetering on the edge of a fresh crisis, with surveys showing signs of distress among 68 per cent of borrowers. Those who have provided the capital for a multiyear 2,100 per cent expansion will have to stomach losses. The \$45 billion industry will probably muddle through its latest difficulties, though analysts want the central bank to come up with more robust supervision.

It's hard to disagree with that assessment. True financial inclusion has to mean more than a bubble — followed by a bust. The share of loans overdue for between 91 and 180 days has jumped to 3.3 per cent, from a post-pandemic low of 0.8 per cent in June 2023. There's more pain ahead. With 27 per cent of borrowers taking out new loans to service old ones, and some families driven to more extreme coping strategies, such as pulling children out of school, the industry is bracing itself for higher defaults.

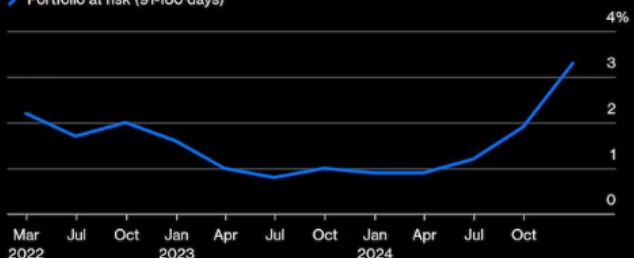
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Portfolio at risk (91-180 days)



Source: Microfinance Industry Network, Micrometer Dec. 2024

Bloomberg Opinion

"It has since then become difficult for microfinance institutions to engender the same level of group solidarity," Dvara Research, a Chennai-based policy research institution, said in a paper last month. "Customers now know that it is, in fact, possible to evade the social pressure implicit in a group setting that was the mainstay of joint liability."



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Microfinance: More Pain Ahead

In Focus

Microfinance: More Pain Ahead

Accelerated write-off of loans and higher provisions are hurting the profitability of banks and microfinance firms, and experts see pressures waning out only by September

By SALIL PANCHAL

Data from the MFIN
(Microfinance Industry
Network) Macrometer
shows a slowdown in
disbursements across the
microfinance industry



PHOTO: SHANTANU

FORBES INDIA • APRIL 4, 2025

Investor confidence in Indian equities remains fragile. That's reflective in the Nifty Total Market Index—comprising mid, small and micro-cap stocks—which is down 25.2 percent in the past six months. Financial services comprise a third of this Index and include some of India's recently listed standalone microfinance firms and small finance banks (SFBs).



The Weakening Health of MFIs and Small Finance Banks

Utkarsh Small Finance Bank Micro-banking lending Disbursements



which have been the worst hit and are trading at their lifetime lows.

Weakening asset quality has led to microfinance companies resorting to higher provisions to deal with potential bad loans. Latest data from the MFIN (Microfinance Industry Network) Micrometer shows a slowdown in disbursements across the microfinance industry (see infographics). Higher provisions are now weakening profits of these firms, reflected in a loss of investor confidence and lower stock prices.

SFBs such as Utkarsh Small Finance Bank show slowing disbursements and weakening asset quality, while pure microfinance firms such as Fusion Finance have seen gross NPAs (non-performing assets) rising over the past four to five quarters. The much larger microfinance institution, CreditAccess Grameen, has swung into a loss for the December-ended quarter while resorting to an accelerated write-off of loans. Similarly, Muthoot Microfinance saw its nine-monthly and quarterly profits hurt by higher provisions for bad loans.

The Reserve Bank of India (RBI), in its December 2024 Financial Stability Report, spoke about rising delinquencies across all types of lenders and ticket sizes. "Alongside delinquencies, borrower indebtedness has risen notably. The share of borrowers availing loans from four or more lenders had increased from 3.6 percent to 5.8 percent in the past three years (September 2024 over September 2021)," the report says. Also, the quarterly average ticket size of microfinance loans disbursal has risen by 43 percent over this period (₹35,299 in Q2FY23 to ₹50,430 in Q2FY25).

This has led to self-regulatory guardrail actions from the industry body MFIN and easing of norms from the RBI, to boost liquidity towards microfinance lending (see box). It is yet another effort to

In Focus

signal to the lenders—and the low-income borrowers—that steps are being taken to instill confidence in the microfinance system.

To address the concerns of rising delinquencies, in November 2024, MFIN had tightened lending limits, stating that not lending to an NPA (overdue by >90 days) with an outstanding amount of above ₹3,000 had been tightened to “no lending to a delinquent client (overdue for >60 days) with an outstanding amount of over ₹3,000.

These regulatory actions have come in after banks, NBFCs and MFIs have been aggressive lenders to the bottom-of-the-pyramid borrowers, through unsecured lending and without major caps imposed.

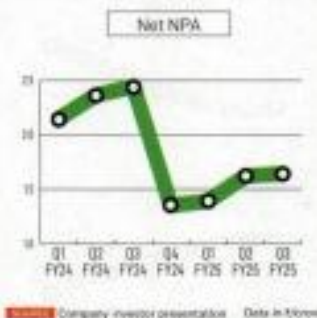
CALIBRATED LENDING

The near-term commentary about microfinance firms is not encouraging. CreditAccess Grameen, India's largest microfinance institution with AUM (assets under management) in excess of ₹22,600 crore, has a preliminary outlook of 18 to 20 percent growth in AUM and a 4.2 to 4.5 percent return on assets growth for FY26.

However, it decided to go for an accelerated write-off of loan accounts, calculated at ₹376 crore for Q3FY25 and ₹606 crore for 9M FY25, with a provisioning of 5.07 percent (1.81 percent a year earlier).

After the Q3FY25 earnings, CreditAccess Grameen's Chief Executive Ganesh Narayanan told analysts on January 24 that they “continue to hold ₹134 crore higher provisions compared to the NBFC industry and 243 basis points or ₹587.5 crore higher provisions over PAR 90” (the portfolio at risk percentage which is overdue by 90 days).

The conservative provisioning and accelerated write-offs have hurt its profitability for the December-ended quarter (down 128 percent



“While Bandhan Bank's overall loan book has grown, we have retained our MFI portfolio to stabilise within that growth itself.”

year-on-year at a loss of ₹99.5 crore), but the company is more concerned that future profitability and financial stability are maintained.

In an update released on March 6, CreditAccess Grameen said the PAR >60 was at 4.3 percent (3.8 percent in December 2024) while PAR >90 was at 3.4 percent (2.6 percent in December), but the overall ‘not past due’ portfolio has improved in quality and >40 percent of borrowers in PAR 1-60 making partial payments.

CreditAccess Grameen declined to participate for this story.

Muthoot Microfinance, the microfinance arm of the Muthoot Pappachan Group, with 34.2 lakh customers and an AUM of ₹12,404 crore is also adopting a conservative approach to microfinance lending and not going aggressive in the current environment. This has meant a decline of around 21.5 percent year-on-year and 23.9 percent quarter-on-quarter of loan disburseals.

“Definitely, we, at Muthoot Microfinance, need to have a calibrated approach to lending at least for the next two to three quarters,” Sadaf Sayeed, CEO of Muthoot Microfin, tells Forbes India. The company has an 89 percent provision coverage. “We plan to increase this a bit more for Stage 3 (90-days overdue loans). The provision for this category is 58 percent and they will take it to around 80 percent. “So that is where, definitely, more provision cover will be created in the quadrant,” Sayeed says.

Bandhan Bank, a commercial bank whose business model grew out of microfinance lending, says it introduced multiple guardrails more than two years back. “While the bank's overall loan book has grown, we have retained our MFI portfolio to stabilise within that growth itself,” Rajinder Bobbar, executive director and chief business officer (ED & CBO) of

Bandhan Bank, tells *Forbes India*.

The Bank's EEB-SBAL (Emerging Entrepreneurs Business) book—which includes micro loans, micro home loans and micro enterprise loans—constituted 42.5 percent of the total loan book in December 2024. It was about 50 percent in December 2023 and the bank has publicly spoken about the need to diversify its lending, away from microfinance into more secured lending.

The overall EEB collection efficiency ratio for Bandhan Bank has moved to 97.4 percent in December 2024 from 98.1 percent in the September-ended quarter. Its collection efficiency in West Bengal and Assam has remained stable at 98.8 percent and 99.2 percent, respectively.

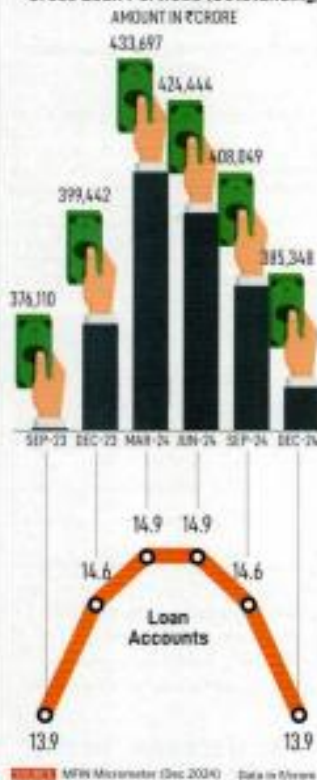
"We are working on further strengthening our analytics capabilities, branch monitoring, and operating procedures, enabling a digital app-based collection mechanism. This will enhance the overall portfolio quality of the EEB book," Babbar says. Bandhan Bank has announced provisions in the EEB portfolio and as of December 2024, its provision was 85.4 percent, including write-offs, and excluding write-offs, at 73.5 percent.

WEAKENING MACROS

The genesis of the rising NPAs in the microfinance sector started due to a weakening macroeconomic environment. In the last three to four years, rural wages in India have fallen by 4 percent from a real income perspective. In this period, food inflation rose to about 15 percent before climbing down. "With inflation high, poor rural households compromise on non-food expenditure. While ensuring that there is no default on a home loan for their gold jewellery, the area they compromise on is on unsecured loans," explains Muthoot's Sayeed.

Micro loan borrowers usually have a small business. They use this

Microfinance in India Gross Loan Portfolio (Outstanding)



money partly for consumption, partly for that business. And that money continues to rotate. They borrow from one, invest some in business, then repay some loan, and then they borrow from another, and later

"While ensuring there is no default on a home loan for their jewellery, the area poor rural households compromise on is on unsecured loans."

retake the loan. "But if you look at disbursements in the microfinance space, they have come down by almost 45 percent for the industry. It has almost halted," Sayeed says.

Nitin Aggarwal, head-BFSI (Institutional equities) at Motilal Oswal Securities, says, "The borrowers had been over leveraged. Business activity did not pick up as rural incomes did not grow and there were multiple lenders offering loans to the same customer." Bankers say such practices lead to rising defaults and higher delinquency rates for financial institutions. This is now being rectified across the industry.

Aggarwal believes that the impact will be deeper until the uncertainty is addressed. "Things could get much worse before they start to improve," he tells *Forbes India*, indicating one or two more quarters of pain for the microfinance industry.

Bandhan Bank's Babbar says additionally factors such as regional economic distress, weather-related disruptions and localised political interventions in some areas have affected rural incomes and subsequently impacted the repayment capacity of the borrowers, exacerbating the challenges faced by microfinance institutions.

Babbar warns that while the microfinance industry has ensured that the past setbacks have always been temporary, "the current emerging stress points require close monitoring to ensure the long-term stability of the industry and the welfare of the borrowers". He is, however, confident that the industry will navigate and overcome this crisis within a few months. Muthoot's Sayeed agrees, saying that by September "normalcy will return".

Sayeed's optimism comes from the fact that inflation has dropped off. Also, after the festive season, cash flows from various government schemes towards rural households

In Focus

and small businesses have started to improve. "And agricultural output has been quite healthy. The Kharif crop was pretty good, and Rabi sowing is also going well. So, we feel that even that harvest would be good. I definitely think that will help the cash flows of rural households to improve and disbursements will improve too, though being quite low compared to a year earlier," he argues.

CAPITAL ADEQUACY CHALLENGES

In February, the RBI announced reducing the risk weight on microfinance loans to 100 percent from 125 percent earlier, applying it to commercial banks, SFBs, regional rural banks and local area banks.

Bandhan Bank's Babbar sees the move as a "positive" for the sector. "The decrease in risk weightage will ease capital requirements for banks and NBFC-MFIs, potentially lowering the cost of funds and facilitating increased credit flow to the microfinance sector," he says. Over time, these regulatory measures will enhance resilience and protect both lenders and borrowers from excessive risk-taking.

Muthoot's Sayeed says for banks, the advantage is that wherever they had an exposure in terms of NBFCs, their risk weightage will go down. "This means there will be more scope in terms of availability of capital." For the microfinance sector, more liquidity from lenders means that they can deploy the same which is a benefit for the industry.

Banks have, in recent years, been comfortable, and possibly

Recent Microfinance-Related Regulatory Action

MFIN (Microfinance Industry Network) — SRC action

Number of microfinance lenders to a microfinance client reduced to 3 from 4

The total indebtedness or outstanding loan amount of a microfinance client to be ₹2 lakh. However, it will include both microfinance loans and unsecured retail loans

The existing industry norm of not lending to an NPA client (overdue for >90 days) with an outstanding amount of >₹3,000 has been tightened to "no lending to a delinquent client (overdue for >60 days) with an outstanding amount of >₹3,000"

Reserve Bank of India

Microfinance loans in the nature of consumer credit (not qualifying for regulatory retail) shall be risk weighted at 100 per cent (from 125 percent earlier)

Source: MFIN, RBI press releases

even aggressive, in lending towards microfinance, considering it is a high-margin game and which also helps most private lenders meet their priority sector lending needs. But rising delinquencies have meant

"The decrease in risk weightage will ease capital requirements for banks and NBFCs-MFIs, potentially lowering the cost of funds."

a rise in credit costs for most in the microfinance space, given other ground-level challenges and lower-collection efficiencies in some states in recent months.

New-age universal bank IDFC First Bank has also not been spared. Its SMA-1 and SMA-2 portfolio for products such as personal loans, credit cards, loans to MSMEs and mortgages etc. have all been stable in 2024, barring microfinance where credit costs have risen to 4.56 percent in December 2024, compared to 1.27 percent in the March-ended 2024 quarter. But speaking to analysts on January 25, IDFC First Bank's MD & CEO V Vaidyanathan said the bank has been slowing down their microfinance book not just due to rising credit costs but also slowing income growth in that segment. He, however, added that "this MFI is a temporary situation. It will go". Vaidyanathan declined to participate for this article.

In the current scenario, as bad loans in microfinance remain, smaller MFIs with limited capital buffers may experience slightly higher challenges due to rising delinquencies and higher credit costs in the industry. Some of the MFIs may face liquidity constraints, impacting their ability to grow or refinance existing debts in the short term.

The difference between the crisis now and the one in Andhra Pradesh in 2010 is that most of the MFIs are better capitalised today. Experts say those players that have around 15 to 18 percent capital adequacy will find funding from banks and access to capital difficult.

The good part is that microfinance loans are usually for two years—unlike large and longer-duration corporate loans—and hence the pain cycle will also go away quickly. However, MFIs and NBFCs cannot afford to slacken on underwriting and risk management practices. **1**

The Karnataka Ordinance Impact

The Karnataka government in February had promulgated The Karnataka Micro Loan and Small Loan Prevention of Coercive Actions Ordinance to provide relief to borrowers from forced and illegal loan recoveries by unregistered MFIs and moneylenders. It was tabled in the state legislative assembly on March 6. All regulated banks and microfinance institutions will be



exempted from the provisions of the ordinance. But bankers and NBFCs complain that the ordinance has created fear and confusion for companies and borrowers alike on the ground, causing higher delinquencies. CreditAccess Grameen, in a March 6 presentation, says its PAR D in Karnataka remains lower than certain other regions, but is confident that the situation could normalise over the next one or two months.

Muted growth for NBFCs seen in Q4

Muted growth for NBFCs seen in Q4

● NBFC-MFIs are set to witness a 15% y-o-y decline in AUM

DEMAND MOMENTUM FOR NBFCs remained subdued in Q4FY25. We project a 9% y-o-y growth in assets under management (AUM) for our coverage housing finance companies (HFCs), which includes both affordable and large players. Vehicle financiers are expected to report a robust 20% y-o-y AUM growth, while gold lenders (including non-gold portfolios) may post 29% y/y growth.

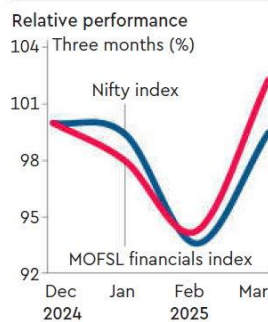
NBFC-MFIs are estimated to witness a 15% y-o-y decline in AUM. Diversified lenders are expected to deliver strong AUM growth of 21% y-o-y. For our NBFC coverage universe, we estimate loan growth of 15% y-o-y and 4% q-o-q as of March 2025. Notwithstanding seasonality, demand trends and loan growth remained flat during the quarter due to calibrated growth in unsecured retail, muted disbursements in microfinance and low mortgage volumes.

Cost of borrowing (CoB) for most NBFCs has remained stable or declined slightly, largely due to the repricing of EBLR-linked borrowings. However, the benefit from bank MCLR reductions is yet to be transmitted, with most NBFCs anticipating a lag of 3–6 months before it materialises. NIMs in Q4 are expected to remain stable or see a slight compression, driven by some pressure on yields. That said, fixed-rate lenders such as vehicle financiers are likely to see stable or marginally improved NIMs, especially as they stand to benefit from potential repo rate cuts in the coming 3–6 months. We expect a sequential expansion in NIM for Cholamandalam Investment and Finance Company (CIFIC) (from higher yields) and MFIs (from lower interest income reversals).

Asset quality remained largely stable or saw a minor improvement, driven by significant collection efforts during the quarter. Asset quality, which usually improves in Q4, is not clearly there in this quarter. Collection efficiencies for MFIs have improved m-o-m, and even Karnataka collections saw a sharp recovery in Mar'25 (vs. Feb'25). While credit costs for all MFIs under our coverage will decline sequentially, they still remain high at 9%–



TAKING STOCK



34% in Q4FY25.

Asset quality for HFCs (including affordable HFCs) is largely stable with an improvement bias. Power financiers are also expected to report improvement in asset quality, driven by the complete resolution of a stressed asset. Credit costs for vehicle financiers will be significantly higher in this quarter than in Q4 of the previous fiscal years.

We estimate 13%/15% y-o-y growth in NII/PPoP in Q4FY25 for our NBFC coverage universe, though PAT is expected to be flat y-o-y. Excluding NBFC-MFIs, we estimate 5% y-o-y growth in PAT for our coverage universe. We remain underweight in microfinance and would closely monitor any impact on collections from the implementation of MFN guardrails 2.0 from Apr'25. Our preference is for vehicle financiers, select affordable HFCs and diversified lenders. Our top picks in the sectors are: Shriram Finance, HomeFirst and PNB housing finance.

MOTILAL OSWAL

Bank NPAs to rise in FY26 on retail stress; NIM to moderate: ICRA

URL - <https://www.thehindubusinessline.com/money-and-banking/banks-npas-to-rise-in-fy26-on-retail-stress-nim-to-moderate-says-icra/article69427097.ece>

Bank NPAs to rise in FY26 on retail stress; NIM to moderate: ICRA

Piyush Shukla
Mumbai

After showing improvement in asset quality in FY25, Indian banks' non-performing asset (NPAs) ratio will likely rise in FY26 due to stress in the unsecured retail and small business loan segment and as recoveries and upgrades moderate, ICRA Ratings said on Tuesday.

It said banks' GNPA ratio, which moderated to a decadal low of 2.5 per cent in Q3FY25, could rise to 2.6 per cent in Q4 and 2.8 per cent by FY26-end.

Meanwhile, the net NPA ratio is expected to stay

range bound at 0.6 per cent between FY25 and FY26.

"Asset quality remains monitorable amid broader macro-economic developments and the fresh non-performing advances (NPAs) generation rate is expected to rise in the next few quarters, while the recoveries and upgrades are likely to moderate. Consequently, the quantum of GNPA and credit loss provisions would rise; although the GNPA ratio is estimated to remain range-bound by March 2025 and rise in FY2026," it added.

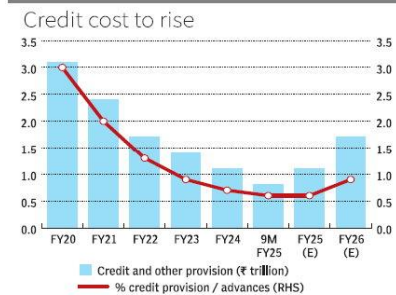
Guidelines of 'MFIN', a Reserve Bank of India (RBI)-recognised SRO for MFI sector, which guides lenders not

to extend loans to borrowers with over 3 active loans, will affect such borrowers' liquidity profile, leading to higher delinquencies.

C-D RATIO

ICRA said the RBI's recent measures like repo rate cut, liquidity infusion, deferring timelines to implement updated guidelines on liquidity coverage ratio framework, higher provision for project finance loans and roll back of higher risk weights will help banks to post 10.8 per cent credit growth in FY26 (10.9 per cent in FY25).

Sachin Sachdeva, Vice-President & Sector Head, ICRA, said, "The pro-growth



regulatory stance has revived the lenders' appetite for credit growth in Q4 FY2025

after a brief period of slow incremental credit growth in the initial period of FY2025.

ICRA estimates the incremental credit expansion to be around ₹19-20.5 trillion, clocking a 10.8 per cent growth in FY2026 compared to credit expansion of ₹18 trillion, or a 10.9 per cent growth rate in FY2025."

"With an elevated C-D (credit-deposit) ratio, the competition for deposit mobilisation is likely to remain high even during FY2026, which will limit the banks' ability to cut their deposit rates," added Sachdeva.

PROFITABILITY TO DIP

Lending rates may remain under pressure because of the decline in the external benchmark-linked loans and

competition from debt capital markets.

With expectations of a cumulative 75 basis points (bps) cut in repo rates from February 2025, ICRA expects banks' net interest margins (NIMs) to decline by 15-17 bps during FY26.

Lastly, though ICRA expects the profitability to trend downwards in FY26 with the return on assets (RoA) and return on equity (RoE) at 1.1-1.2 per cent and 12.1-13.4 per cent in FY2026, respectively, the same are estimated to remain comfortable for the projected growth without a significant reliance on fresh capital requirements.

MFI Sector Outlook

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INDIA MFI SECTOR
Investec View

- Current cycle of Indian microfinance appears to be approaching its conclusion

CREDITACCESS
1020.90 ▲ 0.36% 273,384

March Mutual Fund Data
Sectoral/Thematic Funds Inflow At ₹170.09 Cr Vs ₹5,711.6 Inflow (MoM)

CO-POWERED BY SBI

SENSEX GAINERS
POWER GRID 303.00 +9.70
TATA MOTORS 600.15 +17.1
NTPC 359.00 +10.2

Fri, 11 Apr

Market Data:
IDFCFirst ¹⁰_{13m} 59.70 ▲ 0.45 | IEX ¹⁰_{1.1m} 179.64 ▲
EIL ⁵_{754.5k} 160.49 ▲ 1.61 | Elgi ¹_{705.4k} 415.25 ▲ 13

CNBC TV18

MFI SECTOR OUTLOOK

MFI SECTOR GUARDRAIL 2.0
See Limited Disruption

- 10% of gross loan portfolio has clients with 4 lenders
Portfolio at Risk (0 days) may double from 10% to 22%

#Investec View
CREDITACCESS
1020.25 ▲ 0.29% 273,479

CEO & Direct

March Mutual Fund Data

CO-POWERED BY SBI

Q4 EARNINGS

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There Were No Dark Clouds But Only Temporary Blips In Micro Finance: Micro Finance Industry Network

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Microfinance sector recovering as tighter rules improve credit quality: MFIN

Alok Misra, CEO & Director of the Micro Finance Industry Network (MFIN), said the challenges faced by the sector were not signs of a deeper crisis but rather short-term disruptions caused by a range of external factors, not just microfinance itself.



By Vivek Iyer ✕ | Reema Tendulkar ✕

April 11, 2025, 3:52:52 PM IST (Published)

🕒 3 Min Read



Alok Misra, CEO & Director, Micro Finance Industry Network (MFIN) stated that that overall credit quality in the sector has been improving. "If we look at the sector-level credit data, not individual companies, it peaked in terms of stress in October. Since then, we have seen a steady improvement every month, including in November, December, January, and February," he said.

Loans being disbursed now are performing much better and showing stronger portfolio quality, he added.

Investec believes that the current cycle of Indian microfinance appears to be approaching its conclusion. Asset quality indicators are showing improvement across various MFIs.

Karnataka's moment of MFI crisis

● **DEFAULT MODE**

Karnataka's moment of MFI crisis

RECOVERY WOES. A State move to rein in alleged strong-arm tactics of micro-lenders is stoking fears of an NPA contagion

Aishwarya Kumar
Venkatesha Babu

In January this year, Sharana Basava of Kapagal village, in Manvi taluk of Raichur district in north Karnataka, left home saying he was meeting up with some acquaintances. A construction worker who also drove a rented auto to make ends meet, he, however, did not return home that day. His shocked family soon found out that he had died by suicide. The 35-year-old is survived by his aged parents, wife Parvati and three young children.

Parvati alleges that Basava was pushed to take the extreme step owing to continuous harassment from the 'collection agents' of the microfinance companies that had lent him about ₹4 lakh. She says the money was borrowed to meet the health needs of Basava's parents and other household expenses as his work and income had dried up. He was harassed and verbally abused since he had failed to repay a few instalments on time, she says.

Demanding justice, Parvati even mailed her 'mangalasutra' (necklace symbolising her marital status) to Karnataka Home Minister Dr G Parameshwara.

Hers is not an isolated case in the State, however.

Jayasheela, a 53-year-old woman from Ambale village, ended her life in January as she was struggling to repay the ₹5 lakh she had borrowed from two microfinance companies. She used the loan money, with repayments scheduled in monthly instalments of ₹20,000, to buy a cow and agricultural tools. When the cow fell sick and died, her income dried up.

Over the last six months, 22 to 38 deaths under similar circumstances have been reported from across the State.

Shying away from linking the deaths directly to microfinance activity, government sources say the causes vary from family problems to land disputes and health issues.

However, the tragic developments do serve as a grim reminder of how microfinance's lending ecosystem, meant to empower millions financially in underserved communities, can sometimes turn into a death trap.

The gross loan portfolio of microfinance institutions (MFIs) in India stood at a staggering ₹3.91



FUND OF HOPE. Microfinance is meant to empower millions financially in underserved communities BLOOMBERG

lakh crore in the third quarter of FY25, according to CRIF data. In Karnataka alone, MFIs support over one crore individuals, including around 63 lakh unique borrowers.

The State's MFI portfolio surged from ₹16,946 crore in March 2019 to ₹42,265 crore in March 2024, according to data from Microfinance Industry Network (MFIN), an industry body.

PUBLIC PRESSURE

Amid rising distress levels among borrowers, there is mounting backlash against the alleged aggressive collection tactics of MFIs; industry players, however, argue that personal or family issues, rather than financial troubles, were driving borrowers over the edge.

Public pressure pushed the Karnataka government to act. In March, the State Assembly passed the Micro Loan and Small Loan (Prevention of Coercive Actions) Bill, which proposes to fully discharge borrowers from repaying loans, including interest, taken from unlicensed and unregistered MFIs.

Other states, too, have had their share of trouble with microfinance activity. Back in 2011, Andhra Pradesh was roiled by more than 70 suicides reportedly linked to the aggressive recovery tactics of MFIs. This sparked national outrage and a regulatory overhaul.

SKS Microfinance, the then leading MFI player, saw its man-

agement purged and was eventually salvaged through a merger, under a new identity, with IndusInd Bank.

Similarly, in Assam, in the lead-up to the 2021 State elections, political parties promised loan waivers, prompting many borrowers to stop repayments. This triggered a financial crisis among MFIs. In response, the State introduced the Assam Micro Finance Institutions (Regulation of Money Lending) Act, 2020, to regulate lending and protect borrowers.

WORRY OVER NPA

In Karnataka, MFIs, banded together under the Association of Karnataka Microfinance Institutions (AKMI), blame the current crisis on "a few bad apples", which are unlicensed and unregulated. They bemoan that the surge in default rates has led to a spike in non-performing assets or NPAs.

In Haveri district, where 26 MFIs have cumulatively disbursed loans worth ₹1,692 crore, AKMI says repayment rates have plummeted to 30 per cent. "Earlier, repayment used to be 90-92 per cent," says a senior executive of Navachetan Microfinance Ltd, who requested anonymity. He suspects that vested interests and local political leaders are encouraging defaults. This not only impacts the credit scores of borrowers, but also leaves genuine borrowers high and dry as MFIs cut down on

lending, he adds.

AKMI worries that organised MFIs are being tarred with the same brush as fly-by-night operators, leading to rising loan delinquencies.

The cumulative loan book of MFIs in Karnataka contracted to ₹34,000 crore by December 2024 from ₹42,000 crore in March 2024 (excluding microfinance loans reflected in banks' portfolios), and it is projected to slide further after the fourth quarter numbers are tallied.

The recurring troubles raise uncomfortable questions: Are systemic failures embedded in the microfinance model? Is the industry's foundation structurally flawed?

RECURRING HICCUPS?

Suresh Krishna, former MD of CreditAccess Grameen, co-founder of AKMI and MFIN, and now a committee member of the self-regulatory organisation Sa-Dhan, points to regulatory loopholes: "When the RBI lifted the cap on the number of lenders, many institutions began lending without evaluating how much a person had already borrowed. While credit bureaus provide some insight, they are not foolproof. There's a lag of almost a month in updating borrower data."

An industry veteran, requesting anonymity, explains that while microfinance can be a disciplined, near foolproof system, its profitability attracts undis-

ciplined players. "Interest rates are high. From the outside, it looks like a very profitable business — and it is, if managed correctly. But if run poorly, periodic crises can wipe out all profits."

He adds that the very structure of microfinance — equated monthly or weekly instalments — is often incompatible with the needs of borrowers who invest in small enterprises. "Capital expenditure may be funded through longer-term loans like micro-mortgages but working capital still lacks adequate product support. The industry must develop alternatives to EMI-based lending for businesses."

CORRECTIVE MEASURES

To address the issues adversely impacting the microfinance sector, RBI-recognised industry bodies MFIN and Sa-Dhan have announced key reforms, effective April 1. A primary change is in limiting the number of lenders per borrower to four — a reversal of the post-Covid relaxation.

"People started borrowing from multiple sources, leading to over-borrowing and the strain of managing multiple repayments," says a senior AKMI official.

Short loan tenures exacerbate the worries, he adds. "Borrowers need a minimum of five-year repayment period, instead of three years."

Krishna says unregulated players distort the market by flouting the industry's code of conduct and resorting to aggressive recovery practices.

LOOKING AHEAD

The recurrent crises in the microfinance sector underscore the urgent need for stronger safeguards, better-designed loan products and tighter regulatory oversight.

To meet working capital needs, the sector must develop more flexible and enterprise-friendly products, an industry veteran advises.

Krishna adds that real-time credit monitoring could help prevent over-borrowing. "Credit bureau data should be uploaded and accessible in real-time, so lenders know exactly how much a borrower has taken from others," he says. And to ensure that customer rights are honoured without fail, "there should be greater awareness about the grievance redressal systems in place," he says.

वित्तीय साक्षरता कार्यक्रम में महिलाओं को वकया जागरूक

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वित्तीय साक्षरता कार्यक्रम में महिलाओं को किया जागरूक

Gorakhpur News - गोरखपुर के अड़िलापार गांव में माइक्रो फाइनेंस इंडस्ट्री नेटवर्क द्वारा वित्तीय जागरूकता कार्यक्रम का आयोजन किया गया। मुख्य अतिथि मनोज कुमार श्रीवास्तव ने बचत और निवेश के महत्व पर जोर दिया। नाबार्ड की...

गोरखपुर, वरिष्ठ संवाददाता। माइक्रो फाइनेंस इंडस्ट्री नेटवर्क की ओर से अड़िलापार गांव में वित्तीय जागरूकता को लेकर कार्यक्रम का आयोजन किया गया। मुख्य अतिथि जिला अग्रणी बैंक प्रबंधक मनोज कुमार श्रीवास्तव ने कहा कि बचत और निवेश, बचत योजनाओं और निवेश विकल्पों के बारे में जानकारी जरूरी है। नाबार्ड की जिला विकास अधिकारी दीप्ति पंत ने और माइक्रो फाइनेंस के अधिकारी विजय वाधवा ने कहा कि ग्राहक शिकायत निवारण पर शिकायत दर्ज हो सकती है। इस दौरान अजय तिवारी, शैलेश तिवारी के साथ बड़ी संख्या में महिलाएं उपस्थित रहीं।

ग्रामीणों को बचत और निवेश की दी जानकारी

जागरण संवाददाता, गोरखपुर: रिजर्व बैंक ऑफ इंडिया की ओर से मान्यता प्राप्त माइक्रो फाइनेंस इंडस्ट्री नेटवर्क द्वारा अड़िलापार गांव में वित्तीय जागरूकता को लेकर कार्यक्रम का आयोजन किया गया। बतौर मुख्य अतिथि जिला अग्रणी बैंक प्रबंधक मनोज कुमार श्रीवास्तव ने कहा कि बचत और निवेश, बचत योजनाओं और निवेश विकल्पों के बारे में जानकारी जरूरी है। लोग बैंक और वित्तीय संस्थाओं से ऋण लेकर काम करें, लेकिन अच्छे क्रेडिट स्कोर के लिए समय से इसे चुकता भी करें।

मनोज श्रीवास्तव ने महिलाओं को बजट बनाने और खर्च को नियंत्रित करने के तरीके की जानकारी दी। विभिन्न प्रकार के बीमा योजनाओं के



बचत और निवेश की जानकारी देते अग्रणी बैंक प्रबंधक मनोज श्रीवास्तव • जागरण

साथ वित्तीय फ्राड से बचने के लिए आवश्यक सावधानी बरतने के बारे में महिलाओं को जागरूक किया।

नाबाई की जिला विकास अधिकारी दीप्ति पंत ने कहा कि वित्तीय साक्षरता किसी भी व्यक्ति के जीवन का एक महत्वपूर्ण पहलू है। इस इलाके में अनधिकृत लोग भ्रामक प्रचार कर रहे

हैं। इससे भ्रमित होने की जरूरत बिल्कुल नहीं है।

माइक्रो फाइनेंस के अधिकारी विजय वाघवा ने कहा कि ग्राहक शिकायत निवारण पर शिकायत दर्ज हो सकती है। इस दौरान अजय तिवारी, शैलेश तिवारी के साथ बड़ी संख्या में महिलाएं उपस्थित रहीं।

भोपाल
शुक्रवार
18 अप्रैल 2025
वर्ग: 88, 388 177
पृष्ठ 08,
मूल्य: 02 रुपये

दैनिक
शिखर पुंज
एक अखबार पूरा संसार

RNI - MPHIN/2019/87136


भीम नगर में साक्षरता शिविर हुआ आयोजित, बैंक ग्राहकों को दी जानकारी

शिखर पुंज

विदिशा। साक्षरता शिविर में धीरज सोनी रीजनल हेड - MFIN ने कार्यक्रम का उद्घाटन करते हुए कहा, रविवारीय साक्षरता किसी भी व्यक्ति के जीवन का एक महत्वपूर्ण पहलू है। उन्होंने बताया कि ग्राहक को किसी भी तरह के शिकायत हो तो लोन कार्ड में दिए गए 'ग्राहक शिकायत निवारण' फोन नंबर पर अपना शिकायत दर्ज करवाएं, आप ट्रेडिंक के टोल फ्री नंबर पर कॉल करके भी अपना शिकायत दर्ज करवाकर अपना - अपना समाधान करवा सकते हैं। जबलपुर के भीम नगर क्षेत्र में आयोजित कार्यक्रम में विधायक प्रतिनिधि एवं महिला मोर्चे की जिला अध्यक्ष श्रीमती रूपा राव जी ने वित्तीय साक्षरता के महत्व पर प्रकाश डालते हुए विस्तृत रूप से व्याख्यान दिए और MFIN द्वारा आयोजित माइक्रो फाइनेंस जागरूकता कार्यक्रम की सराहना और बताया कि महिलाएं अपने



जरूरत के हिसाब से ही कर्ज लें और समय पर वापसी करें। कार्यक्रम में जिला वित्तीय साक्षरता टीम के उत्कर्ष द्विवेदी जी, आई डी एफ सी फर्स्ट बैंक एरिया हेड राम मीणा जी एवं उनकी पूरी टीम सम्मिलित हुई। ज्ञातव्य हो कि उक्त कार्यक्रम का आयोजन 'माइक्रो फाइनेंस इंडस्ट्री नेटवर्क' (MFIN) ने आई डी एफ सी फर्स्ट बैंक के सहयोग से किया गया।

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एक अखबार पूरा संसार

RNI - MPHIN/2019/87136


35 माइक्रो फाइनेंस कम्पनियां कार्यरत है, ये सभी आरबीआई द्वारा रेगुलेटेड होती है : धीरज सोनी

ग्राहकों को जानकारी देकर कर रहे जागरूक, लेनदेन करते समय बरतते सावधानी

माइक्रो फाइनेंस इंडस्ट्री नेटवर्क द्वारा वित्तीय साक्षरता कार्यक्रम लगातार किए जा रहे हैं आयोजित

शिखर पुंज

राज्य में। माइक्रोफाइनेंस इंडस्ट्री नेटवर्क (एमएफआईएन) (जो कि भारतीय रिजर्व बैंक द्वारा मान्यता प्राप्त NBFC - MFN के तहत राष्ट्रीय स्तर पर एक 'सह निष्पादक संगठन' है) द्वारा जल स्मॉल फाइनेंस बैंक की जबलपुर में माइक्रो फाइनेंस जागरूकता कार्यक्रम का आयोजन किया गया। कार्यक्रम का मुख्य उद्देश्य लोगों को वित्तीय मामलों की बेहतर समझ प्रदान करना था। मुख्य रूप से धीरज सोनी रीजनल हेड -



एमएफआईएन ने कार्यक्रम का उद्घाटन करते हुए कहा, रविवारीय साक्षरता किसी भी व्यक्ति के जीवन का एक महत्वपूर्ण पहलू है। इस कार्यक्रम के माध्यम से, हम लोगों को उनके वित्तीय मामलों को प्रबंधन करने में मदद करेंगे। उन्होंने बताया कि जबलपुर जिले में कुल 35 माइक्रो फाइनेंस कम्पनियां कार्यरत हैं, ये सभी माइक्रो फाइनेंस कम्पनियां आरबीआई द्वारा रेगुलेटेड होती हैं। एमएफआईएन ने यह भी बताया कि वे ऐसे कार्यक्रमों को आयोजित करने को योजना बना रहे हैं। यह इसीलिए भी किया जा रहा है, क्योंकि वित्त की दिशा में हम इसके से अधिकतम लोग



आप लोगों के बीच प्रचार कर रहे हैं। उन्होंने बताया कि ग्राहक को किसी भी तरह के शिकायत हो तो लोन कार्ड में दिए गए 'ग्राहक शिकायत निवारण' फोन नंबर पर अपना शिकायत दर्ज करवाएं, आप एमएफआईएन के टोल फ्री नंबर पर कॉल करके भी अपना शिकायत दर्ज करवाकर अपना - अपना समाधान करवा सकते हैं। वित्त विभाग जबलपुर में आयोजित कार्यक्रम में जिला वित्तीय साक्षरता समर्पित पंजीब उन्मूलन से उत्कर्ष द्विवेदी ने वित्तीय साक्षरता के माध्यम पर प्रकाश डालते हुए विस्तृत रूप से व्याख्यान दिए और

ग्राहक सावधानी पूर्वक करें लेनदेन:-

- बचत और श्रद्धा: बचत संचयन और वित्त विभागों के बारे में जानकारी प्रदान करना।
- बहा और काल: बचत लेने और धुंधले के बारे में समझाने देना।
- बर्जेटिंग: बचत करने और खर्च को नियंत्रित करने के तरीके सिखाना।
- बैंक: वित्तीय प्रसार के बीच फेजिंग के बारे में जानकारी देना।
- बेवकूफी से बचना: वित्तीय बेवकूफी से बचने के लिए आवश्यक सावधानी बरतने के बारे में शिक्षा प्रदान करना।

MFIN द्वारा आयोजित माइक्रो फाइनेंस जागरूकता कार्यक्रम को सराहना और कहा कि महिलाएं अपने जरूरत के हिसाब से ही कर्ज लें और समय पर वापसी करें।

**माइक्रो फाइनेंस जागरूकता कार्यक्रम का आयोजन, नागरिकों को किया गया
सतर्क रहने का आग्रह**

माइक्रो फाइनेंस जागरूकता कार्यक्रम का आयोजन, नागरिकों को किया गया सतर्क रहने का आग्रह



ग्राहक शिकायत निवारण नंबर या एमएफआईएन के टोल-फ्री नंबर पर संपर्क करें

– डिजिटल धोखाधड़ी से बचाव के उपायों पर भी विस्तार से की गयी चर्चा सुपौल, भारतीय रिज़र्व बैंक द्वारा मान्यता प्राप्त माइक्रोफाइनेंस संस्थाओं के राष्ट्रीय स्व-नियामक संगठन माइक्रोफाइनेंस इंडस्ट्री नेटवर्क (एमएफआईएन) के तत्वावधान में सोमवार को समाहरणालय स्थित लहटन चौधरी सभागार में एक जागरूकता कार्यक्रम का आयोजन किया गया। कार्यक्रम का उद्देश्य माइक्रो फाइनेंस से जुड़ी जानकारी देना, नागरिकों को वित्तीय रूप से सशक्त बनाना और डिजिटल धोखाधड़ी से सतर्क करना था। कार्यक्रम में जिले के अग्रणी बैंक प्रबंधक अमित कुमार ने कहा समय पर ऋण भुगतान से क्रेडिट स्कोर बेहतर होता है, जिससे भविष्य में आसानी से ऋण प्राप्त किया जा सकता है। यह आर्थिक सशक्तिकरण का मार्ग प्रशस्त करता है। उन्होंने सरकार की विभिन्न योजनाओं की जानकारी भी साझा की। नाबाई के जिला विकास प्रबंधक (डीडीएम) मो नयाज ने एमएफआईएन तथा माइक्रो फाइनेंस कंपनियों के कार्यों की सराहना की। उन्होंने खासकर महिलाओं से अपील की कि वे अपनी जरूरत और चुकाने की क्षमता को ध्यान में रखते हुए ही लोन लें और समय पर भुगतान करें। एमएफआईएन के रीजनल हेड संजय कुमार ने जानकारी दी कि सुपौल-समस्तीपुर क्षेत्र में कुल 27 माइक्रो फाइनेंस कंपनियां कार्यरत हैं, जो सभी भारतीय रिज़र्व बैंक द्वारा विनियमित हैं। उन्होंने कहा, वित्तीय साक्षरता जीवन का अहम हिस्सा है। इस प्रकार के कार्यक्रम लोगों को अपने आर्थिक लक्ष्य हासिल करने में मदद करते हैं। उन्होंने यह भी बताया कि क्षेत्र में कुछ अनधिकृत व्यक्तियों द्वारा फैलाई जा रही भ्रांतियों के मद्देनजर यह कार्यक्रम और भी आवश्यक हो गया था। वरिष्ठ उपसमाहर्ता (बैंकिंग) ने नागरिकों से अपील की कि किसी भी शिकायत की स्थिति में वे अपने लोन कार्ड पर दिए गए ग्राहक शिकायत निवारण नंबर या एमएफआईएन के टोल-फ्री नंबर पर संपर्क करें और जिला प्रशासन को भी सूचित करें। कार्यक्रम में डिजिटल धोखाधड़ी से बचाव के उपायों पर भी विस्तार से चर्चा की गई। विशेषज्ञों ने नागरिकों से सतर्क रहने और किसी भी संदिग्ध गतिविधि की तुरंत सूचना देने का आग्रह किया।

Broker's Call

BROKER'S CALL.

ULJK Research

LUMAX AUTO TECH (BUY)

Target: ₹724

CMP: ₹554.85

Lumax Auto Technologies Ltd (LATL) is a part of the Lumax-DK Jain Group and a leading tier-1 supplier of automotive systems and components. LATL serves as a key supplier to OEMs across diverse segments. In Q3-FY25, LATL successfully acquired a 60 per cent stake in Greenfuel Energy for ₹153.10 crore. Greenfuel Energy is a prominent provider of alternative fuel systems to leading automotive OEMs in India, specialising in CNG core products.

With an expected increase in content value per vehicle to ₹7,000–10,000 over the next two years, this acquisition positions LATL to tap into the rapidly expanding green and alternate fuel market. We view this as a strategic move that not only diversifies LATL's product portfolio but also enhances its entry into a high-growth segment that has garnered increasing attention from Indian automotive OEMs.

We expect Revenue/EBITDA/EPS CAGR of 15.3/16.9/28.1 per cent for LATL (FY24-FY27E). We anticipate LATL to outperform the industry led by new business wins, strong order book outlook and robust execution guidance.

We recommend a 'Buy' rating for Lumax Auto Technologies with a TP of ₹724 based on 18x P/E on FY27E EPS.

Key Risk: Any slowdown in the Indian Automotive industry will have a direct impact on LATL's operations.

Emkay Global

AU SMALL FINANCE BANK (REDUCE)

Target: ₹600

CMP: ₹666.25

AU Small Finance Bank continues to grow its credit portfolio at a healthy pace, defying industry trend and the declining MFI/Card book. However, higher CoF and interest reversal on MFI/Card NPAs has led to continued margin correction (10 bps q-o-q). This, along with elevated credit cost, has kept the bank's RoA in check at 1.3 per cent in Q4 and at 1.5 per cent in FY25.

Though the bank remains confident of clocking strong growth in FY26, it expects margins to remain soft and credit costs to be elevated in H1-FY26. As per management, about 16 per cent of the portfolio remains affected by MFIN 2.0 guidelines (around 13 per cent loans have more than 3 lenders, and remainder have total unsecured exposure of more than ₹2 lakh), and would be closely watched.

Given the macro uncertainty, and asset quality and cost pressures in the run-up to the transition toward it becoming a universal bank, the management has resisted providing RoA guidance for FY26E. The management expects to secure a universal banking licence in CY25 and would take a call on capital-raising accordingly.

We retain Reduce with unchanged TP of ₹600 (2x FY27E ABV), and wait for better clarity on the asset quality/margin trajectory.

Key risks: Faster than expected margin/asset quality turnaround.

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NBFCs poised to grow in FY26 despite challenges in microfinance & personal loans

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URL - <https://www.moneycontrol.com/banking/nbfcs-poised-to-grow-in-fy26-despite-challenges-in-microfinance-personal-loans-article-13003237.html/amp?classic=true>

NBFCs poised to grow in FY26 despite challenges in microfinance & personal loans

Analysts feel that while the MFI sector has been grappling with asset quality stress, the short-term nature of these loans suggests that the worst could be over, unless macroeconomic conditions worsen.

Non-Banking Financial Companies (NBFCs), excluding microfinance institutions (MFIs), are projected to see credit expansion of 13-15 percent in FY26, with total credit crossing Rs 60 trillion by the end of the fiscal, say analysts.

In a media briefing on April 23, Alka Anbarasu, Associate Managing Director, Financial Institutions Group, Moody's Ratings, and Karthik Srinivasan, Senior Vice President and Group Head, Financial Sector Ratings, ICRA, said that while the the MFI and personal loan segments face significant asset quality stress, the broader NBFC sector is projected to maintain stable growth.

Though the NBFC sector faced headwinds in FY25, particularly in unsecured lending, "the worst may be behind them regarding asset quality," said Srinivasan. Lower credit costs, aided by two recent interest rate cuts and the possibility of additional reductions, should provide some relief to the sector, he added.

According to a report presented during the meeting, the NBFC sector is expected to see its return on assets (ROA) moderate to 2.6-2.8 percent in FY26, down from over 3 percent in prior years.

This decline is primarily attributed to elevated credit costs in the personal loan and MFI segments, which have seen significant asset quality deterioration, said Srinivasan.

URL- <https://www.constructionworld.in/policy-updates-and-economic-news/nbfc-set-for-13/72732>

NBFCs Set for 13–15 Per Cent Credit Growth in FY26, Say Analysts

📅 28 Apr 2025 ⌚ 2 Min Read ✍️ CW Team

India's non-banking financial companies (NBFCs), excluding microfinance institutions (MFIs), are projected to see credit growth of 13–15 per cent in FY26, with total credit expected to cross Rs 60 trillion, according to analysts from Moody's Ratings and ICRA.

At a media briefing on April 23, Alka Anbarasu, Associate Managing Director at Moody's Ratings, and Karthik Srinivasan, Senior Vice President at ICRA, said the broader NBFC sector is expected to maintain stable growth despite asset quality stress in the personal loan and MFI segments.

While unsecured lending posed headwinds in FY25, Srinivasan noted that "the worst may be behind them" in terms of asset quality. Lower credit costs, helped by recent interest rate cuts and expectations of more, are likely to support the sector's recovery, he added.

A report presented at the briefing indicated that NBFCs' return on assets (ROA) could moderate to 2.6–2.8 per cent in FY26, down from over 3 per cent previously. Elevated credit costs in personal loans and MFIs are the main factors behind the expected decline, Srinivasan said.

However, segments like home loans and vehicle finance are seen remaining resilient, driven by strong fundamentals and steady demand.

Meanwhile, the MFI sector, which had a robust FY24 with high margins and low credit costs, has witnessed a sharp downturn in FY25. Several major players reported losses over the past nine months, pulling sector ROA close to zero, according to Moneycontrol.

Anbarasu projected a modest recovery in FY26, with MFI ROA expected to bounce back to 1.2–1.3 per cent, though still below historical highs. She added that the short loan tenures in the sector suggest much of the stress may already be recognised unless macro conditions worsen.

To strengthen resilience, the Microfinance Institutions Network (MFIN) has introduced stricter lending norms from April 1, 2025, including tighter credit filters, lower loan limits, and caps on total borrower indebtedness.

"These new guardrails will help curb over-leveraging but may slow loan growth in the near term," Srinivasan said, adding that the current quarter will be critical for MFIs.

Microfinance Provisions Peaked in Q4

URL-https://www.business-standard.com/companies/interviews/microfinance-provisions-peaked-in-q4-says-idfc-first-bank-md-and-ceo-125042700593_1.html

‘Microfinance provisions peaked in Q4’

V VAIDAYNATHAN, managing director and chief executive officer of IDFC First Bank, tells Anupreksha Jain in a video interview that net profit will improve from the first quarter of FY26 because provisions in the microfinance segment have peaked. Edited excerpts:

Net profit has fallen year-on-year in another quarter. When can we see a reversal in the trend?

Provisions against microfinance peaked in Q4FY25. We had said this would happen. Provisions should start coming down, and hence profit will start reflecting it. We expect that in Q1FY26 and onwards we should start seeing an improvement in profit after tax (PAT). This segment is sensitive, and there are state regulations, etc. We need to be watchful.

You have been reducing microfinance loans. With risk weightings on loans to non-banking financial companies reversing from April 1, will you again grow microfinance loans?

We have implemented the new MFIN norms, which will probably keep disbursements moderate. Therefore, we are not expecting any big liftoff.

After such a big incident over the past one year it would not be wise to

Q&A

V VAIDAYNATHAN
MD and CEO,
IDFC First Bank

rush into the segment again in a big way. We will be careful about that. By the end of next year, microfinance will come down to about 3 per cent of the books. We will figure out ways to meet priority-sector lending.

Since interest rates are coming down, where do you see the current account and savings account (Casa) ratio and the credit/deposit ratio in FY26?

We will make efforts to retain the Casa ratio at 47-48 per cent. The credit/deposit ratio has come down from 137 per cent to 94 per cent in six years, which is good progress on a structural basis.

On an incremental basis we lend only 75-78 per cent of deposits. We want to stay the course and end this

financial year like, say, the late 1980s.

Operational costs have come down. What steps has the bank taken to contain costs?

The growth rate in operational costs year-on-year has come down to 12.2 per cent. It was 21 per cent in Q1, 17 per cent in Q2, and 16 per cent in Q3. It has been curtailed through many means. The bank has reduced travel costs, courier costs, and SMS costs. We are doing transformation projects like making our journeys digital, using less paper, etc. We work like a tech bank.

Plans to raise capital?

We have no equity plans now but may raise funds through Tier-II

bonds. We are waiting for interest rates to cool. Hopefully the bank will be upgraded once profit starts going up and the capital buffers come in. We will wait for better times.

What is the guidance on loans to the retail sector, agriculture, MSMEs (micro, small and medium enterprises), and big companies?

Our RAM (retail, agriculture, and MSME) books are about ₹1.9 trillion. The MSME sector is an important component in this. Corporate is about ₹45,000 crore. We will grow all five engines — retail, agri, MSME, commercial and corporate. We are planning to grow in commercial, ie have a turnover of, say, ₹100 crore to ₹750-800 crore. We are looking to build a team with which we will grow this. We will be watchful on quality.



“WE WILL GROW ALL FIVE ENGINES — RETAIL, AGRI, MSME, COMMERCIAL AND CORPORATE”

India's microfinance sector projected to grow by 12–15 pc in FY26

Publication : IANS Business

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://business.ians.in/detail/indias-microfinance-sector-projected-to-grow-by-1215-pc-in-fy26--20250428115056>

India's microfinance sector projected to grow by 12–15 pc in FY26

Mumbai, April 28 (IANS) The micro-finance sector (MFI) in India is projected to grow by 12–15 per cent in FY26 under a conservative scenario, returning to FY24 levels, a report showed on Monday.

Publication : The Free Press Journal

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://www.freepressjournal.in/business/indias-microfinance-sector-poised-for-steady-growth-credit-discipline-and-portfolio-quality>

India's Microfinance Sector Poised For Steady Growth, Credit Discipline And Portfolio Quality

The microfinance industry in India is projected to grow by 12–15% in FY26 under a conservative scenario. The MFIN guardrails are a timely step to curb over-indebtedness and strengthen asset quality, though they may create short-term operational and financial strain, especially for smaller MFIs,” said Mahendra Patil, Founder and Managing Partner, MP Financial Advisory Services LLP.

URL- <https://www.bhaskarhindi.com/other/microfinance-credit-costs-to-decline-from-7-year-high-report-1136412>

विज्ञान/प्रौद्योगिकी: वित्त वर्ष 2026 में भारत के माइक्रो-फाइनेंस सेक्टर में 12 से 15 प्रतिशत की वृद्धि का अनुमान

मुंबई, 28 अप्रैल (आईएनएस)। भारत में माइक्रो-फाइनेंस सेक्टर (एमएफआई) में वित्त वर्ष 2026 में 12 से 15 प्रतिशत की वृद्धि का अनुमान है। इसके साथ ही यह वित्त वर्ष 2024 के स्तर पर वापस आ जाएगा। यह जानकारी सोमवार को आई एक रिपोर्ट में दी गई।

Publication : Lokmat Times

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://www.lokmatimes.com/business/indias-microfinance-sector-projected-to-grow-by-12-15-pc-in-fy26/>

India's microfinance sector projected to grow by 12–15 pc in FY26

Mumbai, April 28 The micro-finance sector (MFI) in India is projected to grow by 12–15 per cent in FY26 under a conservative scenario, returning to FY24 levels, a report showed on Monday.

In a more favourable environment, particularly if rural incomes recover on the back of a normal monsoon, growth could be a tad better, said MP Financial Advisory Services LLP (MPFASL) in its report.

The MFI sector has consistently demonstrated resilience, having recovered from past disruptions such as demonetisation and the COVID-19 pandemic.

Publication : The Columns

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://www.thecolumns.in/news/25461>

India's microfinance sector projected to grow by 12–15 pc in FY26

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India's microfinance sector has become a cornerstone of financial inclusion, enabling credit access for underserved populations, especially women, small farmers, and micro-entrepreneurs in rural and semi-urban areas.

With a robust CAGR of 28 per cent from FY14 to FY24, the sector now serves over 7.9 crore unique borrowers across 92 per cent of the country's districts, demonstrating its deep and widespread outreach.

Publication : Social News

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://www.socialnews.xyz/2025/04/28/indias-microfinance-sector-projected-to-grow-by-12-15-pc-in-fy26/>

India's microfinance sector projected to grow by 12–15 pc in FY26

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Publication : Pune News

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://pune.news/business/indias-microfinance-sector-projected-to-grow-by-12-15-pc-in-fy26-330977/>

India's microfinance sector projected to grow by 12-15 pc in FY26

Mumbai, April 28 (IANS) The micro-finance sector (MFI) in India is projected to grow by 12-15 per cent in FY26 under a conservative scenario, returning to FY24 levels, a report showed on Monday.

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Publication : Sakshi Post

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://www.sakshipost.com/news/india-s-microfinance-sector-projected-grow-12-15-pc-fy26-402237>

India's microfinance sector projected to grow by 12–15 pc in FY26

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Publication : Prokerala

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://www.prokerala.com/news/articles/a1629516.html>

India's microfinance sector projected to grow by 12-15 pc in FY26

MUMBAI, APRIL 28 : The micro-finance sector (MFI) in India is projected to grow by 12-15 per cent in FY26 under a conservative scenario, returning to FY24 levels, a report showed on Monday.

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Publication : Desh Sewak

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://www.deshsewak.org/english/news/195094>

India's microfinance sector projected to grow by 12–15 pc in FY26

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URL- <https://www.deshsewak.org/hindi/news/195096>

वित्त वर्ष 26 में भारत के माइक्रोफाइनेंस क्षेत्र में 12-15 प्रतिशत की वृद्धि का अनुमान है

सोमवार को एक रिपोर्ट में बताया गया कि भारत में माइक्रो-फाइनेंस क्षेत्र (एमएफआई) में रूढ़िवादी परिदृश्य के तहत वित्त वर्ष 26 में 12-15 प्रतिशत की वृद्धि होने का अनुमान है, जो वित्त वर्ष 24 के स्तर पर वापस आ जाएगा।

एमपी फाइनेंशियल एडवाइजरी सर्विसेज एलएलपी (एमपीएफएसएल) ने अपनी रिपोर्ट में कहा कि अधिक अनुकूल माहौल में, खासकर अगर सामान्य मानसून के कारण ग्रामीण आय में सुधार होता है, तो विकास थोड़ा बेहतर हो सकता है।

एमएफआई क्षेत्र ने लगातार लचीलापन दिखाया है, जो विमुद्रीकरण और कोविड-19 महामारी जैसे पिछले व्यवधानों से उबर चुका है।

भारत का माइक्रोफाइनेंस क्षेत्र वित्तीय समावेशन का आधार बन गया है, जो वंचित आबादी, खासकर महिलाओं, छोटे किसानों और ग्रामीण और अर्ध-शहरी क्षेत्रों में सूक्ष्म उद्यमियों के लिए ऋण तक पहुंच को सक्षम बनाता है।

वित्त वर्ष 14 से वित्त वर्ष 24 तक 28 प्रतिशत की मजबूत सीएजीआर के साथ, यह क्षेत्र अब देश के 92 प्रतिशत जिलों में 7.9 करोड़ से अधिक अद्वितीय उधारकर्ताओं को सेवा प्रदान करता है, जो इसकी गहरी और व्यापक पहुंच को दर्शाता है। रिपोर्ट में कहा गया है कि आगे की ओर देखते हुए, वित्त वर्ष 26 के लिए दृष्टिकोण सतर्क रूप से आशावादी बना हुआ है। एमपी फाइनेंशियल एडवाइजरी सर्विसेज एलएलपी के संस्थापक और प्रबंध साझेदार महेंद्र पाटिल ने कहा, "माइक्रोफाइनेंस क्षेत्र एक महत्वपूर्ण बिंदु पर है, जो जिम्मेदार उधार के साथ सतत विकास को संतुलित कर रहा है। एमएफआईएन गार्डरेल्स अति-ऋणग्रस्तता को रोकने और परिसंपत्ति की गुणवत्ता को मजबूत करने के लिए एक समय पर उठाया गया कदम है, हालांकि वे विशेष रूप से छोटे एमएफआई के लिए अल्पकालिक परिचालन और वित्तीय तनाव पैदा कर सकते हैं।"

Publication : Chennai Online

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://www.chennaionline.com/news/indias-microfinance-sector-expected-to-grow-by-12-15-in-fy26/>

India's Microfinance Sector Expected to Grow by 12–15% in FY26

👤 📅 April 28, 2025

India's microfinance sector is projected to grow by 12–15% in the financial year 2026 (FY26). This growth is driven by the increasing demand for financial services among low-income households and small businesses, particularly in rural areas. Microfinance institutions (MFIs) play a crucial role in providing access to credit, savings, and insurance for individuals who often cannot access traditional banking services.

Experts believe that this growth is largely due to the rising need for small loans to support entrepreneurs and small-scale businesses. Many people in rural India rely on microloans to fund agricultural activities, start small businesses, or manage everyday expenses. The ability to get these loans without the need for collateral has made microfinance an essential part of the economy.

The government's support for financial inclusion has also contributed to the growth of this sector. Various initiatives, such as promoting digital payments and improving access to banking services, have helped more people become aware of microfinance options. Additionally, increased financial literacy has encouraged more people to use microfinance institutions for their financial needs.

URL- <https://www.theprintlines.com/business-news-money-matters/indias-microfinance-sector-estimated-to-grow-by-12-to-15-in-fy26-411065>

FY26 में भारत के माइक्रो-फाइनेंस सेक्टर में 12 से 15% की वृद्धि का अनुमान

भारत में माइक्रो-फाइनेंस सेक्टर (MFI) में FY26 में 12 से 15% की वृद्धि का अनुमान है। इसके साथ ही यह FY24 के स्तर पर वापस आ जाएगा। सोमवार को आई एक रिपोर्ट में यह जानकारी दी गई है। एमपी फाइनेंशियल एडवाइजरी सर्विसेज एलएलपी ने अपनी रिपोर्ट में कहा कि अधिक अनुकूल माहौल में खासकर सामान्य मानसून के कारण ग्रामीण आय में सुधार होता है तो विकास थोड़ा बेहतर हो सकता है। एमएफआई सेक्टर ने लगातार मजबूती का प्रदर्शन किया है, जो नोटबंदी और कोरोना महामारी जैसे पिछले व्यवधानों से उबर चुका है।

भारत का माइक्रो-फाइनेंस सेक्टर वित्तीय समावेशन का आधार बन गया है, जो वंचित आबादी, खासकर महिलाओं, छोटे किसानों और ग्रामीण और अर्ध-शहरी क्षेत्रों में सूक्ष्म उद्यमियों के लिए ऋण तक पहुंच को आसान बनाता है। FY14 से FY24 तक 28% के मजबूत सीएजीआर के साथ यह सेक्टर अब देश के 92% जिलों में 7.9 करोड़ से अधिक विशिष्ट उधारकर्ताओं को सेवा प्रदान करता है। रिपोर्ट में कहा गया है कि FY26 के लिए दृष्टिकोण सतर्क रूप से आशावादी बना हुआ है।

Publication : Morung Express

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://morungexpress.com/indias-microfinance-sector-projected-to-grow-by-1215-pc-in-fy26>

India's microfinance sector projected to grow by 12-15 pc in FY26

Mumbai, April 28 (IANS): The micro-finance sector (MFI) in India is projected to grow by 12-15 per cent in FY26 under a conservative scenario, returning to FY24 levels, a report showed on Monday.

In a more favourable environment, particularly if rural incomes recover on the back of a normal monsoon, growth could be a tad better, said MP Financial Advisory Services LLP (MPFASL) in its report.

The MFI sector has consistently demonstrated resilience, having recovered from past disruptions such as demonetisation and the COVID-19 pandemic.

India's microfinance sector has become a cornerstone of financial inclusion, enabling credit access for underserved populations, especially women, small farmers, and micro-entrepreneurs in rural and semi-urban areas.

Publication : Silicon India

Edition: Online

Date : April 28, 2025

Page: -

URL- <https://www.siliconindia.com/finance/news/indias-microfinance-sector-is-projected-to-grow-by-1215-percent-in-fy26-nid-235739.html>

India's Microfinance Sector is Projected to Grow by 12-15 Percent in FY26

The microfinance sector in India is anticipated to grow by **12-15% in FY26** under a conservative scenario, returning to levels seen in FY24, according to a report released on Monday. The sector has shown remarkable resilience, bouncing back from previous disruptions like demonetization and the **COVID-19 pandemic**.

In a more optimistic situation, especially if rural income increases because of a normal monsoon, growth will be marginally higher, pointed out **MP Financial Advisory Services LLP (MPFASL)** in its report. **Mahendra Patil, the Founder and Managing Partner of MPFASL**, pointed out that the microfinance industry is at a crossroads, trying to achieve sustainable growth while responsible lending goes on. He noted that the MFIN guardrails are an on-time initiative intended to prevent over-indebtedness and promote asset quality, but which, at the same time, will result in short-term operational and financial difficulties for the smaller MFIs.

The microfinance industry has become the backbone of financial inclusion in India, offering credit access to disadvantaged groups, such as women, small farmers, and micro-entrepreneurs in rural and semi-urban segments. With a strong compound annual growth rate (CAGR) of 28% during FY14 to FY24, the industry now reaches over 79 million distinct borrowers in 92% of the districts in the country, highlighting its large reach.

Going forward, the FY26 prospects are cautiously optimistic, the report said. Patil added that a well-balanced strategy, including policy support, innovative credit evaluation, and strategic alliances, will be instrumental in sustaining outreach while consolidating the sector's base.

Publication : IB Times

Edition: Online

Date : April 28, 2025

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URL- <https://www.ibtimes.co.in/indias-microfinance-sector-projected-grow-by-1215-pc-fy26-882620>

India's microfinance sector projected to grow by 12–15 pc in FY26

The micro-finance sector (MFI) in India is projected to grow by 12–15 per cent in FY26 under a conservative scenario, returning to FY24 levels, a report showed on Monday.

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The MFI sector has consistently demonstrated resilience, having recovered from past disruptions such as demonetisation and the COVID-19 pandemic.

India's microfinance sector has become a cornerstone of financial inclusion, enabling credit access for underserved populations, especially women, small farmers, and micro-entrepreneurs in rural and semi-urban areas.

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Mumbai, April 28 (IANS) The micro-finance sector (MFI) in India is projected to grow by 12–15 per cent in FY26 under a conservative scenario, returning to FY24 levels, a report showed on Monday.

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India's microfinance sector has become a cornerstone of financial inclusion, enabling credit access for underserved populations, especially women, small farmers, and micro-entrepreneurs in rural and semi-urban areas.

With a robust CAGR of 28 per cent from FY14 to FY24, the sector now serves over 7.9 crore unique borrowers across 92 per cent of the country's districts, demonstrating its deep and widespread outreach.

Looking ahead, the outlook for FY26 remains cautiously optimistic, the report added.

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Date : April 28, 2025

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URL- <https://www.msn.com/en-in/money/news/india-s-microfinance-sector-poised-for-steady-growth-credit-discipline-and-portfolio-quality/ar-AA1DKeGN>

India's Microfinance Sector Poised For Steady Growth, Credit Discipline And Portfolio Quality

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The MFI sector has consistently demonstrated resilience, having recovered from past disruptions such as demonetisation and the COVID-19 pandemic.

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URL- <https://www.bizzbuzz.news/finance/microfin-projected-to-grow-15-in-fy26-1360297>

Microfin Projected To Grow 15% In FY26

The MFI sector has consistently demonstrated resilience

Mumbai: The micro-finance sector (MFI) in India is projected to grow by 12-15 per cent in FY26 under a conservative scenario, returning to FY24 levels, a report showed on Monday. In a more favourable environment, particularly if rural incomes recover on the back of a normal monsoon, growth could be a tad better, said MP Financial Advisory Services LLP (MPFASL) in its report.

Microfin in major crisis with near-2x NPA surge; Joint-liability lending model on shaky ground

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Page: -

URL- <https://economictimes.indiatimes.com/industry/banking/finance/banking/microfin-in-major-crisis-with-near-2x-npa-surge-joint-liability-lending-model-on-shaky-ground/articleshow/120742589.cms?from=mdr>

Microfin in major crisis with near-2x NPA surge; Joint-liability lending model on shaky ground



Representative image

India's microfinance crisis has deepened with delinquency rates almost doubling. The gross non-performing asset (NPA) ratio for the sector jumped to 16% at the end of FY25 from 8.8% in the year before, with the joint liability-based lending model appearing to be crumbling.