

MFIN/CC/04/25-26

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Press Release

Micro Finance Industry Network (MFIN) releases the 55th edition of Micrometer for Q2 FY 25-26 based on the industry position as on September 30, 2025.

MFIN is an industry association of Banks, NBFC-MFIs, SFBs and NBFCs providing microfinance and an RBI-recognized self-regulatory organization.

Micrometer is the flagship publication of MFIN which covers progress of Indian Microfinance industry on a quarterly frequency, this is the 55th issue.

Report insights

As of 30th September 2025, microfinance operations are spread across 36 states/UTs and 718 districts. Data for Q2 FY 25-26 shows that on a YoY basis, the microfinance portfolio has declined by 16.8%. The portfolio outstanding as on 30th September 2025 stands at Rs 3,39,510 Cr compared to Rs 4,08,049 Cr at the end of same quarter last year. NBFC-MFIs contribute 39.2% share making them the largest lenders in microfinance sector, followed by banks at 31.4%, SFB and NBFCs make up the remaining share of portfolio.

Dr Alok Misra, CEO & Director, MFIN observed, “Continued funding squeeze has resulted in sixth consecutive quarter fall in microfinance portfolio to Rs 3.39 lakh crore. This has resulted in nearly 50 lakh clients going out of formal finance. It is ironical as Portfolio at Risk (31-90 days) has improved to 1.09% and 98% of clients are within the MFIN Guardrails showcasing disciplined underwriting in the sector. One thing the sector needs now, to ensure that the financial inclusion gains built over decades do not wither away is liquidity”.