



MICROFINANCE INDUSTRY NETWORK

Media Coverage Report

Consolidated Coverage

December 2025

Media Coverage Index

Sr. No.	Date	Publication	Edition
India's microfinance firms' portfolio outstanding falls 14 pc in Q2FY26			
1	01.12.2025	Western Times	Print
The 10th Eastern India Microfinance Summit 2025 is set to take place on December 10 at Dhono Dhanyo			
2	02.12.2025	Vastab Katha	Online
3	02.12.2025	The Times Today	Online
In Marathwada, climate extremes and microfinance loans are driving women into a debt cycle			
4	02.12.2025	101 Reporters	Online
5	04.12.2025	NewsClick	Online
10th Eastern India Microfinance Summit to be Held in Kolkata on December 10			
6	02.12.2025	The Insight Wire	Online
Top Microfinance Companies in India (2025 List): Services, Interest Rates & Eligibility			
7	03.12.2025	My Mudra	Online
NBFCs to gain big; 25 bps RBI rate cut set to boost NIMs; LAP & home loan financiers to gain most: S			
8	08.12.2025	The Economic Times	Online
9	08.12.2025	ET BFSI	Online
10	08.12.2025	News Air Insights	Online
RBI wants MFIs to expand product base			
11	11.12.2025	The Economic Times	Print + Online
10th Eastern India Microfinance Summit 2025 took Place in Kolkata			
12	11.12.2025	The Statesman	Online
13	11.12.2025	News Nation 360	Online
14	11.12.2025	The Times Today	Online
Microfinance institutions remain in pain even as green shoots appear			
15	15.12.2025	Business Standard	Print + Online
Microfinance Crisis Looms: Loan Books Shrink, Millions of Customers Affected!			
16	14.12.2025	Whalesbook	Online
Government plans credit guarantee scheme to ease MFI stress			
17	16.12.2025	The Economic Times	Print + Online
18	17.12.2025	ET BFSI	Online
19	17.12.2025	News Air Insights	Online
बजट 2026 में माइक्रोफाइनेंस सेक्टर पर फोकस, अब बैंकों को लोन देने के लिए मिलेगी सरकारी गारंटी			
20	17.12.2025	The Economic Times Hindi	Online

Daily Voice: Good time for investors to enter Indian equities, Sonal Minhas sees mid-teen returns for 2026			
21	20.12.2025	Moneycontrol	Online
Mint Road: Charting a transformation path for finance and business in 2025			
22	29.12.2025	Business Standard	Print + Online
Microfinance loan performance needs close monitoring, RBI cautions NBFCs			
23	29.12.2025	Business Standard	Online
RBI Asks Microlenders to Monitor Stress Build-up			
24	29.12.2025	The Economic Times	Print + Online
25	30.12.2025	ET BFSI	Online
26	29.12.2025	ET Legal World	Online
27	30.12.2025	The Financial Express	Print
28	30.12.2025	Business Standard	Online
29	30.12.2025	Business Standard (Hindi)	Print + Online
30	29.12.2025	CNBC TV18	Online
31	29.12.2025	News 18	Online
32	30.12.2025	Outlook Business	Online
33	30.12.2025	Outlook Money	Online
34	30.12.2025	The Free Press Journal	Online
35	30.12.2025	The Pioneer	Print
36	30.12.2025	Millennium Post	Print + Online
37	30.12.2025	The Hitavada	Print
38	30.12.2025	Punjab Kesari	Print
39	29.12.2025	Rediff Money	Online
40	29.12.2025	The Week	Online
41	29.12.2025	Whalesbook	Online
42	29.12.2025	PSU Watch	Online
43	30.12.2025	Janta Se Rishta	Online
Microfinance Sector Shows Steady Recovery Amid Portfolio Contraction			
44	30.12.2025	Online News9	Online
45	30.12.2025	Quick Biz News	Online
46	30.12.2025	Startup Business Stories	Online
47	30.12.2025	Right Column Media	Online
48	30.12.2025	The 9th Estate	Online
49	30.12.2025	Investment Guru India	Online
Bank lending to joint liability groups slump: RBI data			

50	30.12.2025	The Financial Express	Print + Online
51	31.12.2025	IPA News Pack	Online
Microfin borrower indebtedness rises marginally in Sept after two-year dip			
52	31.12.2025	Business Standard	Online

India's microfinance firms' portfolio outstanding falls 14 pc in Q2FY26

India's microfinance firms' portfolio outstanding falls 14 pc in Q2FY26

New Delhi, (IANS) India's microfinance firms' portfolio outstanding fell over 14 per cent as of September 30 to Rs 3,39,510 crore compared to Rs 4,08,049 crore at the end of the second quarter last fiscal (Q2 FY25), data from a report of MFIN showed on Friday. Meanwhile, the microfinance bodies backed by Non-Banking Financial Companies are the largest

contributor to the sector with 39.2 per cent share in the total MFIs' lending, followed by banks at 31.4 per cent. The SFB and NBFCs make up the remaining share of the portfolio. Amid the decline in outstandings, the microfinance portfolio has declined by 16.8 per cent in the second quarter of the current financial year (Q2FY26), the report highlighted. MFIN stated that as of September 30, microfinance operations are spread across 36 states and UTs and 718 districts. "Continued funding squeeze has resulted in a sixth consecutive quarter fall in the microfinance portfolio to Rs 3.39 lakh crore. This has resulted in nearly 50 lakh clients going out of formal finance," its CEO and Director, Dr Alok Misra, said. It is ironic as Portfolio at Risk (31-90 days) has improved to 1.09 per cent, and 98 per cent of clients are within the MFIN Guardrails, showcasing disciplined underwriting in the sector, he added. "One thing the sector needs now, to ensure that the financial

inclusion gains built over decades do not wither away, is liquidity," Misra said. Earlier, Crisil Ratings in its report highlighted that assets under management (AUM) of NBFCs in India will grow at a steady pace of 18-19 per cent this fiscal and FY27, to cross Rs 50 lakh crore by March 2027. According to the report, the growth will be driven by whetted consumption, and supportive policy moves such as GST rationalisation, coupled with benign inflation. These factors will drive retail credit demand, the firm said. However, risk calibration and funding access dynamics will impact growth outlooks differently across entities and asset segments. "Vehicle finance and home loans will see steady growth amid intensifying competition. However, exercising due caution on heightened customer leverage, NBFCs will adopt risk-calibrated growth especially in the micro, MSME and unsecured loan segments," Crisil Ratings' Chief Ratings Officer Krishnan Sitarman said.

**The 10th Eastern India Microfinance Summit 2025 is set to take
place on December 10 at Dhono Dhanyo**

Publication : vastabkatha.com

Edition- Online

Date : 02-12-2025

Page No: NA

URL- <https://vastabkatha.com/the-10th-eastern-india-microfinance-summit-2025-is-set-to-take-place-on-december-10-at-dhono-dhanyo-auditorium-kolkata/>

The 10th Eastern India Microfinance Summit 2025 is set to take place on December 10 at Dhono Dhanyo Auditorium, Kolkata

ADMIN DECEMBER 2, 2025



Spread the love



Kolkata, 2nd December, 2025: The Association of Microfinance Institutions – West Bengal (AMFI-WB) will be organizing the 10th Edition of Eastern India Microfinance Summit 2025 in association with MFIN and Sa-Dhan, and supported by Equifax as Knowledge Partner and M2i as Research Partner. This year the theme of the Summit is Reimagining Microfinance towards Viksit Bharat. The 10th Eastern India Microfinance Summit 2025 will be held on 10th of December 2025 at Dhono Dhanyo Auditorium, Alipore, in Kolkata.

India has set for itself an ambitious and transformative vision of becoming a developed nation by 2047—Viksit Bharat. Central to this aspiration is inclusive growth that reaches every household, especially low-income families and women borrowers. Microfinance plays a pivotal role in bridging this gap by ensuring equitable access to financial services for communities often excluded from mainstream finance.

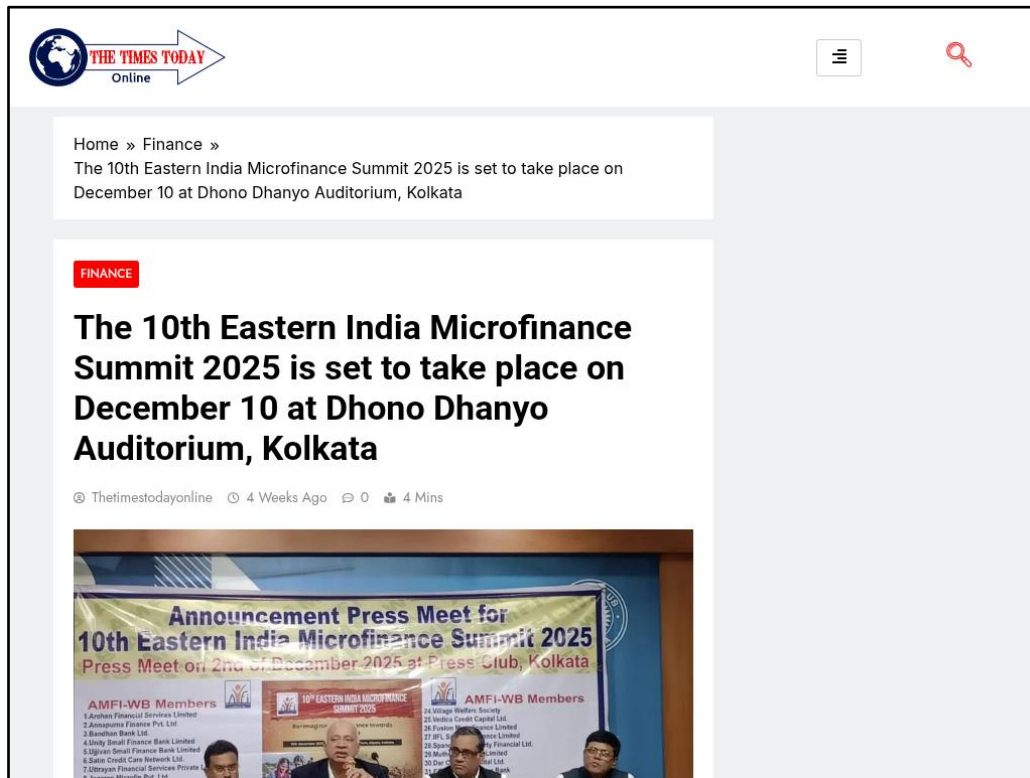
Publication : thetimestodayonline.com

Edition- Online

Date : 03-12-2025

Page No: NA

URL- <https://thetimesodayonline.com/the-10th-eastern-india-microfinance-summit-2025-is-set-to-take-place-on-december-10-at-dhono-dhanyo-auditorium-kolkata/>



**In Marathwada, climate extremes and microfinance loans are
driving women into a debt cycle**

Publication : 101reporters.com

Edition- Online

Date : 02-12-2025

Page No: NA

URL-

https://101reporters.com/article/environment/In_Marathwada_climate_extremes_and_microfinance_loans_are_driving_women_into_a_debt_cycle

[Donate](#) [FAQS](#) [Join us](#) Tuesday, 30 December 2025

 Home Videos Podcasts Special Projects About Us 



In Marathwada, climate extremes and microfinance loans are driving women into a debt cycle

 Sanjana Khandare
02 Dec, 2025 | Parbhani, Maharashtra | 9mins read | 

As extreme weather deepens agricultural distress, women excluded from formal credit systems are trapped between

About the Reporter


Publication : newsclick.in

Edition- Online

Date : 04-12-2025

Page No: NA

URL- <https://www.newsclick.in/marathwada-climate-extremes-microfinance-loans-driving-women-debt-cycle>

NEWSCLICK Politics Economy Covid-19 Science Culture India International Sport

YOU DESERVE INDEPENDENT, CRITICAL MEDIA. We want readers like you. Support Inde

**Marathwada: Climate Extremes,
Microfinance Loans Driving Women Into
Debt Cycle**

Sanjana Khandare | 04 Dec 2025

India Politics

As extreme weather deepens agricultural distress, women
excluded from formal credit systems are trapped between
microfinance pressure and shrinking livelihoods.



10th Eastern India Microfinance Summit to be Held in Kolkata on December 10

Publication : theinsightwire.in

Edition- Online

Date : 02-12-2025

Page No: NA

URL- <https://theinsightwire.in/10th-eastern-india-microfinance-summit-to-be-held-in-kolkata-on-december-10/>

Today: Tuesday, December 30 2025 9:35:41 AM

Theinsightwire.In



Announcement Press Meet for 10th Eastern India Microfinance Summit 2025
on 2nd December 2025 at Press Club, Kolkata

AMFI-West Bengal
AMFI Members

Subscribe

Email Address

Submit

search..

Recent Post

Preventive Health and Digital Renewals Reshape India's Health Insurance Landscape: Care Health Insurance Report 2025

Marudhar Mela to Paint Kolkata in the Colours of Rajasthan

The How can I help you?

on December 2, 2025 — theinsightwire2025@gmail.com

Top Microfinance Companies in India (2025 List): Services, Interest Rates & Eligibility

Publication : [mymudra.com](https://www.mymudra.com)

Edition- Online

Date : 04-12-2025

Page No: NA

URL- <https://www.mymudra.com/blog/top-microfinance-companies-in-india>

Top Microfinance Companies in India (2025 List): Services, Interest Rates & Eligibility

"Discover the top microfinance companies in India with updated 2025 insights. This guide covers the best MFIs, services offered, interest rates, eligibility, and how to choose the right microfinance institution for your financial needs."



Anjali Singh

8 mins read

Published: 3 December 2025

If you run a small business or need a small loan to manage your money, microfinance companies in India can help you. These companies give small loans to support people who need easy access to finance.

Let's understand what microfinance means and how it works. You will also find a list of microfinance companies in India here.

**NBFCs to gain big; 25 bps RBI rate cut set to boost NIMs; LAP &
home loan financiers to gain most: S**

Publication : The Economic Times

Edition- Online

Date : 08-12-2025

Page No: NA

URL- <https://economictimes.indiatimes.com/markets/expert-view/nbfc-to-gain-big-25-bps-rbi-rate-cut-set-to-boost-nims-lap-home-loan-financiers-to-gain-most-shweta-daptardar/articleshow/125799674.cms>

NBFCs to gain big; 25 bps RBI rate cut set to boost NIMs; LAP & home loan financiers to gain most: Shweta Daptardar

By Nandini Sanyal, ETMarkets.com • Last Updated: Dec 08, 2025, 09:00:00 AM IST

Select ET as

Follow Us
Share
Font Size
Save

Synopsis

India's NBFCs are set to benefit from the RBI's 25 bps rate cut and improved liquidity, with larger players and fixed-rate retail lenders expected to see the strongest NIM expansion. Elara Capital's Shweta Daptardar says transmission will pick up in H2, rural demand is recovering, and microfinance stress is easing, supporting healthier credit growth ahead.

AI Briefing
Listen to this article in summarized format

India's **NBFCs** are poised for stronger **net interest margins** (NIMs) and improved liquidity after the RBI delivered a 25-basis-point rate cut, taking the cumulative reduction to 125 bps in FY25. According to **Shweta Daptardar**, Vice President–Equity Research (BFSI–NBFCs) at **Elara Capital**, the latest policy move will particularly benefit large NBFCs and **retail-focused lenders** dealing in vehicle loans, LAP, and

Publication : ET BFSI

Edition- Online

Date : 08-12-2025

Page No: NA

URL- https://bfsi.economictimes.indiatimes.com/news/nbfc/rbis-25-bps-rate-cut-a-boon-for-indias-nbfc-and-retail-lenders/125828315?utm_source=latest_news&utm_medium=homepage

NBFCs to gain big; 25 bps RBI rate cut set to boost NIMs; LAP & home loan financiers to gain most: Shweta Daptardar

India's NBFCs are set to benefit from the RBI's 25 bps rate cut and improved liquidity, with larger players and fixed-rate retail lenders expected to see the strongest NIM expansion. Elara Capital's Shweta Daptardar says transmission will pick up in H2, rural demand is recovering, and microfinance stress is easing, supporting healthier credit growth ahead.



Nandini Sanyal • ETMarkets.com
Published On Dec 8, 2025 at 12:08 PM IST



India's NBFCs are poised for stronger net interest margins (NIMs) and improved liquidity after the RBI delivered a 25-basis-point rate cut, taking the cumulative reduction to 125 bps in FY25. According to Shweta Daptardar, Vice President–Equity Research (BFSI–NBFCs) at Elara Capital, the latest policy move will particularly benefit large NBFCs and retail-focused lenders dealing in vehicle loans, LAP, and home loans.

Retail NBFCs emerge biggest beneficiaries

Daptardar notes that NBFCs have navigated a challenging environment over the past year, making the policy easing especially timely.

“This 25 bps rate cut and liquidity improvement augur well for NIM expansion. Larger NBFCs and fixed-rate retail products like vehicle finance, LAP, and home loans will benefit the most,” she said.

Publication : News Air Insight

Edition- Online

Date : 08-12-2025

Page No: NA

URL- <https://newsairinsight.com/nbfc-to-gain-big-25-bps-rbi-rate-cut-set-to-boost-nims-lap-home-loan-financiers-to-gain-most-shweta-daptardar-news-air-insight/>

NBFCs to gain big; 25 bps RBI rate cut set to boost NIMs; LAP & home loan financiers to gain most: Shweta Daptardar – News Air Insight

December 8, 2025 / joyybannerjii

Spread the love



India's **NBFCs** are poised for stronger **net interest margins** (NIMs) and improved liquidity after the RBI delivered a 25-basis-point rate cut, taking the cumulative reduction to 125 bps in FY25. According to **Shweta Daptardar**, Vice President–Equity Research (BFSI–NBFCs) at **Elara Capital**, the latest policy move will particularly benefit large NBFCs and **retail-focused lenders** dealing in vehicle loans, LAP, and home loans.

Retail NBFCs emerge biggest beneficiaries

Daptardar notes that NBFCs have navigated a challenging environment over the past year, making the policy easing especially timely.

"This 25 bps rate cut and liquidity improvement augur well for NIM expansion. Larger NBFCs and fixed-rate retail products like vehicle finance, LAP, and home loans will benefit the most," she said.

While systemic liquidity has remained adequate, transmission from banks—especially to smaller NBFCs—has been slow. The RBI's guidance that **liquidity support** will continue "as per evolving market conditions" strengthens the outlook further.

RBI wants MFIs to expand product base

URL- <https://economictimes.indiatimes.com/industry/banking/finance/rbi-wants-mfis-to-expand-product-base/articleshow/125891892.cms?from=mdr>

THINK AHEAD Senior RBI official says firms need to think beyond liability group lending and target areas like inventory and capital asset financing **‘MFIs Should Explore New Asset Classes for Stability’**

Our Bureau

Kolkata: The Reserve Bank of India wants microfinance companies to explore new asset classes, in order to bring stability in their business as well as increase their contribution to the economy.

At a microfinance seminar in Kolkata, a senior RBI official said lenders to the bottom of the pyramid customer segment need to explore areas like inventory financing and capital asset financing to boost their secured portfolio.

“Far too long, the microfinance sector has depended on joint liability group-based lending. They need to explore inventory financing, capital asset financing instead of giving only entrepreneurial loans,” deputy general manager in the department of supervision DR Bagada said at the event organised by the Association of Microfinance Institutions (AMFI)-West Bengal.

This was reiteration of what deputy governor Swaminathan J said about a month back. Non-banking finance company-microfinance institutions (NBFC-MFIs) need to move “from mono-product to micro-enterprise finance”, the DG said on November 14 at a Microfinance Institutions Network



event in Mumbai.

“Product design needs to match how small businesses actually grow. A single working-capital loan is often the first step; but it should progressively graduate into inventory finance, capital asset financing, and basic payments support,” Swaminathan had said.

Inventory finance is typically a short-term loan for businesses, helping traders manage cash flows between buying and selling. Capital asset financing is a rather longer-term loan offered to buy machinery and assets.

The central bank in June eased the qualifying asset criteria for

NBFC-MFIs, allowing more portfolio diversification. The RBI said these entities must hold at least 60% of their total assets as microfinance loans, a reduction from the previous 75% threshold, allowing more freedom in lending.

After this rule, some NBFC-MFIs tried to diversify lending, but the expansion has largely been restricted to MSME loans, gold loans and loans against property.

NBFC-MFIs, especially the smaller ones, are meanwhile lamenting the lack of bank funding, which is a major constraint for them to scale business.

“Banks finance microfinance companies only when they need to meet their priority sector lending target,” said Uttrayan Financial Services managing director Kartick Biswas, who was also the secretary of the AMFI-WB.

Punjab National Bank general manager Balbir Singh said that banks are not averse to lending to small entities but their lower credit ratings are an impediment.

“More than rating, grading of microfinance companies could be a better benchmark as getting an ‘A’ rating is difficult for smaller entities,” suggested Jiji Mammen, executive director at Sa-Dhan, a self-regulator for the microfinance sector.

10th Eastern India Microfinance Summit 2025 took Place in Kolkata

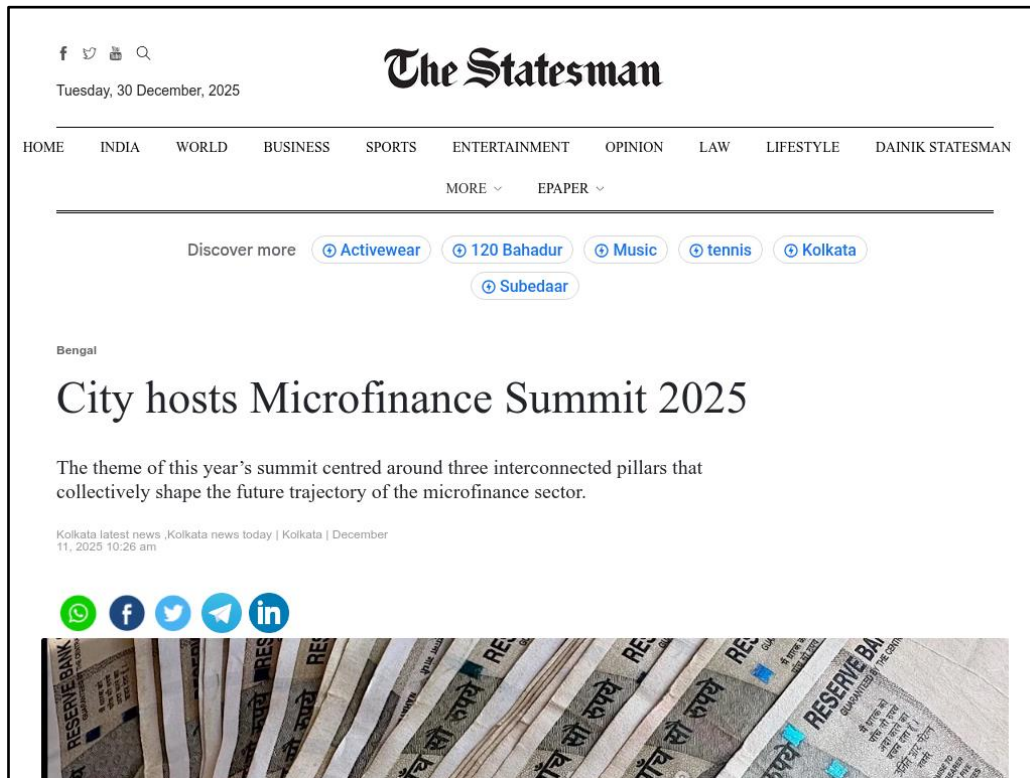
Publication : thestatesman.com

Edition- Online

Date : 11-12-2025

Page No: NA

URL- <https://www.thestatesman.com/bengal/city-hosts-microfinance-summit-2025-1503524111.html>



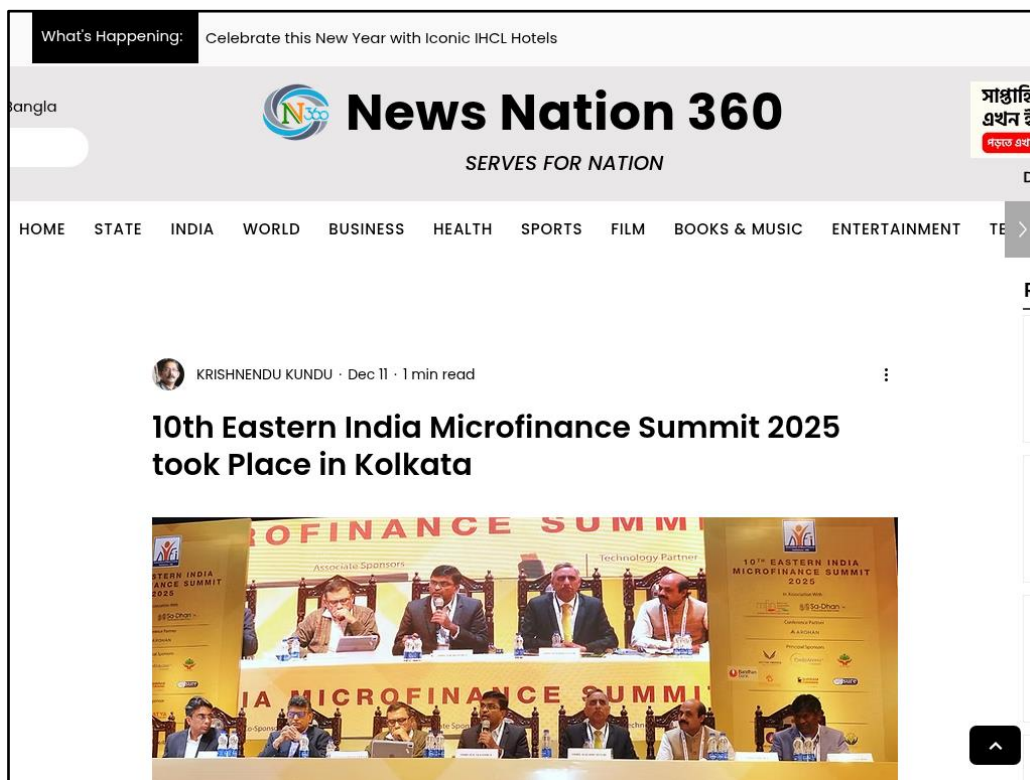
Publication : newsnation360.com

Edition- Online

Date : 11-12-2025

Page No: NA

URL- <https://www.newsnation360.com/post/10th-eastern-india-microfinance-summit-2025-took-place-in-kolkata>



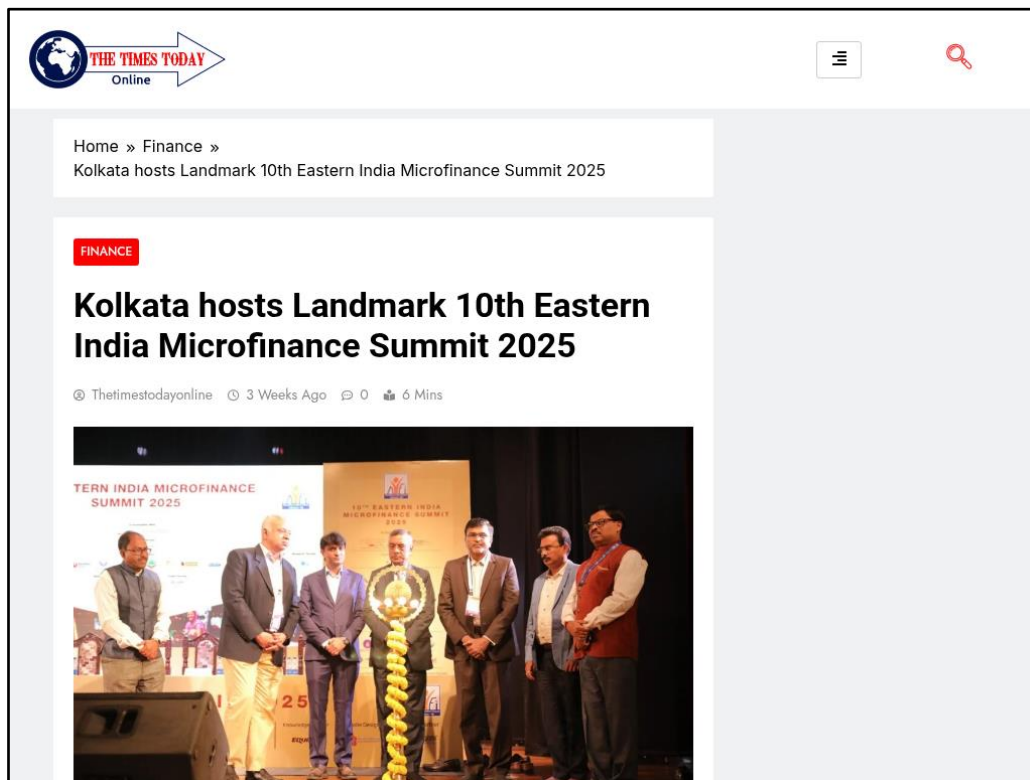
Publication : thetimestodayonline.com

Edition- Online

Date : 11-12-2025

Page No: NA

URL- <https://thetimestodayonline.com/kolkata-hosts-landmark-10th-eastern-india-microfinance-summit-2025/>



Microfinance institutions remain in pain even as green shoots appear

URL - https://www.business-standard.com/finance/news/microfinance-institutions-remain-in-pain-even-as-green-shoots-appear-125121400712_1.html

MFIs remain in pain even as green shoots appear

ABHIJIT LELE

Microfinance Institutions (MFIs) are in a spot of bother: A continuous shrinking of their loan book and liquidity support from lenders. The fallout: The sixth consecutive quarterly decline in their portfolio to ₹1.31 trillion as of September 2025, from ₹1.6 trillion in March 2024 with about half a million customers getting pushed out of the ambit of these entities, according to data provided by Microfinance Institutions Network (MFIN).

The situation is similar for the microfinance sector level across banks and small finance banks (SFBs).

"It is ironic as the portfolio-at-risk (31-90 days past due) has improved to 1.09 per cent and 98 per cent of clients are within the guardrails, showcasing disciplined underwriting in the sector," laments Alok Misra, chief executive officer (CEO) and director, MFIN.

According to Jiji Mammen, executive director and CEO of Sa-Dhan, MFIs are now in a much better position and many of the issues plaguing the sector in recent times have been addressed. "As a result, over-leverage and lending concerns have been corrected to a great extent and are no



The loan book of microfinance institutions is shrinking

longer a major issue," he says. His point: Lenders to MFIs should consider this aspect.

As India Ratings and Research (Ind-Ra) sees it, the implementation of new MFI guardrails restricting borrowers to a maximum of three lenders has begun to reduce over-indebtedness risk. The share of MFI portfolios with exposure to more than four lenders declined to 10 per cent in June 2025 (from 19.2 per cent in June 2024), while accounts with more than three

lenders fell to 24.8 per cent (34.7 per cent). This trend reflects a strong regulatory push towards borrower protection, aimed at improving portfolio quality and mitigating systemic risk in the sector, Ind-Ra said.

CareEdge held that early signs of improvement are visible, whereby gross non-performing levels declined to 3.7 per cent in September 2025, down by 100 basis points from March 2025, aided by write-offs and cautious lending. "However, profitability remains

under pressure due to elevated credit costs, interest reversals, and higher operating expenses," it said.

A senior risk-management executive with an MFI pointed out that besides doors being shut on genuine clients, some borrowers in joint liability groups who have the ability to repay are also holding back in honouring their commitments. This is due to fears that MFIs may not give a fresh loan after repayment. This raises the risk of an uptick in stressed loans, though it may not be substantial.

The worst may not be over. With state elections next year — when political parties typically throw fiscal caution to the winds while promising freebies — MFIs fear their impact on credit discipline and have raised the issue of loan waivers with Mint Road and North Block. Assam, Kerala, Tamil Nadu and West Bengal go to polls in 2026.

Again, it is not just MFIs, but banks — both universal and SFBs (which fund MFIs and also directly give microfinance loans) — which have turned cautious. They have turned away many eligible borrowers to protect their asset quality profile. So, the tally of people pushed out from the ambit of MFIs (and formal finance)

may be bigger than the five million put by MFIN.

Articulating the stand as a lender to NBFC-MFIs, C S Setty, chairman of State Bank of India, told *Business Standard*: "We have never shied away from lending to NBFCs. We are the largest lenders to NBFCs. And incidentally, the largest portfolio for single sector exposure is NBFCs. We have never denied credit to an MFI which is deserving."

Matters could improve if the Reserve Bank of India (RBI) were to give Section 8 companies, or not-for-profit entities, involved in microfinance access to credit information companies (CIC). Under the CIC (Regulation) Act (2005), only RBI-regulated entities are allowed to hook into credit bureaus — that is sharing data with and accessing it from them.

MFIs not only feel there has been an improvement in the business, but hope of a change in approach given that a credit guarantee scheme (the demand is for ₹20,000 crore) for the sector is in the works. While the scheme may indeed be helpful, Misra is sceptical of it becoming operational in the near term, given the Finance Ministry's preoccupation with the Budget-making exercise for FY27.

Microfinance Crisis Looms: Loan Books Shrink, Millions of Customers Affected!

Publication : whalesbook.com

Edition- Online

Date : 14-12-2025

Page No: NA

URL- <https://www.whalesbook.com/news/English/economy/Indian-Rupee-Dips-18-Paise-to-8866-Against-US-Dollar-as-Dollar-Recovers-on-Fed-Cues/693efa42a3d7cdf72fb894fc>

The screenshot shows the Whalesbook website interface. The top navigation bar includes 'Whalesbook', 'Home', 'Stocks', 'News', 'Premium', 'About Us', and 'Contact Us', along with 'Login' and 'Signup' buttons. The main article headline is 'Microfinance Crisis Looms: Loan Books Shrink, Millions of Customers Affected!'. Below the headline, it says 'BANKING/FINANCE | 14th December 2025, 11:12 pm'. The author is 'Ananya Iyer | Whalesbook News Team'. There are social media sharing icons for WhatsApp, X, LinkedIn, and Facebook, and a 'Source on Google' button. The article's 'Overview' section states: 'India's microfinance sector is facing a serious downturn, marked by the sixth consecutive quarterly decline in its loan portfolio. As of September 2025, the total portfolio stands at ₹1.31 trillion, down from ₹1.6 trillion in March 2024, impacting roughly half a million customers. This liquidity crunch also affects banks and small finance banks, signaling broader sector challenges.' On the right side, there is a promotional banner for 'GET INSTANT STOCK ALERTS ON WHATSAPP FOR YOUR PORTFOLIO STOCKS' with a 'GET IT ON Google Play' and 'Download on the App Store' button. Below the banner, there is a search bar and a 'Watchlist' section listing three stocks: '3B BlackBio Dx Limited', '3B FILMS LIMITED', and '3C IT Solutions and Telecoms (India) Limited', each with an 'ADD TO WATCHLIST' button. At the bottom, there is a banner that says 'Newspapers are too slow. Get alerts for your portfolio stocks in seconds' with 'Download on the App Store' and 'GET IT ON Google Play' buttons.

Whalesbook Home Stocks News Premium About Us Contact Us Login Signup

Microfinance Crisis Looms: Loan Books Shrink, Millions of Customers Affected!

BANKING/FINANCE | 14th December 2025, 11:12 pm

AUTHOR
Ananya Iyer | Whalesbook News Team

WhatsApp X LinkedIn Facebook

Add as a Preferred Source on Google

Overview

India's microfinance sector is facing a serious downturn, marked by the sixth consecutive quarterly decline in its loan portfolio. As of September 2025, the total portfolio stands at ₹1.31 trillion, down from ₹1.6 trillion in March 2024, impacting roughly half a million customers. This liquidity crunch also affects banks and small finance banks, signaling broader sector challenges.

GET INSTANT STOCK ALERTS ON WHATSAPP FOR YOUR PORTFOLIO STOCKS
Results, Concalls, New Orders, Penalties, Expansion Plans & More

GET IT ON Google Play Download on the App Store

Search stocks (e.g., Tata, Reliance).

All Watchlist

3B BlackBio Dx Limited ADD TO WATCHLIST

3B FILMS LIMITED ADD TO WATCHLIST

3C IT Solutions and Telecoms (India) Limited ADD TO WATCHLIST

Newspapers are too slow. Get alerts for your portfolio stocks in seconds

Download on the App Store GET IT ON Google Play

Government plans credit guarantee scheme to ease MFI stress

URL - <https://economictimes.indiatimes.com/industry/banking/finance/government-plans-credit-guarantee-scheme-to-ease-mfi-stress/articleshow/126018600.cms>

AMID RISING DEFAULTS, SLOWER REPAYMENTS

Govt Plans Credit Guarantee Scheme to Ease MFI Stress

Finance ministry hopes to encourage bank lending to MFIs hit by liquidity crunch

Atmadip Ray



Kolkata: The finance ministry is preparing a credit guarantee scheme to support the stressed microfinance sector, two people in the know said. The sector is longing for government backing amid the ongoing asset quality stress.

The scheme would encourage banks to lend to microfinance institutions (MFIs), especially the smaller ones, which are facing liquidity crunch amid limited access to bank funding. An announcement to this end is likely in the 2026 budget, people cited above said. The likely size of the guarantee programme is not known.

This will be similar to the Credit Guarantee Scheme for Microfinance Institutions (CGSMFI) rolled out during the pandemic in 2021. At that time, the government had set up a ₹7,500 crore guarantee fund to encourage bank lending to micro-lenders. The scheme was in force from June 2021 to March 2022.

Industry bodies Microfinance Institutions Network and Sa-Dhan have sought similar support several times over the past few quarters.

Sa-Dhan executive director Jiji Mammen said banks are reluctant to lend to MFIs, especially to the smaller ones, leading to severe liquidity constraints.

"Institutional funding and bank loans are the raw material for MFIs. Without this, small and medium sized entities are facing difficulty to do their regular business," Mammen told ET. "Any comfort for the financial institutions which lends to MFIs will be useful to improve the situation. A government guarantee programme, as given during Covid-time, can add-

ress this issue to a great extent."

The National Credit Guarantee Trustee Company (NCGTC), a wholly-owned trustee company of the government, would provide the guaranteed cover. In the 2021 scheme, NCGTC provided a cover of up to 75% of loan, if there was a default. The department of financial services, which is believed to be in the final stages of drafting the scheme, did not respond to queries.

Banks stopped funding to low rated MFIs as the stress on the ground lingered, while the repayment from overleveraged end-borrowers remained slow, leading to the liquidity crunch. The availability of lendable resources led to slower loan disbursement. On the other hand, the low-income borrowers typically slow repayment when they anticipate a rejection in new credit delivery.

Lenders to the bottom of the pyramid borrower segment in general turned very selective and stopped lending to the overleveraged borrowers. This led to a contraction in the microfinance market with the gross loan portfolio having stood at ₹3.46 lakh crore at the end of September, falling steadily from the record high of ₹4.34 lakh crore seen at the end of March last year, data from Crif High Mark showed.

The portfolio for NBFC-MFIs stood reduced at ₹1.34 lakh crore, registering a 17.4% decline from ₹1.62 lakh crore a year back.

INDIVIDUAL
UNDERWRITING AT
CORE OF KOTAK'S
MICROFINANCE
RESET
→ SMART
INVESTING

if

URL- https://bfsi.economictimes.indiatimes.com/articles/government-plans-credit-guarantee-scheme-to-ease-mfi-stress/126029707?utm_source=latest_news&utm_medium=homepage

Government plans credit guarantee scheme to ease MFI stress

The scheme would encourage banks to lend to microfinance institutions (MFIs), especially the smaller ones, which are facing liquidity crunch amid limited access to bank funding. An announcement to this end is likely in the 2026 budget, people cited above said. The likely size of the guarantee programme is not known.



Atmadip Ray • ET Bureau

Published On Dec 17, 2025 at 08:42 AM IST



Kolkata: The finance ministry is preparing a credit guarantee scheme to support the stressed microfinance sector, two people in the know said. The sector is longing for government backing amid the ongoing asset quality stress.

The scheme would encourage banks to lend to microfinance institutions (MFIs), especially the smaller ones, which are facing liquidity crunch amid limited access to bank funding. An announcement to this end is likely in the 2026 budget, people cited above said. The likely size of the guarantee programme is not known.

This will be similar to the Credit Guarantee Scheme for Microfinance Institutions (CGSMFI) rolled out during the pandemic in 2021. At that time, the government had set up a ₹7,500 crore guarantee fund to encourage bank lending to micro-lenders. The scheme was in force from June 2021 to March 2022.

Publication : newsairinsight.com

Edition- Online

Date : 17-12-2025

Page No: NA

URL- <https://newsairinsight.com/government-plans-credit-guarantee-scheme-to-ease-mfi-stress-news-air-insight/>

BUSINESS

Government plans credit guarantee scheme to ease MFI stress – News Air Insight

December 17, 2025 / joyybannerjii

Spread the love



Kolkata: The finance ministry is preparing a **credit guarantee scheme** to support the stressed microfinance sector, two people in the know said. The sector is longing for government backing amid the ongoing asset quality stress.

The scheme would encourage banks to lend to **microfinance institutions** (MFIs), especially the smaller ones, which are facing **liquidity crunch** amid limited access to bank funding. An announcement to this end is likely in the 2026 budget, people cited above said. The likely size of the guarantee programme is not known.

**बजट 2026 में माइक्रोफाइनेंस सेक्टर पर फोकस, अब बैंकों को लोन देने
के लिए मिलेगी सरकारी गारंटी**

URL- <https://hindi.economictimes.com/news/microfinance-support-government-bringing-new-credit-guarantee-scheme-small-mfis-will-get-loans-from-banks/articleshow/126031157.cms>

बजट 2026 में माइक्रोफाइनेंस सेक्टर पर फोकस, अब बैंकों को लोन देने के लिए मिलेगी सरकारी गारंटी

Authored by मिनी पांडे ET Online • Updated: 17 Dec 2025, 11:23 am IST

को सिलेक्ट कर



माइक्रोफाइनेंस सेक्टर में आ रही दिक्कतों को देखते हुए सरकार एक नई क्रेडिट गारंटी योजना ला रही है। यह योजना बैंकों को छोटे माइक्रोफाइनेंस संस्थानों को कर्ज देने के लिए प्रोत्साहित करेगी। कोविड काल की तर्ज पर बनने वाली इस योजना से छोटे संस्थानों को बड़ी राहत मिलेगी।



क्रेडिट गारंटी स्कीम

माइक्रोफाइनेंस सेक्टर में जारी एसेट क्वालिटी और लिक्विडिटी संकट को देखते हुए वित्त मंत्रालय एक नई क्रेडिट गारंटी योजना तैयार कर रहा है। इस योजना का उद्देश्य बैंकों को माइक्रोफाइनेंस संस्थानों (MFIs), खासकर कि छोटे और मध्यम संस्थानों को कर्ज देने के लिए प्रोत्साहित करना है। आपको बता दें कि इस मामले से जुड़े दो अधिकारियों के मुताबिक, इस योजना की घोषणा वित्त वर्ष 2026 के

**Daily Voice: Good time for investors to enter Indian equities, Sonal
Minhas sees mid-teen returns for 2026**

Publication : moneycontrol.com

Edition- Online

Date : 20-12-2025

Page No: NA

URL- <https://www.moneycontrol.com/news/business/markets/daily-voice-good-time-for-investors-to-enter-indian-equities-sonal-minhas-sees-mid-teen-returns-for-2026-13734744.html>

Daily Voice: Good time for investors to enter Indian equities, Sonal Minhas sees mid-teen returns for 2026

Sonal Minhas believes that high quality banks/NBFCs with MSME, personal and corporate credit exposure should grow well from hereon.

— SUNIL SHANKAR MATKAR | DECEMBER 20, 2025 / 07:09 IST

Join Us

Follow Us

Add as a preferred source on Google



Sonal Minhas is the Founder at Prescient Capital

Sonal Minhas, founder at Prescient Capital, believes that this is a good time for investors to enter Indian equities as he sees mid teen returns for CY26.

According to him, Q3 and Q4 earnings growth will be better than Q2 growth and the overall earnings growth for FY26 for the companies could be in the range of 12-15%.

The sectors that had dampened the earnings growth for the previous 6 quarters namely IT, banking and consumption have demonstrated better numbers than Q2 FY26 and have a strong growth/revival outlook for the balance of the year, he believes.

Mint Road: Charting a transformation path for finance and business in 2025

URL- https://www.business-standard.com/amp/finance/news/mint-road-charting-a-transformation-path-for-finance-and-business-in-2025-125122800637_1.html



Mint Road: Charting a transformation path

The year 2025 laid the foundation for tectonic shifts in financial and business domains, like a move to open up M&As to bank financing, reports Raghu Mohan

A lucrative business segment has been opened up for banks in India — a financing merger & acquisition (M&A). It has thus far been the exclusive stomping ground of foreign banks (even though its funding remains offshore — at least, it's not on their rupee books), and a few select shadow banks. This is set to change with Mint Road's draft on "Commercial banks: Capital market exposure".

While there's no stifling study on the M&A business (which is part of the wider investment banking sales) banks — irrespective of the colour of their capital — will get to have more elbow room. M&As are set to reshape India Inc. — as on date, annual deal volumes are well above the \$100 billion mark. This, of course, will call for rewriting banks (once the operational guidelines are issued) when they step into the trade. It will segue lenders with a collateral-backed legacy with the equities markets.

Mint Road is understandably cautious. Its draft states banks' aggregate M&A finance exposure is not to exceed 10 per cent of their Tier-1 capital; it's to be made available only to listed companies with a "satisfactory" net worth and profit-making record of three years. And, they can finance only up to 70 per cent of the acquisition value; the rest is to be brought in by the acquirer as equity using its funds. It's clear that only the bigger banks will get to play a meaningful role in this area.

What is interesting is that the Reserve Bank of India (RBI) issued its draft on the subject in double-quick time. In August, State Bank of India (SBI) Chairman CS Setty had lifted the veil on a subject long spoken of in corporate corridors: "Why can't our banks finance M&As?" And, the Indian Banks' Association (of which Setty is the chairman) is to "make a formal request" to Mint Road to make way for it. Two months down the line, you had the draft issued for feedback from stakeholders. Things are surely changing fast.

Out with the old

A far-reaching reform measure which has not got the attention it merits is Mint Road's setting up the Regulatory Review Cell (RRC). It will be housed in the Department of Regulation (effective October 1, 2025). The mandate to ensure that regulations are subject to a comprehensive and systematic internal review every 5-7 years. What it tells you is that Mint Road has taken a long-term view — that such an exercise cannot be episodic, that too in a fast-changing financial world with technology altering business models. This is a future wherein both regulated entities and the regulator will be on a steep learning curve.

A closer reading informs you of the scope of its coverage — not just banks (be it state-run, private or small finance banks), but also non-banking financial companies (NBFCs), and urban cooperative banks.

Now, a criticism frequently directed at Mint Road is that its consultative process comes across as perfunctory. Drafts for industry feedback and the operational circulars later on are more or less the same. The regulator appears to have taken this sensitivity into consideration. So, in order to strengthen stakeholder engagement in the regulatory process and leverage industry expertise on a continued basis, an independent advisory group on regulation has been formed concurrently. It comprises external experts, to channel industry feedback into the periodic review of regulations through the RRC.

What has to be read into it is that RBI governor Sanjay Malhotra (and his key aides) is ensuring that the regulatory reform momentum set in motion by his predecessor is not squandered. Former Governor Shaktikanta Das had set up the second Regulatory Review Authority (RRA: 2.0) in November 2022 (it gave its recommendations in June 2022). This came two decades after V V Reddy as deputy governor set up the RRA in 1999 (he was appointed Governor on September 6, 2003, and served in the position for five years.)

Taking fresh cover

The RBI's Central Board of Directors has approved the risk-based deposit insurance framework for banks at its 620th meeting. This marks the most significant shift in the post-reform period. Think of it as tightening the screws on banks' liability side. Going forward, the premium paid by banks to the Deposit Insurance and Credit Guarantee Corporation (DICGC) to secure deposits will be linked to their risk profile. Again, it is not that the weaker-rated banks will shell out more than the current uniform premium of 12 paise for every ₹100 of deposits. This will be the cap, and the better-rated banks will pay lower.

What's less known is this architecture — radical as it may appear — is not a new concept. It was flagged by the Jagdish Capoor (he was a former deputy governor of RBI) working group on Reforms in Deposit Insurance, 1999; the Committee on Credit Risk Model, 2006 (set up by the DICGC); and the Jasbir Singh Committee on Differential Premium System for Banks, 2015. Incidentally, the Singh committee was set up after the issue of risk-based premium was discussed at the RBI's board meeting held on October 16, 2014.

It was also felt DICGC could "explore the possibility of putting in place a differential premium within the co-operative sector linking it to governance and risk profile of co-operative banks." The RBI has decided to revisit this last-mentioned aspect of deposit insurance as well. The mess at the Mumbai-based New India Cooperative Bank in early 2013 had put the spotlight on it. M Nagarkatti, secretary, Department of Financial Services, had also said that a hike in the sum covered is under consideration. This is speculated to move up to ₹15 lakh from the current ₹5 lakh.

Raghu tells you that course corrections will not be episodic. Mint Road is for taking longer-term positions with periodic reviews. As M Rajeshwar Rao, former deputy governor of the RBI, noted (August 12, 2024), a growing and formalising economy can naturally be expected to see a sharp increase in both primary and secondary bank deposits, "driving a wedge between the desirable insurance reserve requirement and the available reserve". And, considering multiple factors like growth in the value of bank deposits, economic growth rate, inflation, increase in income levels, etc., "a periodical upward revision of this limit may be warranted". If an upward revision in the sum covered were to come through down the line, it would be quickest in the post-reform period: after 1993, it has moved northwards only once (in February 2020) compared to the four times between 1988 (first hike) and 1980. DICGC was set up in 1961.

New UCB licences

The urban cooperative bank (UCB) space was in the spotlight. After a two-decadal break, new UCB licences are to be issued. The health of this sector has vastly improved.

Flashback: The number of UCBs surged in the 1990s on the back of a liberal licensing policy. Over the years, nearly a third of the newly-licensed lot became financially unsound. Starting FY04, RBI initiated a process of consolidation. This included amalgamation of unviable UCBs with their viable counterparts, closure of non-viable entities and suspension of issuance of new licences. As a result, the number of UCBs fell to 1,472 in FY24 from 1,526 in FY04. The move to licence new UCBs is also a key step towards realising the "DeShi Declaration 2025" (in November) adopted at the international conference — "Go-Go Mumbai 2025" — organised by the National Federation of UCBs and Credit Societies. This is to serve as a roadmap for the expansion of UCBs. Within the next five years, an UCB is to be established in every city with a population of over 200,000.

Union Home Minister and Minister of Cooperation Amit Shah said that UCBs must carry out their core functions with a multi-sector approach for the empowerment of young entrepreneurs, self-help groups, and the weaker sections of society. The goal: It has to be a win-win game here on.

SROs settle in

A tad over two years after Mint Road flagged the need for a self-regulatory organisation (SRO) architecture, the building blocks are in place. Sharing space with legacy SROs (Sachin, and the Microfinance Institutions Network), you now have The Fintech Association for Consumer Empowerment, the United Fintech Forum (which is the rebranded Digital Lenders Association of India), the Finance Industry Development Council, and Fixed Income Money Market and Derivatives Association of India.

Account aggregators, business correspondents and UCBs are also planning to have SROs for their respective sectors. The Business Correspondent Forum of India is to partner with the India Fintech Forum to co-create a stronger SRO. For industry support, it has teamed up with the Internet and Mobile Association of India and formed a chapter with their help. IAMAI-BCT UCBs plan to make the National Urban Co-operative Finance & Development Corporation an SRO. An issue which has not been addressed is the coordination between SROs. Is there to be a mirror image of the Financial Stability and Development Council set up in December 2010 — the coordinating agency for financial regulators — chaired by the finance minister?

RBI Asks Microlenders to Monitor Stress Build-up

Publication : economictimes.indiatimes.com

Edition- Online

Date : 29-12-2025

Page No: NA

URL- <https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-asks-microlenders-to-monitor-stress-build-up/articleshow/126235037.cms>

RBI asks microlenders to monitor stress build-up

PTI - Last Updated: Dec 29, 2025, 08:52:00 PM IST

Select  as

 FOLLOW US

 SHARE

 FONT SIZE

 SAVE

 PRINT

 COMMENT

Synopsis

The Reserve Bank of India has urged microfinance institutions to monitor stress build-up on their books, noting lower disbursements in southern states. This comes as the industry adopts guardrails to ensure steady growth, following challenges like borrower over-leverage. The RBI's revised framework aims for systemic and sustainable growth while fostering financial inclusion.



Mumbai: The Reserve Bank of India on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI

also said disbursements were lower in southern states in the fiscal year.

Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build-up of stress in the segment.

Publication : bfsi.economictimes.indiatimes.com

Edition- Online

Date : 30-12-2025

Page No: NA

URL- https://bfsi.economictimes.indiatimes.com/articles/rbi-asks-microlenders-to-monitor-stress-build-up/126242931?utm_source=newslisting&utm_medium=latestNews

RBI asks microlenders to monitor stress build-up

The Reserve Bank of India has urged microfinance institutions to monitor stress build-up on their books, noting lower disbursements in southern states. This comes as the industry adopts guardrails to ensure steady growth, following challenges like borrower over-leverage. The RBI's revised framework aims for systemic and sustainable growth while fostering financial inclusion.

PTI

Published On Dec 30, 2025 at 08:31 AM IST



Mumbai: The Reserve Bank of India on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI also said disbursements were lower in southern states in the fiscal year.

Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build-up of stress in the segment.

Over the last few quarters, lenders have faced challenges on the MFI front, stemming from over-leverage among borrowers, which led to the industry coming together and adopting a set of guardrails, including limiting the number of loans that can be given to a single borrower.

URL- https://legal.economictimes.indiatimes.com/news/regulators/rbi-urges-microlenders-to-address-stress-in-sector-amid-financial-challenges/126237300?utm_source=top_news&utm_medium=sectionListing

RBI asks microlenders to monitor stress build-up

In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI also said disbursements were lower in southern states in the fiscal year.



Online Bureau - PTI

Published On Dec 29, 2025 at 11:19 PM IST



Reserve Bank of India

The Reserve Bank of India on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI also said disbursements were lower in southern states in the fiscal year.

Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build-up of stress in the segment.

RBI asks microlenders to monitor stress build-up

PRESS TRUST OF INDIA
Mumbai, December 29

THE RESERVE BANK of India on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

In the Trend and Progress in Banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI also said disbursements were lower in Southern states.

Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build-up of stress in the segment.



Over the last few quarters, lenders have faced challenges on the MFI front, stemming from over-leverage among borrowers, which led to the industry coming together and adopting a set of guardrails, including limiting the number of loans that can be given to a single borrower.

The RBI report said the guardrails, introduced by the self-regulatory organisations Microfinance Institutions Network (MFIN) and Sa-Dhan, prioritised a "steady and calibrated growth" in the sector.

"The microfinance sector, however, experienced stress, with all lenders, excluding other NBFCs (NBFCs excluding NBFC-MFIs), recording contraction in credit as of March-end 2025," it added.

The RBI's own revisions in the regulatory framework for microfinance loans, introduced in 2022, by eliminating interest rate caps while introducing standardised rules, laid the foundation for "systemic and sustainable growth" of the sector, it said.

Publication : business-standard.com

Edition- Online

Date : 29-12-2025

Page No: NA

URL- https://www.business-standard.com/finance/news/microfinance-loans-performance-needs-close-monitoring-rbi-125122900968_1.html

Home / Finance / News / Microfinance loan performance needs close monitoring, RBI cautions NBFCs

Microfinance loan performance needs close monitoring, RBI cautions NBFCs

The RBI has flagged rising stress in microfinance loans, urging NBFCs to balance growth with sound practices, even as overall asset quality in the sector improved

Advertisement



The RBI also highlighted that although the share of borrowing from banks in total borrowings of NBFCs moderated, it continued to be significant

Anupreksha Jain | Mumbai

5 min read Last Updated : Dec 29 2025 | 8:11 PM IST



एनबीएफसी का प्रदर्शन

माइक्रोफाइनेंस ऋण पर निगरानी हो

अनुप्रेक्षा जैन
मुंबई, 29 दिसंबर

मार्च 2025 के आखिर तक कुल मिलाकर गैर बैंकिंग वित्तीय क्षेत्र (एनबीएफसी) की संपत्ति की गुणवत्ता में सुधार हुआ है। वहीं एनबीएफसी-माइक्रोफाइनेंस संस्थान (एनबीएफसी-एमएफआई) में गिरावट आई है। भारतीय रिजर्व बैंक (आरबीआई) ने चेतावनी दी है कि आगे चलकर माइक्रोफाइनेंस ऋणों के प्रदर्शन पर बारीकी से निगरानी की आवश्यकता है।

इसके अलावा रिजर्व बैंक ने जोर दिया है कि एनबीएफसी को अपने धन के स्रोतों में विविधता लाना जारी रखने की जरूरत है। साथ ही इन्हें समावेशी विकास और वित्तीय स्थिरता सुनिश्चित करने के लिए अपनी विकास आकांक्षाओं को ठोस और निष्पक्ष प्रथाओं के साथ संतुलित करना चाहिए। उन्हें प्रौद्योगिकी और साइबर संबंधी उभरती चुनौतियों के प्रति भी सतर्क रहने की आवश्यकता है। साथ ही ग्राहकों की शिकायतों का तुरंत समाधान करने की भी सलाह दी गई है। रिजर्व बैंक के आंकड़ों के मुताबिक एनबीएफसी- माइक्रोफाइनेंस संस्थानों (एमएफआई) की संपत्ति की गुणवत्ता घटी है। उनका सकल गैर निष्पादित संपत्ति (जीएनपीए) अनुपात मार्च 2025 के अंत में बढ़कर 4.1 प्रतिशत हो गया है, जो एक साल पहले 2 प्रतिशत था। वहीं शुद्ध गैर निष्पादित संपत्ति (एनएनपीए) अनुपात बढ़कर 1.2 प्रतिशत हो गया है, जो इसके पहले की समान अवधि में 0.6 प्रतिशत था।



इस गिरावट की वजह आंतरिक दबाव और वसूली में आ रही चुनौतियों को बताया गया है। सितंबर 2025 के अंत में एनबीएफसी क्षेत्र के जीएनपीए और एनएनपीए अनुपात मार्च 2025 के अंत के समान स्तर पर बने रहे। रिजर्व बैंक ने कहा, 'माइक्रोफाइनेंस सेक्टर के लिए 2022 में संशोधित नियामक ढांचा पेश किया गया, जिसमें ब्याज दर की सीमा समाप्त कर दी गई और मानकीकृत नियम से क्षेत्र के व्यवस्थित और सतत विकास की राह बनाई गई। माइक्रोफाइनेंस इंस्टीट्यूशंस नेटवर्क (एमएफआईएन) और सा-धन के सुरक्षा उपायों से इस क्षेत्र को सुव्यवस्थित तरीके से बढ़ने में मदद मिली।' आगे चलकर नियमन में आने वाली इकाइयों इस खंड में दबाव बनने की स्थिति की निगरानी करने की जरूरत है। इसमें कहा गया है कि पूरे क्षेत्र की परिसंपत्ति की गुणवत्ता में 2024-25 में और सुधार हुआ है। जीएनपीए अनुपात मार्च 2024 के अंत के 3.5 प्रतिशत की तुलना में मार्च 2025 के अंत में घटकर 2.9 प्रतिशत था।

Publication : cnbctv18.com

Edition- Online

Date : 29-12-2025

Page No: NA

URL- <https://www.cnbctv18.com/business/rbi-asks-microlenders-to-monitor-stress-build-up-ws-l-19807396.htm>

RBI asks microlenders to monitor stress build-up

RBI urges microfinance institutions to monitor stress as southern states see lower disbursements. SHGs credit access rose, but JLGs loans dropped 58 percent in 2024-25, says RBI report.



By PTI

December 29, 2025, 10:06:48 PM IST (Published)

🕒 2 Min Read

📖 **Impact Shorts**
Big News, Made Easy

Choose **CNBC TV18 on Google**



The Reserve Bank of India on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

Publication : news18.com

Edition- Online

Date : 29-12-2025

Page No: NA

URL- <https://www.news18.com/agency-feeds/rbi-asks-microlenders-to-monitor-stress-build-up-9799029.html>

RBI asks microlenders to monitor stress build-up

Agency: PTI

Last Updated: December 29, 2025, 2:00 IST

Rapid Read
Big news, made easy

 Follow us 



Representational image (Image: News18)

Mumbai, Dec 29 (PTI) The Reserve Bank of India on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI also said disbursements were

lower in southern states in the fiscal year.

Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build-up of stress in the segment.

Over the last few quarters, lenders have faced challenges on the MFI front, stemming from over-leverage among borrowers, which led to the industry coming together and adopting a set of guardrails, including limiting the number of loans that can be given to a single borrower.

The RBI report said the guardrails, introduced by the self-regulatory organisations Microfinance Institutions Network (MFIN) and Sa-Dhan, prioritised "steady and calibrated growth" in the sector.

Publication : outlookbusiness.com

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://www.outlookbusiness.com/corporate/rbi-asks-microlenders-to-monitor-stress-build-up>

RBI Asks Microlenders to Monitor Stress Build-up

Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build up of stress in the segment."



PTI

Updated on: 30 December 2025 3:30 pm

Follow us on



RBI Asks Microlenders to Monitor Stress Build-up

Publication : outlookmoney.com

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://www.outlookmoney.com/amp/story/banking/rbi-asks-microlenders-to-monitor-stress-build-up>

Outlook
MONEY

HOME » BANKING » RBI ASKS MICROLENDERS TO MON...

RBI Asks Microlenders To Monitor Stress Build-Up



RBI has asked microfinance lenders to closely monitor stress build-up as credit growth slows, especially in southern states, amid borrower over-leverage and tighter industry guardrails



RBI Flags Stress Risks In Microfinance Sector

Publication : freepressjournal.in

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://www.freepressjournal.in/business/rbi-flags-rising-stress-in-microfinance-urges-lenders-to-rein-in-risk-pursue-calibrated-growth>

THE
FREE PRESS JOURNAL

HOME MUMBAI NEWS FPJ SHORTS ENTERTAINMENT BUSINESS GAMES FEATURES INDIA SPORTS VIRAL EDUCATION TECH

e-Paper Get App

agoda

100,000 HOTEL DEALS DAILY!

SAVE UP TO 80% BOOK NOW

Home > Business > RBI Flags Rising Stress In Microfinance, Urges Lenders To Rein In Risk & Pursue Calibrated Growth

RBI Flags Rising Stress In Microfinance, Urges Lenders To Rein In Risk & Pursue Calibrated Growth

The RBI has cautioned microfinance institutions to closely monitor rising stress as borrower over-leverage weighs on the sector. Its FY25 banking report noted credit contraction among most lenders, lower disbursements in southern states, and a sharp decline in JLG loans. While regulatory reforms support sustainable growth, the central bank urged calibrated expansion and vigilance going ahead.

PTI | Updated: Tuesday, December 30, 2025, 09:31 AM IST



JUST TAP ON YOUR
WHATSAPP. AND THE
WORLD IS HERE.

No paywall. No fake news.

Get FPJ on
WhatsApp.

RBI asks microlenders to monitor stress build-up



The Reserve Bank of India (RBI) on Monday asked microfinance institutions to monitor the stress build-up on their books going forward. In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI also said disbursements were lower in southern States in the fiscal year. Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build-up of stress in the segment. Over the last few quarters, lenders have faced challenges on the MFI front, stemming from over-leverage among borrowers, which led to the industry coming together and adopting a set of guardrails, including limiting the number of loans that can be given to a single borrower. The RBI report said the guardrails, introduced by the self-regulatory organisations Microfinance Institutions Network (MFIN) and Sa-Dhan, prioritised "steady and calibrated growth" in the sector. "The microfinance sector, however, experienced stress, with all lenders, excluding other NBFCs (NBFCs excluding NBFC-MFIs) -recording contraction in credit as of March-end 2025," it added. The RBI's own revisions in the regulatory framework for microfinance loans, introduced in 2022, by eliminating interest rate caps while introducing standardised rules, laid the foundation for "systemic and sustainable growth" of the sector, it said. The central bank also said that the framework fosters social equity and empowerment by serving as an effective instrument for advancing financial inclusion. The number of SHGs (self-help groups) accessing credit from banks increased to 55.6 lakh in 2024-25 from 54.8 lakh in the previous year, it said, adding that lower disbursements in the southern region led to a moderation in the amount of loans disbursed by banks to SHGs. Savings balances of SHGs with banks rose 9.7 per cent to ₹70,000 crore, while their outstanding loans from banks increased by 17.2 per cent to ₹3 lakh crore, the RBI report said. The amount of loans disbursed by banks to joint liability groups (JLGs), which are informal credit groups of small borrowers, declined by 58 per cent during 2024-25, it added.

Publication : Millennium Post

Edition- New Delhi

Date : 30-12-2025

Page No: 11

URL- <https://www.millenniumpost.in/business/microfinance-institutions-asked-to-monitor-stress-build-up-641856>

'Microfinance institutions asked to monitor stress build-up'

The disbursements were lower in southern states in the financial year 2024-25, the RBI said in its report

MUMBAI: The Reserve Bank of India (RBI) on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI also said disbursements were lower in southern states in the fiscal year. Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build-up of stress in the segment."



Over the last few quarters, lenders have faced challenges on the MFI front, stemming from over-leverage among borrowers, which led to the industry coming together and adopting a set of guardrails, including limiting

the number of loans that can be given to a single borrower.

The RBI report said the guardrails, introduced by the self-regulatory organisations Microfinance Institutions Network (MFIN) and Sa-Dhan, pri-

Closer Look

- » Noting that a slew of measures have been taken by the industry to improve its performance, the report said
- » 'Going ahead, regulated entities need to monitor the build-up of stress in the segment
- » The RBI report said the guardrails, introduced by the self-regulatory organisations MFIN and Sa-Dhan, prioritised 'steady and calibrated growth' in the sector

oritised "steady and calibrated growth" in the sector.

"The microfinance sector, however, experienced stress, with all lenders, excluding other NBFCs (NBFCs excluding NBFC-MFIs) -recording con-

traction in credit as of March-end 2025," it added. The RBI's own revisions in the regulatory framework for microfinance loans, introduced in 2022, by eliminating interest rate caps while introducing standardised rules, laid the foundation for "systemic and sustainable growth" of the sector, it said.

The central bank also said that the framework fosters social equity and empowerment by serving as an effective instrument for advancing financial inclusion. The number of SHGs (self-help groups) accessing credit from banks increased to 55.6 lakh in 2024-25 from

54.8 lakh in the previous year, it said, adding that lower disbursements in the southern region led to a moderation in the amount of loans disbursed by banks to SHGs.

Savings balances of SHGs with banks rose 9.7 per cent to Rs 70,000 crore, while their outstanding loans from banks increased by 17.2 per cent to Rs 3 lakh crore, the RBI report said. The amount of loans disbursed by banks to joint liability groups (JLGs), which are informal credit groups of small borrowers, declined by 58 per cent during 2024-25, it added.

PII

RBI asks microlenders to monitor stress build-up

THE Reserve Bank of India on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the Reserve Bank of India also said disbursements were lower in southern states in the fiscal year.

Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build-up of stress in the segment".

Over the last few quarters, lenders have faced challenges on the MFI front, stemming from over-leverage among borrowers, which led to the industry coming together and adopting a set of guardrails, including limiting the number of loans that can be given to a single borrower.

The RBI report said the guardrails, introduced by the self-regulatory organisations Microfinance Institutions Network (MFIN) and Sa-Dhan, prioritised "steady and calibrated growth" in the sector. The Reserve Bank of India's own revisions in the regulatory framework for microfinance loans, introduced in 2022, by eliminating interest rate caps while introducing standardised rules, laid the foundation for "systemic and sustainable growth" of the sector, it further said.

छोटे ऋण देने वाले वित्त संस्थानों के 'हिसाब-किताब' पर नजर रखें

मुंबई, (पंजाब केसरी): भारतीय रिजर्व बैंक (आरबीआई) ने सोमवार को छोटी राशि के कर्ज देने वाले वित्त संस्थानों से अपने ऋण बही-खाते में दबाव बनने पर नजर रखने को कहा है।

वित्त वर्ष 2024-25 के लिए 'बैंकिंग में रुझान और प्रगति'

रिपोर्ट में आरबीआई ने कहा कि चालू वित्त वर्ष में दक्षिणी राज्यों में ऋण वितरण कम रहा। यह रिपोर्ट कर्नाटक और तमिलनाडु में उद्योग को प्रभावित करने वाले कई कदमों के बीच आई है। इसके मुताबिक प्रदर्शन में सुधार के लिए उद्योग ने कई कदम उठाए हैं और साथ ही 'विनियमित इकाइयों' को इस खंड में आगे चलकर दबाव बनने पर निगरानी रखने की आवश्यकता है। पिछली कुछ तिमाहियों में ऋणदाताओं को सूक्ष्म वित्त खंड में चुनौतियों का सामना करना पड़ा है, जिसका कारण उधारकर्ताओं पर अत्यधिक कर्ज



का बोझ रहा। इसके चलते उद्योग ने मिलकर कुछ सुरक्षा उपाय अपनाए, जिनमें एक ही उधारकर्ता को दिए जाने वाले ऋणों की संख्या सीमित करना भी शामिल है। आरबीआई की रिपोर्ट के अनुसार, स्व-नियामक संगठनों माइक्रोफाइनेंस

इंस्टीट्यूशंस नेटवर्क (एमएफआईएन) और सा-धन ने इन सुरक्षा उपायों को लागू किया है, जिसका उद्देश्य इस क्षेत्र में स्थिर और संतुलित वृद्धि को प्राथमिकता देना है। आरबीआई ने कहा कि 2022 में सूक्ष्म वित्त ऋणों के लिए नियामकीय ढांचे में किए गए उसके संशोधनों ने इस क्षेत्र में प्रणालीगत और टिकाऊ वृद्धि को नींव रखी। केंद्रीय बैंक ने यह भी कहा कि यह ढांचा वित्तीय समावेश को आगे बढ़ाने के एक प्रभावी साधन के रूप में कार्य करते हुए सामाजिक समानता और सशक्तीकरण को बढ़ावा देता है।

Publication : money.rediff.com

Edition- Online

Date : 29-12-2025

Page No: NA

URL- <https://money.rediff.com/news/market/rbi-asks-microlenders-to-monitor-stress-build-up/39397920251229>

RBI Asks Microlenders to Monitor Stress Build-up

By Rediff Money Desk, Mumbai

1 Minute Read

Listen to Article

Share:    

Dec 29, 2025 20:45

RBI urges microfinance institutions to monitor stress build-up. Report highlights lower disbursements in southern states in FY25.



Illustration: Dominic Xavier/Rediff.com

Mumbai, Dec 29 (PTI) The Reserve Bank of India on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI also said disbursements were lower in southern states in the fiscal year.

Noting that a slew of measures have been taken by the industry to improve its performance, the report said, "Going ahead, regulated entities need to monitor the build-up of stress in the segment.

Over the last few quarters, lenders have faced challenges on the MFI front, stemming from over-leverage among borrowers, which led to the industry coming together and adopting a set of guardrails, including limiting the number of loans that can be given to a single borrower.

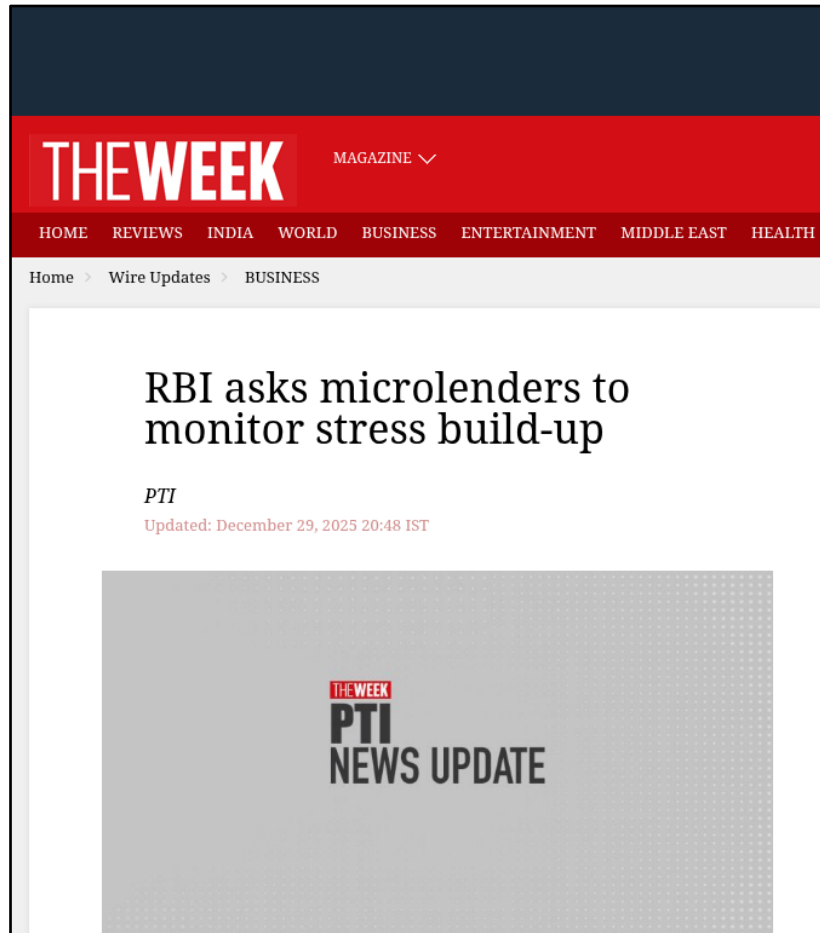
Publication : theweek.in

Edition- Online

Date : 29-12-2025

Page No: NA

URL- <https://www.theweek.in/wire-updates/business/2025/12/29/dcm68-biz-rbi-mfi-stress.html>



Publication : whalesbook.com

Edition- Online

Date : 29-12-2025

Page No: NA

URL- <https://www.whalesbook.com/news/English/BankingFinance/RBI-Issues-Stern-Warning-Microlenders-Must-Monitor-Mounting-Stress/6952a4c64342f77179deaba6>

The screenshot displays the Whalesbook website interface. At the top, there is a navigation bar with links for Home, Stocks, News, Premium, About Us, and Contact Us, along with Login and Signup buttons. The main headline reads "RBI Issues Stern Warning: Microlenders Must Monitor Mounting Stress!". Below the headline, it indicates the category "BANKING/FINANCE" and the date "29th December 2025, 9:07 pm". The author is listed as "Kavya Nair | Whalesbook News Team". There are social media sharing icons for WhatsApp, Telegram, LinkedIn, and Facebook. A "Source on Google" button is also present. The article's overview states that the Reserve Bank of India has directed microfinance institutions to closely monitor stress build-up in their loan portfolios. On the right side, there is a promotional banner for "GET INSTANT STOCK ALERTS ON WHATSAPP" and a section titled "Watchlist" with three entries: "3B BlackBio Dx Limited", "3B FILMS LIMITED", and "3C IT Solutions and Telecoms (India) Limited", each with an "ADD TO WATCHLIST" button. At the bottom, there is a banner encouraging users to get alerts for their portfolio stocks in seconds via the Whalesbook app, available on the App Store and Google Play.

Whalesbook Home Stocks News Premium About Us Contact Us Login Signup

RBI Issues Stern Warning: Microlenders Must Monitor Mounting Stress!

BANKING/FINANCE | 29th December 2025, 9:07 pm

AUTHOR
Kavya Nair | Whalesbook News Team

WhatsApp Telegram LinkedIn Facebook

Add as a Preferred Source on Google

Overview

The Reserve Bank of India has directed microfinance institutions to closely monitor stress build-up in their loan portfolios. This directive comes as the RBI's Trend and Progress in Banking Report for FY25 notes lower disbursements in southern states, despite industry efforts and self-regulatory measures like guardrails to ensure steady growth. The central bank aims to foster systemic and sustainable growth while promoting financial inclusion.

GET INSTANT STOCK ALERTS ON WHATSAPP FOR YOUR PORTFOLIO STOCKS
Results, Concalls, New Orders, Penalties, Expansion Plans & More

GET IT ON Google Play Download on the App Store

Search stocks (e.g., Tata, Reliance).

All Watchlist

3B BlackBio Dx Limited ADD TO WATCHLIST

3B FILMS LIMITED ADD TO WATCHLIST

3C IT Solutions and Telecoms (India) Limited ADD TO WATCHLIST

Newspapers are too slow. Get alerts for your portfolio stocks in seconds

Download on the App Store GET IT ON Google Play

Publication : psuwatch.com

Edition- Online

Date : 29-12-2025

Page No: NA

URL- <https://psuwatch.com/newsupdates/rbi-asks-microlenders-to-monitor-stress-build-up>

RBI asks microlenders to monitor stress build-up

Reserve Bank of India (RBI) on Monday asked microfinance institutions to monitor the stress build-up on their books going forward



RBI asks microlenders to monitor stress build-up PSU Watch

PSU Watch Bureau

Published on: 29 Dec 2025, 10:00 pm

New Delhi: The Reserve Bank of India (RBI) on Monday asked microfinance institutions to monitor the stress build-up on their books going forward.

In the trend and progress in banking report for FY25, which comes amid a raft of measures impacting the industry in Karnataka and Tamil Nadu, the RBI also said disbursements were lower in southern states in the fiscal year.

Publication : jantaserishta.com

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://jantaserishta.com/business/rbi-expresses-concern-over-growing-pressure-in-microfinance-sector-calls-for-cautious-growth-4485516>

RBI ने माइक्रोफाइनेंस में बढ़ते दबाव पर चिंता जताई, सोच-समझकर ग्रोथ करने को कहा

₹43.02 ▼

nidhi 30 Dec 2025 9:35 AM



Mumbai: भारतीय रिज़र्व बैंक ने सोमवार को माइक्रोफाइनेंस संस्थानों से कहा कि वे आगे चलकर अपनी बुक्स पर बढ़ते स्ट्रेस पर नज़र रखें। FY25 के लिए बैंकिंग रिपोर्ट में ट्रेड और प्रोग्रेस में, जो कर्नाटक और तमिलनाडु में इंडस्ट्री पर असर डालने वाले कई उपायों के बीच आई है, RBI ने यह भी कहा कि इस फ़ाइनेंशियल ईयर में दक्षिणी राज्यों में डिस्बर्समेंट कम थे।

रिपोर्ट में कहा गया है कि इंडस्ट्री ने अपनी परफॉर्मेंस को बेहतर बनाने के लिए कई कदम उठाए हैं। रिपोर्ट में कहा गया है, "आगे चलकर, रेगुलेटेड एंटीटीज़ को इस सेगमेंट में बढ़ते स्ट्रेस पर नज़र रखने की ज़रूरत है। पिछली कुछ तिमाहियों में, लेंडर्स को MFI के मोर्चे पर चुनौतियों का सामना करना पड़ा है, जो बॉरोअर्स के बीच ओवर-लेवरेज से पैदा हुई है, जिसके कारण इंडस्ट्री एक साथ आई और कुछ गार्डरैल्स अपनाए, जिसमें एक बॉरोअर को दिए जा सकने वाले लोन की संख्या को लिमिट करना भी शामिल है।

Microfinance Sector Shows Steady Recovery Amid Portfolio Contraction

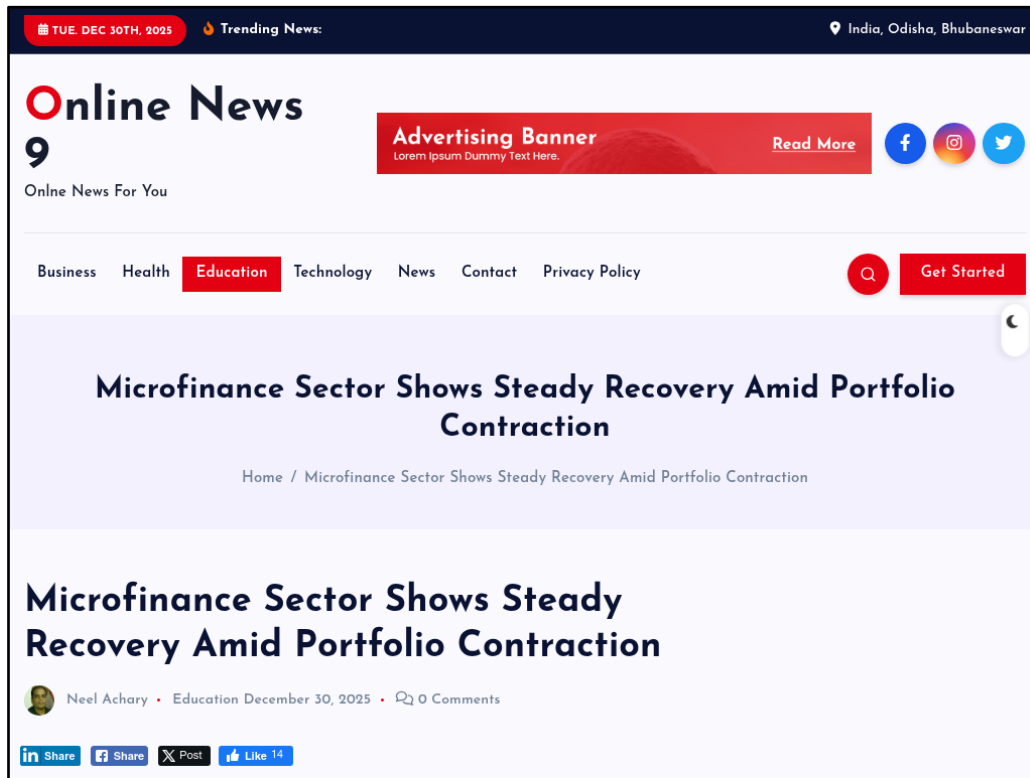
Publication : onlinenews9.in

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://onlinenews9.in/education/microfinance-sector-shows-steady-recovery-amid-portfolio-contraction/>



Publication : Quick Biz News

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://quickbiznews.com/education/microfinance-sector-shows-steady-recovery-amid-portfolio-contraction/>

Microfinance Sector Shows Steady Recovery Amid Portfolio Contraction

Education

December 30, 2025 / [0 Comments](#)

By:- Dr. Alok Misra, CEO & Director of Microfinance Industry Network (MFIN)

"The microfinance sector was severely tested over the past year. Aided by guardrails and focus of players on underwriting, the sector is marking a steady and silent recovery. Credit quality of new disbursements has continued to improve and has almost come to the normal levels seen in pre-March 2024. The PAR figures (1-90 days) would have been closer to 1.5% had disbursement volumes not remained subdued. Nearly 98% of borrowers now remain within MFIN's guardrails—underscoring the sector's disciplined underwriting and strong adherence to responsible lending practices.

That said, a key area of concern is the sustained contraction of the microfinance portfolio. Q2 FY26 data indicates a 16.8% year-on-year decline in the microfinance loan book, marking the sixth consecutive quarter of degrowth. The fall in funding has directly impacted disbursements; and led to an adverse policy outcome of nearly 65 lakh clients having slipped from microfinance towards informal sources of credit. Looking ahead, with improving liquidity conditions, and sustained discipline, the sector is well-positioned to stabilise and gradually rebuild momentum."

Publication : Startup Business Stories

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://startupbusinessstories.com/education/microfinance-sector-shows-steady-recovery-amid-portfolio-contraction/>

Microfinance Sector Shows Steady Recovery Amid Portfolio Contraction

Leave a Comment / education / By Admin

By:- Dr. Alok Misra, CEO & Director of Microfinance Industry Network (MFIN)

"The microfinance sector was severely tested over the past year. Aided by guardrails and focus of players on underwriting, the sector is marking a steady and silent recovery. Credit quality of new disbursements has continued to improve and has almost come to the normal levels seen in pre-March 2024. The PAR figures (1-90 days) would have been closer to 1.5% had disbursement volumes not remained subdued. Nearly 98% of borrowers now remain within MFIN's guardrails —underscoring the sector's disciplined underwriting and strong adherence to responsible lending practices.

That said, a key area of concern is the sustained contraction of the microfinance portfolio. Q2 FY26 data indicates a 16.8% year-on-year decline in the microfinance loan book, marking the sixth consecutive quarter of degrowth. The fall in funding has directly impacted disbursements; and led to an adverse policy outcome of nearly 65 lakh clients having slipped from microfinance towards informal sources of credit. Looking ahead, with improving liquidity conditions, and sustained discipline, the sector is well-positioned to stabilise and gradually rebuild momentum."

Publication : rightcolumnmedia.com

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://rightcolumnmedia.com/education/microfinance-sector-shows-steady-recovery-amid-portfolio-contraction/>



[Home](#) [Business](#) [Education](#) [Entertainment](#) [Guest Column](#) [Health](#) [News](#) [Technology](#) [About Us](#)

MICROFINANCE SECTOR SHOWS STEADY RECOVERY AMID PORTFOLIO CONTRACTION

[Home](#) / [Education](#) / Microfinance Sector Shows Steady Recovery Amid Portfolio Contraction

 Admin

 Leave A Comment

 Posted In Education

By:- Dr. Alok Misra, CEO & Director of Microfinance Industry Network (MFIN)

"The microfinance sector was severely tested over the past year. Aided by guardrails and focus of players on underwriting, the sector is marking a steady and silent recovery. Credit quality of new disbursements has continued to improve and has almost come to the normal levels seen in pre-March 2024. The PAR figures (1-90 days) would have been closer to 1.5% had disbursement volumes not remained subdued. Nearly 98% of borrowers remain within MFIN's guardrails—underscoring the sector's disciplined underwriting and strong adherence to responsible

Publication : The 9th Estate

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://the9thestate.com/education/microfinance-sector-shows-steady-recovery-amid-portfolio-contraction/>

Microfinance Sector Shows Steady Recovery Amid Portfolio Contraction

By:- Dr. Alok Misra, CEO & Director of Microfinance Industry Network (MFIN)

“

“The microfinance sector was severely tested over the past year. Aided by guardrails and focus of players on underwriting, the sector is marking a steady and silent recovery. Credit quality of new disbursements has continued to improve and has almost come to the normal levels seen in pre-March 2024. The PAR figures (1-90 days) would have been closer to 1.5% had disbursement volumes not remained subdued. Nearly 98% of borrowers now remain within MFIN's guardrails—underscoring the sector's disciplined underwriting and strong adherence to responsible lending practices.

That said, a key area of concern is the sustained contraction of the microfinance portfolio. Q2 FY26 data indicates a 16.8% year-on-year decline in the microfinance loan book, marking the sixth consecutive quarter of degrowth. The fall in funding has directly impacted disbursements; and led to an adverse policy outcome of nearly 65 lakh clients having slipped from microfinance towards informal sources of credit. Looking ahead, with improving liquidity conditions, and sustained discipline, the sector is well-positioned to stabilise and gradually rebuild momentum.”

Publication : Investment Guru India

Edition- Online

Date : 30-12-2025

Page No: NA

URL- <https://investmentguruindia.com/newsdetail/year-ender-quote-on-the-microfinance-sector-by-dr-alok-misra-ceo-director-of-microfinance-industry-network-mfin-870062>

Year-End Quote on the microfinance sector by Dr. Alok Misra, CEO & Director of Microfinance Industry Network (MFIN)

News By Tags | [#ExpertViews](#) [#MicrofinanceSector](#) [#AlokMisra](#) [#MicrofinanceIndustryNetwork](#)



Below the Year-End Quote on the microfinance sector by Dr. Alok Misra, CEO & Director of Microfinance Industry Network (MFIN)

"The microfinance sector was severely tested over the past year. Aided by guardrails and focus of players on underwriting, the sector is marking a steady and silent recovery. Credit quality of new disbursements has continued to improve and has almost come to the normal levels seen in pre-March 2024. The PAR figures (1-90 days) would have been closer to 1.5% had disbursement volumes not remained subdued. Nearly 98% of borrowers now remain within MFIN's guardrails—underscoring the sector's disciplined underwriting and strong adherence to responsible

lending practices.

That said, a key area of concern is the sustained contraction of the microfinance portfolio. Q2 FY26 data indicates a 16.8% year-on-year decline in the microfinance loan book, marking the sixth consecutive quarter of degrowth. The fall in funding has directly impacted disbursements; and led to an adverse policy outcome of nearly 65 lakh clients having slipped from microfinance towards informal sources of credit. Looking ahead, with improving liquidity conditions, and sustained discipline, the sector is well-positioned to stabilise and gradually rebuild momentum."

Bank lending to joint liability groups slump: RBI data

Publication : The Financial Express

Edition- Ahmedabad, Bangalore, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, Lucknow, Mumbai, New Delhi, Pune

Date : 31-12-2025

Page No: 6

URL- <https://www.financialexpress.com/business/banking-finance-bank-lending-to-joint-liability-groups-slump-rbi-data-4092781/>

Bank lending to small borrowers slows down

KSHIPRA PETKAR
Mumbai, December 30

BANK LENDING TO joint liability groups (JLGs) contracted sharply in 2024-25, with disbursements declining 58%, highlighting the stress faced by the microfinance sector over the past year, according to the Trend and Progress report released by the Reserve Bank of India (RBI).

JLGs, which are informal credit groups catering to small borrowers, were among the worst hit as lenders turned cautious amid funding constraints and tighter underwriting norms.

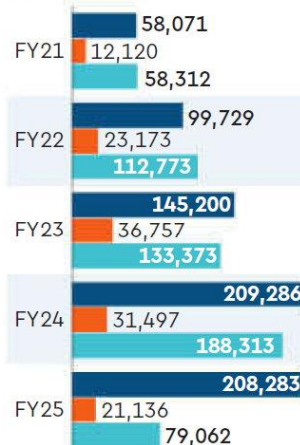
A combination of rising credit risk, regulatory tightening and weaker repayment capacity among micro and small enterprises has been behind banks' lending to small borrowers slowing down.

According to Q2FY26 data, the microfinance loan book declined 16.8% year-on-year, marking the sixth consecutive quarter of degrowth.

"The fall in funding and disbursements has had the unintended consequence of pushing nearly 650,000 borrowers back towards informal sources of credit," said Alok Misra, CEO and director, Microfinance Industry Network. However, he said since last year's fiasco, the sector had been "severely tested" and is

CREDIT CHECK

Loans disbursed by banks
(₹ crore) ■ SHG ■ MFIs
■ Joint liability groups



Source: RBI

showing signs of a "steady and silent recovery".

Despite the slowdown, microfinance continues to play a critical role in advancing financial inclusion. The Self-Help Group-Bank Linkage Programme (SHG-BLP) continued to expand its outreach during the year. The number of SHGs accessing bank credit rose to 5.56 million in 2024-25 from 5.48 million a year ago, though the overall value of loans disbursed saw a slight moderation.

Publication : ipanewspack.com

Edition- Online

Date : 31-12-2025

Page No: NA

URL- <https://ipanewspack.com/bank-lending-to-joint-liability-groups-slump-rbi-data/>

Wed 31 Dec 2025 / IPA Service

Bank Lending To Joint Liability Groups Slump: RBI Data

MUMBAI: Bank lending to joint liability groups (JLGs) contracted sharply in 2024-25, with disbursements declining 58%, reflecting the stress faced by the microfinance sector over the past year, according to the Trend and Progress report released by the Reserve Bank of India on Monday. JLGs which are informal credit groups catering to small borrowers, were among the worst hit as lenders turned cautious amid funding constraints and tighter underwriting norms.

Combination of rising credit risk, regulatory tightening, and weaker repayment capacity among micro and small enterprises has been the key reason for banks' lending to small borrowers slowing. According to Q2 FY26 data, the microfinance loan book declined 16.8% year-on-year, marking the sixth consecutive quarter of degrowth.

Small Finance Banks and microfinance institutions, which are the primary channels of credit for low-income and rural borrowers, have reported higher delinquency and non-performing assets, prompting them to cut back on disbursements. Banks were prioritising balance sheet protection and regulatory compliance, but this came at the cost of financial inclusion, leaving small borrowers with fewer options to access formal credit. The PSL loans were down 12% in FY25 from 16.9% a year ago.

Microfin borrower indebtedness rises marginally in Sept after two-year dip

Publication : Business Standard

Edition- Online

Date : 31-12-2025

Page No: NA

URL- https://www.business-standard.com/finance/news/microfinance-borrower-indebtedness-rises-sept-2025-rbi-fsr-125123100978_1.html

Home / Finance / News / Microfin borrower indebtedness rises marginally in Sept after two-year dip

Microfin borrower indebtedness rises marginally in Sept after two-year dip

RBI's Financial Stability Report shows microfinance borrower indebtedness edged up in September 2025 after a two-year decline, even as credit and active borrowers fell in H1 FY26

Advertisement

BS

BE MORE THAN INFORMED. BE THE SMART INVESTOR

CLICK
HERE



Credit to the microfinance sector declined for the sixth consecutive quarter, falling 9.3 per cent in the first half of FY26, with total active borrowers in the sector decreasing by 78 lakh.

Aathira Varier | Mumbai

3 min read Last Updated : Dec 31 2025 | 7:46 PM IST

