

PRESS RELEASE

MICROFINANCE: KEY FACTS AND CLARIFICATION

What is Microfinance?

As per the Reserve Bank of India (RBI), a microfinance loan is a collateral-free loan given to a household having an annual income of up to ₹3 lakh. Microfinance loans are provided by RBI-regulated entities, including Banks, Small Finance Banks (SFBs), Non-Banking Financial Companies – Microfinance Institutions (NBFC-MFIs), NBFCs and Corporate Business Correspondents (CBCs). Microfinance enables low-income households, particularly women, to access formal credit for livelihood activities, small businesses and other household needs.

Microfinance in India & Maharashtra

As of 31 August 2026, the microfinance industry in India had 6.06 crore unique borrowers and 9.27 crore loan accounts, with a Gross Loan Portfolio (GLP) of ₹3.23 lakh crore.

The state of Maharashtra is among the major microfinance markets in the country. As of 31 August 2026, the state had:

- 43.39 lakh unique borrowers
- 70.21 lakh loan accounts
- ₹23,156 crore in Gross Loan Portfolio, ranking sixth among states.

Key features of Microfinance loan

- Loans are without any security
- All loans are given after credit bureau check and disbursed in bank account
- These loans are part of MUDRA scheme
- Average loan size is Rs.62,427.
- It is ensured that loan repayments are not more than 50% of income

About MFIN

The Microfinance Industry Network (MFIN) is the RBI-recognised Self-Regulatory Organisation (SRO) for NBFC-MFIs, Banks, SFBs and NBFCs. It works towards promoting responsible lending, regulatory compliance, customer protection and good governance in the microfinance sector. MFIN also facilitates customer grievance redressal through a dedicated mechanism, enabling borrowers to approach their lending institution and escalate unresolved complaints to MFIN through its free helpline 1800 102 1080.



RBI's Regulatory Framework & Customer Protection

MFIN members, comprising Banks, Small Finance Banks (SFBs), NBFC-MFIs and NBFCs, are RBI-regulated entities that follow a stringent framework for responsible lending and borrower protection. Their operations are guided by RBI's Responsible Business Conduct guidelines, MFIN's industry Code of Conduct and MFIN Guardrails, which mandate fair conduct, transparent lending practices and responsible, non-coercive recovery mechanisms. These institutions follow transparent lending and repayment processes and provide access to grievance redressal mechanisms.

MFIN and its member institutions also regularly undertake borrower awareness and financial literacy initiatives, through MFIN's Microfinance Awareness Programmes held across India.

Misattribution of Nanded and Latur Incidents to Microfinance

Recent media reports concerning the deaths of farmers in Nanded and Latur have attributed the incidents to microfinance and loan recovery practices. It is important to clarify that the loans reportedly associated with these two incidents were not microfinance loans.

In the Nanded case, reports referred to a loan-related issue involving a private finance entity. In the Latur case too, the loan reportedly associated with the incident was not a microfinance loan. Therefore, attributing these incidents to the microfinance sector without verifying the identity and nature of the lender is factually incorrect.

Importance of Accurate Reporting

Microfinance is a defined category of collateral-free lending governed by RBI regulations. It should not be conflated with other forms of private lending or finance.

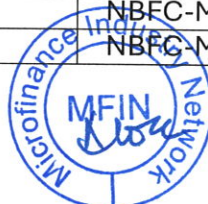
Incorrect attribution of incidents to microfinance erodes public confidence in the formal financial system, undermines the credibility of RBI-regulated institutions and affects the sector's ability to serve low-income households. Media organisations are requested to verify the facts and the nature of the lending institution before attributing any incident to microfinance.

MFIN urges media organisations to verify the lender's identity and the nature of the loan before attributing any incident to microfinance. Editors and journalists may contact MFIN for factual clarification and information on the sector.

You can contact MFIN at: contact@mfinindia.org / kabir@mfinindia.org

List of MFIN Member institutions in the state of Maharashtra:

S. No.	Name of RE	Category
1	Annapurna Finance Pvt Ltd	NBFC-MFI
2	Arohan Financial Services Ltd	NBFC-MFI
3	Asirvad Microfinance Ltd	NBFC-MFI
4	CreditAccess Grameen Ltd	NBFC-MFI
5	Fusion Finance Ltd	NBFC-MFI
6	Hindusthan Microfinance Pvt Ltd	NBFC-MFI



7	IIFL Samasta Finance Ltd	NBFC-MFI
8	Light Microfinance Pvt Ltd	NBFC-MFI
9	LOLC India Finance Pvt Ltd	NBFC-MFI
10	M Power Micro Finance Pvt Ltd	NBFC-MFI
11	Midland Microfin Ltd	NBFC-MFI
12	Muthoot Microfin Ltd	NBFC-MFI
13	Namra Finance Ltd	NBFC-MFI
14	Satin Credit Care Network Ltd	NBFC-MFI
15	Satya MicroCapital Ltd	NBFC-MFI
16	SAVE Microfinance Pvt Ltd	NBFC-MFI
17	Share Microfin Ltd	NBFC-MFI
18	Spandana Sphoorty Financial Ltd	NBFC-MFI
19	Svasti Microfinance Pvt Ltd	NBFC-MFI
20	Svatantra Microfin Pvt Ltd	NBFC-MFI
21	Axis Bank Ltd	Bank
22	Bandhan Bank Ltd	Bank
23	HDFC Bank Ltd	Bank
24	ICICI Bank Ltd	Bank
25	IDFC First Bank	Bank
26	IndusInd Bank Ltd	Bank
27	Kotak Mahindra Bank Ltd	Bank
28	RBL Bank Ltd	Bank
29	Yes Bank	Bank
30	AU Small Finance Bank	SFB
31	Equitas Small Finance Bank Ltd	SFB
32	ESAF Small Finance Bank Ltd	SFB
33	Jana Small Finance Bank	SFB
34	Suryoday Small Finance Bank Ltd	SFB
35	Ujjivan Small Finance Bank Ltd	SFB
36	Unity SFB	SFB
37	Utkarsh Small Finance Bank Ltd	SFB
38	Bajaj Finserv Ltd	NBFC
39	ITI Credit Ltd	NBFC
40	L&T Finance Ltd	NBFC
41	Northern Arc Capital Ltd	NBFC
42	Piramal Capital & Housing Finance Pvt Ltd	NBFC
43	SMFG India Credit Company Ltd	NBFC
44	Tata Capital	NBFC
45	IDFC First Bharat Ltd	CBC
46	Kamal Fincap Pvt Ltd	CBC
47	New Opportunity Consultancy Pvt Ltd	CBC
48	BSS Sonata Microcredit Ltd	CBC
49	Bharat Financial Inclusion Ltd	CBC-S
50	RBL FinServe Ltd	CBC-S

Dr Alok Misra

Dr Alok Misra
CEO & Director
Microfinance Industry Network

