

Election Bound States District Risk Index (EBS-DRI)

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1. Background

Five states, namely Tamil Nadu, Kerala, Assam, West Bengal, and Puducherry (Union Territory), are scheduled for State Assembly Elections in April–May 2026, with polling on 9th, 23rd, and 29th April 2026 and results on 4th May 2026. Concurrently, bye-elections are being held in Karnataka and Maharashtra (two constituencies each) and one each in Gujarat, Goa, Tripura, and Nagaland. Only West Bengal state elections will be held in two phases—23rd and 29th April 2026. Assam, Kerala, Puducherry, Goa, Karnataka, Nagaland, and Tripura go for elections on 9th April, and Tamil Nadu, Gujarat, and Maharashtra on 23rd April 2026.

Election cycles historically amplify operational risk for Member REs through loan waiver campaigns, political agitation, heightened media scrutiny, regulatory posturing, and increased incidence of fraud by non-regulated entities and non-state actors. The interaction between political signalling, borrower behaviour, and media narratives creates a complex risk environment that requires systematic monitoring at the district level.

MFIN, as a routine exercise, had reached out to all the State Election Commissioners and informed them about the Member REs' operations, associated cash movements as part of the operations, and sought support and cooperation from the vigilance officials during the currency of the Model Code of Conduct in the respective states.

All the State/Zonal Heads have been shared with the copy of the communications/acknowledgments received from the respective SECs and shared the Do's, Don'ts, and SOPs to be followed during the period, along with a video with voice-over to depict the behaviour of field officers in case they are stopped by election officials during transit. In addition, the State/Zonal Heads were sensitised through virtual State Chapter Meetings, field officers in District Forum Meetings, besides an online meeting with all State/Zonal Heads of election-bound states on 31st March 2026 by the Head, SI Vertical.

Notwithstanding the above, a District Risk Index has been developed for 118 districts of the election/bye-election bound states, and the findings of the same are being shared with the Heads of Member REs.

2. Objective

The Election Bound States District Risk Index (EBS-DRI) is a composite index designed to:

1. Quantify the operational risk state of each district in the election-bound and bye-election states using both quantitative (portfolio-level) and qualitative (field-level critical incidents) variables;
2. Measure the **velocity** (rate of change) and **direction** (trajectory) of risk movement between two periods;
3. Classify districts into actionable **risk quadrants** based on severity and velocity;
4. Provide MFIN members with a data-driven tool for resource allocation, field-level preparedness, and strategic decision-making during the election cycle.

3. Data & Sources

The operational risk of the election-bound states at the district level was measured across seven pillars, viz.:

- (i) Political Environment (18% weightage),
- (ii) Reported Fraud Incidents (25%),
- (iii) Complaints made to district authorities and CGRM complaints (20%),
- (iv) Portfolio Stress—DPD, GLP, Recovery (14%),
- (v) Negative Media Incidents (8%),
- (vi) Portfolio Concentration (8%), and
- (vii) Legislative Interference (7%).

Twenty-five sub-indicators were considered across the above pillars. Data was sourced from the MFIN SI Tracker and Data Centre.

Each sub-indicator captures one of four functional categories of a district going for election/bye-election:

- **Risk State**—current structural condition of the district (e.g., DPD 30+, DPD 90+, Recovery Rate, Borrower Penetration);
- **Risk Events**—incidents that signal operational disruption (e.g., Fraud, Complaints, FIRs, Media);
- **Momentum**—rate of change of deterioration within a period, termed *velocity* (QoQ DPD Change);
- **Contextual/Timing**—proximity to the elections (Days to Election).

4. DRI Framework

All 118 districts of the election-bound states are classified into four quadrants based on two dimensions: a **Severity axis** (FY26 Composite Score relative to the median) and a **Velocity axis** (change in composite score between FY25 and FY26).

4.1 Quadrant Classification Matrix

	Stable / Improving (Velocity $\leq +0.5$)	Worsening (Velocity $> +0.5$)
High Severity ($\geq$ median)	Q2 — Watch Zone High risk but velocity stabilised or improving. Sustained vigilance required; any external shock could tip into Q1.	Q1 — Critical Alert High risk AND accelerating deterioration. Immediate field-level intervention required.
Low Severity ($<$ median)	Q4 — Comfort Zone Low severity and stable/improving trajectory. Routine monitoring sufficient.	Q3 — Emerging Risk Low current severity but deteriorating trajectory. Early warning; proactive engagement can prevent escalation.

Table 1: Severity $\times$ Velocity Quadrant Classification

4.2 Quadrant Pictorial

Figure 1: Severity $\times$ Velocity Quadrant Classification

5. Results Summary

5.1 Aggregate Distribution

Quadrant	Label	Districts	% Total	Interpretation
Q1	Critical Alert	39	33%	High severity + Worsening
Q2	Watch Zone	20	17%	High severity + Stable/Improving
Q3	Emerging Risk	11	9%	Low severity + Worsening
Q4	Comfort Zone	48	41%	Low severity + Stable/Improving
Total		118	100%	

Table 2: Quadrant Distribution

Direction	Districts	% Total
Worsening ($V > +0.5$)	50	42%
Stable ($-0.5 \leq V \leq +0.5$)	61	52%
Improving ($V < -0.5$)	7	6%

Table 3: Direction Distribution

5.2 State-Level Summary

5.3 Key Findings

1. **Assam** is the most concerning state: 25 of 33 districts fall in Q1 Critical Alert, with an average velocity of +0.69. The primary drivers are the enactment of state microfinance

State	Dist.	Avg FY26	Avg Vel.	Q1	Riskiest Dist.	Direction
Assam	33	2.16	+0.69	25	Golaghat	Worsening
Tamil Nadu	37	2.05	+0.47	13	Cuddalore	Stable
Karnataka	2	2.57	-0.35	0	Devangere	Stable
Gujarat	1	1.72	-0.17	0	Anand	Stable
Goa	1	1.72	+0.04	0	Ponda	Stable
Puducherry	4	1.57	-0.08	0	Pondicherry	Stable
Kerala	14	1.55	-0.18	0	Alappuzha	Stable
Maharashtra	2	1.49	-0.05	0	Pune	Stable
Tripura	1	1.26	-0.09	0	North Tripura	Stable
West Bengal	23	1.08	-0.21	1	Puruliya	Stable

Table 4: State-Level Risk Summary

legislation (G1), elevated DPD levels, and high media severity. Golaghat, Sivasagar, and Charaideo are the three most acute districts.

2. **Tamil Nadu** has 13 of 37 districts in Q1, driven by the TN Microfinance Act and a broad-based increase in critical incidents. Cuddalore and Kanchipuram lead the risk ranking. However, a significant number of TN districts (20) have stabilised into Q2 Watch Zone, i.e., high severity but velocity contained.
3. **West Bengal** presents a contrasting picture: 22 of 23 districts sit in Q4 Comfort Zone with stable or improving trajectories. Puruliya is the sole outlier, recording the highest velocity (+1.84) in the entire dataset. Notable improvements include Murshidabad (-1.55 velocity) and North 24 Parganas (-1.31 velocity).
4. **Bye-election states** (Karnataka, Maharashtra, Goa) show elevated but stabilising risk. Karnataka's Devangere and Bagalkot are in Q2 Watch Zone.
5. The **11 districts in Q3 Emerging Risk** warrant proactive engagement. While their current severity is below median, the deteriorating velocity signals potential migration to Q1 in subsequent quarters.

5.4 Top 10 Riskiest Districts (FY26)

Rank	State	District	FY25	FY26	Velocity	Quadrant
1	Assam	Golaghat	1.56	3.17	+1.61	Q1
2	Assam	Sivasagar	1.59	2.86	+1.27	Q1
3	Assam	Charaideo	1.50	2.85	+1.35	Q1
4	West Bengal	Puruliya	0.91	2.75	+1.84	Q1
5	Assam	Kamrup Metro	1.72	2.61	+0.89	Q1
6	Assam	Dibrugarh	1.48	2.59	+1.11	Q1
7	Karnataka	Devangere	2.77	2.59	-0.18	Q2
8	Karnataka	Bagalkot	3.08	2.56	-0.52	Q2
9	Tamil Nadu	Cuddalore	1.91	2.55	+0.64	Q1
10	Tamil Nadu	Kanchipuram	1.32	2.40	+1.08	Q1

Table 5: Top 10 Districts by FY26 Composite Score

6. Annexures

6.1 Annexure I: Complete District-Wise Risk Classification

All 118 districts ranked by FY26 Composite Score (descending).

Table 6: Complete District-Wise Risk Classification

#	State	District	FY25	FY26	Vel.	Dir.	Quad.
1	Assam	Golaghat	1.56	3.17	+1.61	Wors.	Q1
2	Assam	Sivasagar	1.59	2.86	+1.27	Wors.	Q1
3	Assam	Charaideo	1.50	2.85	+1.35	Wors.	Q1
4	W. Bengal	Puruliya	0.91	2.75	+1.84	Wors.	Q1
5	Assam	Kamrup Metro.	1.72	2.61	+0.89	Wors.	Q1
6	Assam	Dibrugarh	1.48	2.59	+1.11	Wors.	Q1
7	Karnataka	Devangere	2.77	2.59	−0.18	Stable	Q2
8	Karnataka	Bagalkot	3.08	2.56	−0.52	Impr.	Q2
9	Tamil Nadu	Cuddalore	1.91	2.55	+0.64	Wors.	Q1
10	Tamil Nadu	Kanchipuram	1.32	2.40	+1.08	Wors.	Q1
11	Assam	Kamrup	1.63	2.36	+0.73	Wors.	Q1
12	Tamil Nadu	Coimbatore	2.01	2.34	+0.33	Stable	Q2
13	Assam	Hojai	1.73	2.34	+0.60	Wors.	Q1
14	Assam	Lakhimpur	1.86	2.31	+0.46	Stable	Q2
15	Assam	Goalpara	1.58	2.29	+0.71	Wors.	Q1
16	Assam	Barpeta	1.59	2.26	+0.67	Wors.	Q1
17	Assam	Nalbari	1.62	2.24	+0.62	Wors.	Q1
18	Tamil Nadu	Tirupathur	1.57	2.20	+0.64	Wors.	Q1
19	Assam	Nagaon	1.65	2.20	+0.55	Wors.	Q1
20	Tamil Nadu	Tiruvannamalai	1.69	2.17	+0.48	Stable	Q2
21	Tamil Nadu	Tiruppur	1.89	2.17	+0.28	Stable	Q2
22	Tamil Nadu	Ranipet	1.53	2.17	+0.64	Wors.	Q1
23	Assam	Jorhat	1.58	2.16	+0.59	Wors.	Q1
24	Puducherry	Pondicherry	2.18	2.16	−0.02	Stable	Q2
25	Tamil Nadu	Erode	1.55	2.14	+0.59	Wors.	Q1
26	Tamil Nadu	Vellore	2.03	2.13	+0.09	Stable	Q2
27	Tamil Nadu	Theni	1.81	2.12	+0.31	Stable	Q2
28	Tamil Nadu	Tuticorin	1.68	2.12	+0.44	Stable	Q2
29	Tamil Nadu	Namakkal	1.46	2.10	+0.64	Wors.	Q1
30	Tamil Nadu	Virudhunagar	1.52	2.09	+0.57	Wors.	Q1
31	Assam	Dhubri	1.42	2.09	+0.67	Wors.	Q1
32	Tamil Nadu	Kanyakumari	1.45	2.08	+0.63	Wors.	Q1
33	Assam	Biswanath	1.54	2.05	+0.52	Wors.	Q1
34	Tamil Nadu	Kallakurichi	1.46	2.05	+0.59	Wors.	Q1
35	Assam	Majuli	1.54	2.05	+0.51	Wors.	Q1
36	Tamil Nadu	Dindigul	1.72	2.05	+0.33	Stable	Q2
37	Assam	Darrang	1.53	2.04	+0.51	Wors.	Q1
38	Assam	Karimganj	1.42	2.04	+0.62	Wors.	Q1
39	Tamil Nadu	Tiruvallur	1.52	2.04	+0.52	Wors.	Q1
40	Assam	Dhemaji	1.49	2.04	+0.54	Wors.	Q1
41	Assam	Sonitpur	1.47	2.03	+0.57	Wors.	Q1
42	Tamil Nadu	Tenkasi	1.57	2.03	+0.46	Stable	Q2
43	Tamil Nadu	Madurai	1.76	2.03	+0.27	Stable	Q2
44	Assam	Hailakandi	1.46	2.03	+0.56	Wors.	Q1
45	Assam	Bongaigaon	1.40	2.02	+0.62	Wors.	Q1
46	Tamil Nadu	Chennai	1.27	2.02	+0.75	Wors.	Q1
47	Tamil Nadu	Tiruvarur	1.63	2.02	+0.39	Stable	Q2

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#	State	District	FY25	FY26	Vel.	Dir.	Quad.
48	Assam	Tinsukia	1.48	2.02	+0.54	Wors.	Q1
49	Tamil Nadu	Chengalpattu	1.43	2.01	+0.59	Wors.	Q1
50	Tamil Nadu	Tirunelveli	1.66	2.00	+0.34	Stable	Q2
51	Tamil Nadu	Nilgiris	1.54	2.00	+0.46	Stable	Q2
52	Assam	Baksa	1.35	2.00	+0.65	Wors.	Q1
53	Tamil Nadu	Salem	1.57	1.99	+0.42	Stable	Q2
54	Assam	Cachar	1.48	1.99	+0.51	Wors.	Q1
55	Tamil Nadu	Sivaganga	1.56	1.99	+0.43	Stable	Q2
56	Tamil Nadu	Villupuram	1.70	1.96	+0.26	Stable	Q2
57	Tamil Nadu	Pudukkottai	1.40	1.95	+0.54	Wors.	Q1
58	Assam	Chirang	1.34	1.94	+0.61	Wors.	Q1
59	Assam	Marigaon	1.67	1.94	+0.27	Stable	Q2
60	Tamil Nadu	Tiruchirappalli	1.38	1.93	+0.56	Wors.	Q3
61	Tamil Nadu	Dharmapuri	1.48	1.92	+0.44	Stable	Q4
62	Tamil Nadu	Krishnagiri	1.36	1.90	+0.54	Wors.	Q3
63	Tamil Nadu	Thanjavur	1.69	1.90	+0.20	Stable	Q4
64	Assam	Udalguri	1.30	1.89	+0.59	Wors.	Q3
65	Assam	W. Karbi Anglong	1.23	1.89	+0.66	Wors.	Q3
66	Tamil Nadu	Ramanathapuram	1.77	1.88	+0.11	Stable	Q4
67	Kerala	Alappuzha	1.86	1.87	+0.01	Stable	Q4
68	Tamil Nadu	Karur	1.33	1.86	+0.53	Wors.	Q3
69	Tamil Nadu	Nagapattinam	1.71	1.85	+0.13	Stable	Q4
70	Tamil Nadu	Perambalur	1.31	1.84	+0.53	Wors.	Q3
71	Tamil Nadu	Ariyalur	1.28	1.83	+0.55	Wors.	Q3
72	Assam	S. Salmara Mankachar	1.16	1.83	+0.67	Wors.	Q3
73	Assam	Kokrajhar	1.14	1.79	+0.65	Wors.	Q3
74	Kerala	Kollam	1.89	1.79	-0.10	Stable	Q4
75	Kerala	Thiruvananthapura	2.10	1.76	-0.33	Stable	Q4
76	Gujarat	Anand	1.90	1.72	-0.17	Stable	Q4
77	Goa	Ponda (N. Goa)	1.68	1.72	+0.04	Stable	Q4
78	Assam	Karbi Anglong	1.10	1.72	+0.63	Wors.	Q3
79	Kerala	Wayanad	1.56	1.71	+0.15	Stable	Q4
80	Kerala	Thrissur	1.99	1.70	-0.29	Stable	Q4
81	W. Bengal	Bardhaman	1.95	1.68	-0.27	Stable	Q4
82	Assam	N. Cachar Hills	1.02	1.62	+0.60	Wors.	Q3
83	Kerala	Pathanamthitta	1.84	1.62	-0.21	Stable	Q4
84	Puducherry	Karaikal	1.80	1.62	-0.18	Stable	Q4
85	W. Bengal	Jalpaiguri	1.16	1.61	+0.45	Stable	Q4
86	W. Bengal	Hooghly	1.39	1.60	+0.21	Stable	Q4
87	Kerala	Ernakulam	1.81	1.60	-0.21	Stable	Q4
88	Maharashtra	Pune	1.57	1.55	-0.02	Stable	Q4
89	Kerala	Palakkad	2.26	1.55	-0.71	Impr.	Q4
90	Kerala	Kottayam	2.04	1.49	-0.55	Impr.	Q4
91	Maharashtra	Ahmednagar	1.50	1.42	-0.08	Stable	Q4
92	Kerala	Kozhikode	1.39	1.40	+0.01	Stable	Q4
93	Kerala	Idukki	1.48	1.39	-0.10	Stable	Q4
94	Kerala	Malappuram	1.45	1.38	-0.07	Stable	Q4
95	Kerala	Kannur	1.38	1.31	-0.07	Stable	Q4
96	Puducherry	Yanam	1.18	1.26	+0.08	Stable	Q4
97	Tripura	North Tripura	1.35	1.26	-0.09	Stable	Q4
98	Puducherry	Mahe	1.42	1.24	-0.18	Stable	Q4
99	Kerala	Kasaragod	1.23	1.16	-0.06	Stable	Q4
100	W. Bengal	Murshidabad	2.64	1.10	-1.55	Impr.	Q4

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#	State	District	FY25	FY26	Vel.	Dir.	Quad.
101	W. Bengal	Medinipur West	1.29	1.08	-0.22	Stable	Q4
102	W. Bengal	Medinipur East	1.23	1.03	-0.21	Stable	Q4
103	W. Bengal	Alipurduar	1.08	1.00	-0.08	Stable	Q4
104	W. Bengal	N. 24 Parganas	2.31	1.00	-1.31	Impr.	Q4
105	W. Bengal	Kolkata	1.06	0.99	-0.07	Stable	Q4
106	W. Bengal	Paschim Bardh.	1.15	0.96	-0.19	Stable	Q4
107	W. Bengal	S. 24 Parganas	1.08	0.95	-0.12	Stable	Q4
108	W. Bengal	Cooch Behar	0.99	0.93	-0.06	Stable	Q4
109	W. Bengal	Malda	2.07	0.89	-1.17	Impr.	Q4
110	W. Bengal	Birbhum	0.91	0.87	-0.04	Stable	Q4
111	W. Bengal	Nadia	1.11	0.87	-0.24	Stable	Q4
112	W. Bengal	Howrah	0.93	0.86	-0.07	Stable	Q4
113	W. Bengal	Jhargram	1.09	0.85	-0.25	Stable	Q4
114	W. Bengal	Darjiling	1.74	0.82	-0.92	Impr.	Q4
115	W. Bengal	Dinajpur Dak.	0.94	0.82	-0.12	Stable	Q4
116	W. Bengal	Bankura	0.92	0.78	-0.15	Stable	Q4
117	W. Bengal	Dinajpur Uttar	0.87	0.75	-0.12	Stable	Q4
118	W. Bengal	Kalimpong	0.80	0.72	-0.07	Stable	Q4

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