



MICROLEND

QUARTERLY MICROFINANCE LENDING INSIGHTS

NOVEMBER 2025 (Data as of Sept 2025)

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PORTFOLIO PERFORMANCE OVERVIEW (AS OF SEP'25)

- Gross Loan Portfolio stood at ₹345.6K Cr by Sep'25, reflecting a continued moderation trend (-16.5% YoY, -3.8% QoQ), paralleling the decline in active loans (-19.3% YoY, -6.3% QoQ) and muted trends in loan origination volumes. That said, the pace of GLP moderation eased as of Sep'25.
- Originations value disbursed rose 6.5% QoQ, despite a drop in originations volume (-2.1% QoQ), indicating a shift toward higher average ticket sizes and more targeted lending (Focus being on 'Existing to lender' borrowers).



PORTFOLIO QUALITY TRENDS

- Improvement in portfolio quality was evident, with PAR 1–180 declining to 5.99%, marking a 0.42% YoY and 1.07% QoQ improvement. Early delinquencies (PAR 1–30 and PAR 31–90) also showed signs of easing. Importantly, the improvement in delinquency has occurred despite a moderation in GLP.
- However, stress in later-stage PAR 180+ (including write-offs) surged to 15.32%, up 9.71% YoY and 2.89% QoQ, reflecting legacy stress and ongoing portfolio recalibration.



LENDING BEHAVIOR & BORROWER EXPOSURE

- Originations quality continued to improve, with 7–9 MOB PAR 30+ metrics showing positive trends across most lender types.
- Borrower exposure to up to three lender associations increased from 83.1% in Sep'24 to 91.2% in Sep'25, reflecting positive consolidation and effects of guardrails.



STRATEGIC IMPLICATIONS:

- The sector's focus continues to be on asset quality stabilization, guardrails, and cautious credit expansion.
- Sustained moderation in GLP and originations volume signals ongoing risk mitigation, while improvements in short-term delinquencies highlights progress in portfolio management practices.
- The sharp rise PAR 180+incl w/off warrants continued attention to portfolio and risk recalibration initiatives to support long-term recovery.

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Over the past two quarters, the industry has shown encouraging improvements in performance trends. In the context of unsecured lending to Bottom of the Pyramid segments such as microfinance, access to timely, detailed, and accurate information is absolutely essential. Credit bureaus play a pivotal role in this ecosystem, particularly through the regulator-mandated fortnightly data submissions by lenders. Looking ahead, the next transformative milestone for the microfinance industry will be the real-time, online updating of credit information—a goal we must collectively strive to achieve.



MANOJ KUMAR NAMBIAR

MD Arohan and board member MFIN, the sector SRO

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India's microfinance sector is undergoing a deliberate “risk-first” reset after two years of rapid expansion. The industry today reflects wide outreach, yet lenders are consciously recalibrating growth to stabilise asset quality. The RBI's 2022 microfinance framework continues to shape this transition, nudging institutions toward tighter affordability assessments, granular underwriting, and sharper monitoring of borrower leverage.

Recent bureau intelligence, including the latest CRIF MicroLend report, indicates a contraction in average portfolio size through FY25 and rising delinquency sensitivity in over-leveraged customer segments, reinforcing the shift from “chase-growth” to “quality-first.”

The composition of portfolios is tilting further toward rural India-NBFC-MFIs now hold majority of their books in rural markets—underscoring both the continued inclusion opportunity and the need for heightened operational vigilance in collections, climate-related exposures, and livelihood sustainability.

Overall, the sector is entering a phase of disciplined, data-driven consolidation where lenders that balance inclusion with prudence-like ESAF Bank-can differentiate themselves through resilient growth, stronger governance, and customer-centric impact.



GEORGE K JOHN (BOBBY)

Executive Director - ESAF Small Finance Bank

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Industry Snapshot: GLP continues to moderate, while originations and PAR 1–180 performance improved during the quarter



	As of Sep'24	As of Jun'25	As of Sep'25	Y-o-Y (Sep'24 to Sep'25)	Q-o-Q (Jun'25 to Sep'25)
GLP (₹ Cr)	414.0K	359.2K	345.6K	▼ -16.5%	▼ -3.8%
Active Loans (Cr)	15.3	13.2	12.4	▼ -19.3%	▼ -6.3%
Amount Disbursed in Last 3 M (₹ Cr)	68,690	57,168	60,900	▼ -11.3%	▲ 6.5%
Loans Disbursed in Last 3 M (Lakh)	136.7	102.2	100.1	▼ -26.8%	▼ -2.1%
PAR 1-30	2.12%	1.56%	1.41%	▼ 0.71%	▼ 0.15%
PAR 31-90	2.45%	2.40%	1.84%	▼ 0.61%	▼ 0.56%
PAR 91-180	1.84%	3.11%	2.74%	▲ 0.90%	▼ 0.37%
PAR 1-180	6.42%	7.06%	5.99%	▼ 0.42%	▼ 1.07%
PAR 180+ (incl. W/O)	5.61%	12.43%	15.32%	▲ 9.71%	▲ 2.89%

*PAR 180+ (Incl. W/O) is for Loans disbursed in last 36 M. Delinquencies in the higher bucket, particularly PAR 180+, may appear elevated, as some regulated entities may continue to report DPD on accounts that have been written off.

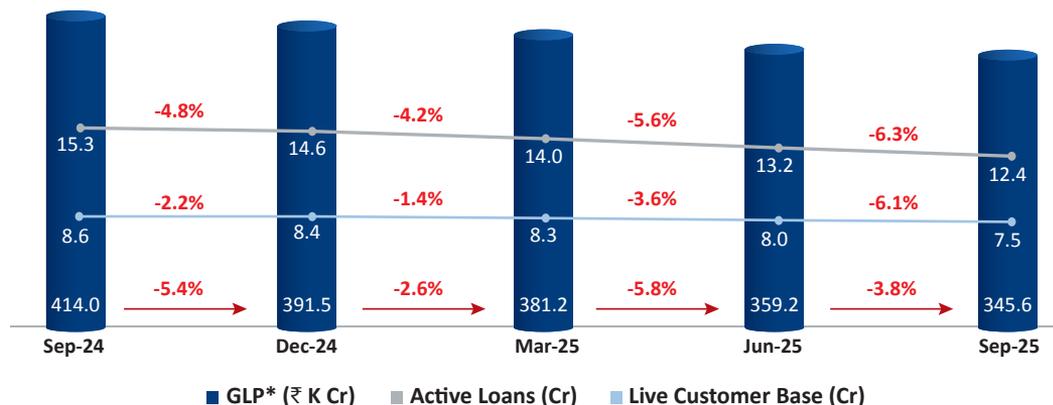
MicroLend - Sept 2025 data



Portfolio Trends

Microfinance portfolio outstanding declined to ₹345.6K Cr as of Sep'25, although the pace of quarterly decline moderated

Trends in portfolio outstanding and active loans (Sep'24 to Sep'25)



	Sep'24	Dec'24	Mar'25	Jun'25	Sep'25
Avg Balance Per Borrower	₹48,203.8	₹46,623.8	₹46,064.0	₹45,033.8	₹46,135.7

Average balance per borrower remained largely range-bound

QoQ numbers show a slight renewal of confidence in GLP

- **GLP:** The total portfolio outstanding of microfinance lending declined by 16.5% YoY and 3.8% QoQ.
- However, the QoQ portfolio outstanding as of Sep'25 was supported by a 6.5% QoQ increase in disbursements (by value) during the quarter (Q2 FY26), which helped cushion the decline in overall portfolio levels.
- This increase in disbursements value signals a positive momentum, particularly in light of the 12.8% QoQ decline in originations (value) observed during the same period last year (Q1 FY25 to Q2 FY25).
- **Active loans:** This continued to decline—down 6.3% QoQ, continuing to exceed the drop in aggregated portfolio outstanding over the period. The consecutive and deepening QoQ declines suggest that loan volume momentum is yet to recover.
- **Borrowers:** The number of active borrowers also continued to decline, falling by 6.1% QoQ and 12.8% YoY, reflecting the industry's cautious stance on new borrower acquisition, influenced by broader risk mitigation efforts.

*GLP: Gross Loan Portfolio

PAR 31-180 almost improved across majority of the top 10 states

Regional GLP and performance trends

Rank	State	GLP (₹ K Cr) Sep'25	Sep'24 (% Share)	June'25 (% Share)	Sep'25 (% Share)	Y-o-Y Growth %	Q-o-Q Growth %	PAR 31-180 Sep'24	PAR 31-180 Jun'25	PAR 31-180 Sep'25	
1	Bihar (-)	52.0	15.0%	15.3%	15.0%	-16.4%	-5.2%	4.0%	5.3%	4.8%	▼
2	Tamil Nadu (-)	41.5	13.3%	12.2%	12.0%	-24.5%	-5.0%	4.4%	5.5%	4.3%	▼
3	Uttar Pradesh (-)	38.2	10.7%	11.1%	11.0%	-13.7%	-3.8%	5.5%	5.3%	4.7%	▼
4	West Bengal (+1) ▲	34.8	9.1%	9.9%	10.1%	-7.1%	-2.1%	2.1%	3.3%	3.2%	■
5	Karnataka (-1) ▼	30.9	9.9%	9.1%	8.9%	-24.9%	-5.4%	2.1%	12.5%	7.4%	▼
6	Maharashtra (-)	26.2	7.5%	7.6%	7.6%	-16.0%	-4.0%	4.1%	3.9%	4.7%	▲
7	Madhya Pradesh (+1) ▲	19.7	5.6%	5.6%	5.7%	-14.9%	-2.8%	5.7%	5.1%	4.9%	▼
8	Odisha (-1) ▼	17.8	5.7%	5.2%	5.1%	-24.2%	-5.8%	6.0%	6.0%	4.5%	▼
9	Rajasthan (-)	13.2	4.0%	3.9%	3.8%	-19.9%	-4.9%	6.2%	5.2%	4.7%	▼
10	Kerala (-)	10.3	3.0%	3.0%	3.0%	-18.2%	-2.9%	7.2%	4.1%	3.6%	▼
	Pan India	345.6				-16.5%	-3.8%	4.3%	5.5%	4.6%	▼

The top 10 states constitutes 82.2% of the GLP. West Bengal replaced Karnataka and Madhya Pradesh replaces Odisha states in Sep'25, moving up in the top 10.

POS share change:

- Between Sep'24 and Sep'25 (among the top 10 states), TN and KA saw comparatively higher declines in POS share—TN dropped from 13.3% to 12%, and KA from 9.9% to 8.9%.
- In contrast, WB recorded higher increase, rising from 9.1% to 10.1%.

POS moderation trends:

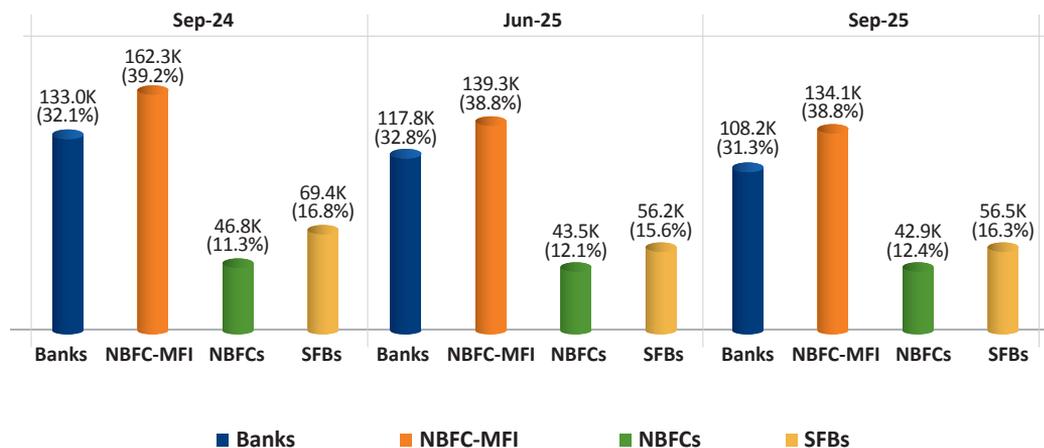
- Among the top 10 states, WB, followed by MP and KL had moderate declines in GLP at 2.1%, 2.8%, and 2.9% respectively (QoQ).
- Odisha, KA, followed by Bihar and TN comparatively had larger declines in GLP (QoQ).
- UP's decline was closer to the national average.

PAR change:

- Between Jun'25 and Sep'25, PAR 31–180 improved across most states, except MH.
- KA showed the strongest improvement, with PAR 31–180 dropping from 12.5% to 7.4%.
- MH recorded the sharpest deterioration among top states, primarily driven by stress in Banks.

QoQ declines across lender types moderated as of Sep'25

Lender type trends – POS distribution (Sep'24 to Sep'25)



The First Figure Indicates the book size in ₹ Cr, Second Figure (%) indicates the market share by lender type.

Lender Type (Sep'25)	Banks	NBFC MFI	NBFCs	SFBs	Total
Q-o-Q GLP Growth	-8.1%	-3.8%	-1.2%	0.5%	-3.8%
Y-o-Y GLP Growth	-18.6%	-17.4%	-8.2%	-18.6%	-16.5%

Highlights

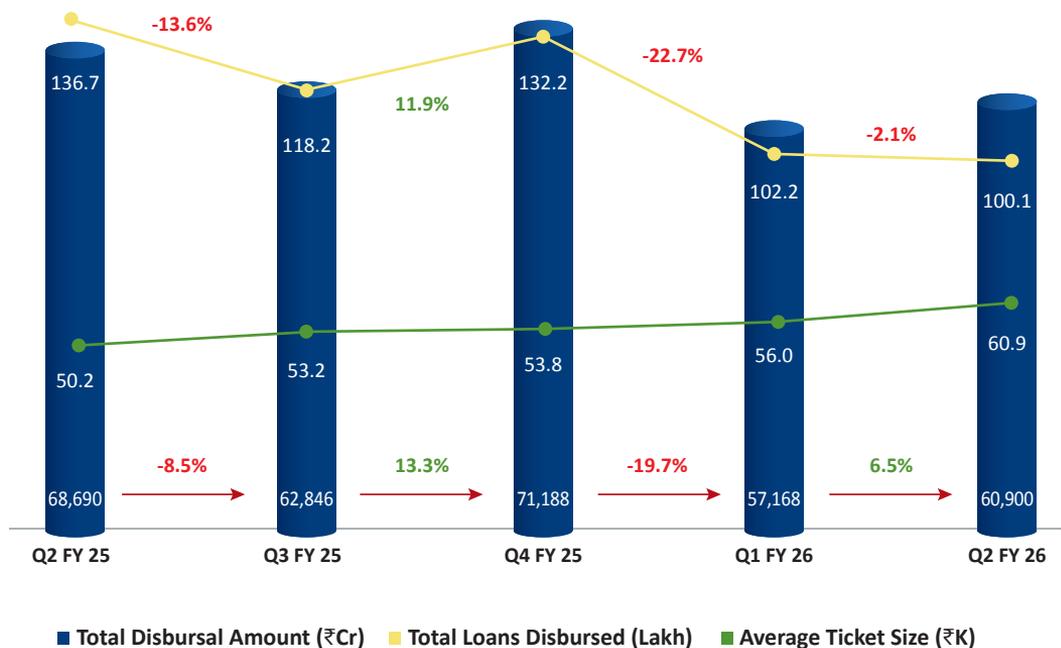
- Lender trends:** As of Sep'25, all lenders experienced a decline in POS on an YoY basis. Excluding NBFCs, the other three lender types recorded close to an 18% YoY drop.
- SFBs:** Despite higher originations in Q2 FY26 contributing to a 0.5% QoQ growth in POS as of Sep'25, SFBs still saw an 18.6% YoY decline.
- Higher ticket-size segments:** Banks recorded positive POS growth in the ₹1L+ segment—up 50% YoY and 8.7% QoQ while NBFC-MFIs and NBFCs also showed strong momentum, with average POS growth of 41.5% and 68.6% QoQ respectively in the ₹80K–₹1L and ₹1L+ segments combined.



Originations Dynamics

Microfinance lending picks up in Q2 FY26 with increase in ticket sizes

Microfinance Originations trends (Q2 FY25 to Q2 FY26)



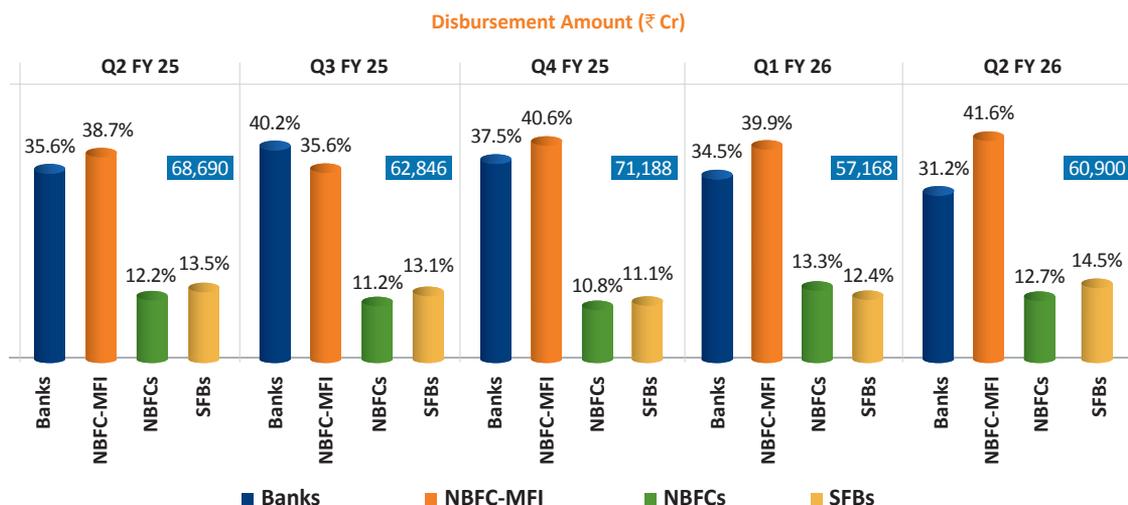
Loan originations revive in Q2 FY26

• Trends in this quarter:

- Total originations in microfinance during Q2 FY26 improved to ₹60.9K Cr, up 6.5% QoQ, though lower than ₹68.7K Cr in Q2 FY25. Meanwhile, total loans disbursed declined marginally by 2.1% QoQ to 100.1 lakh—resulting in an average ticket size of ₹60.9K in Q2 FY26, up 8.7% QoQ and 21.3% YoY.
- The average ticket size has been consistently increasing over the quarters, indicating that lenders are offering larger loans to seasoned borrowers, as shown below. This also underscores the influence of guardrails related to the lender cap.
- **Existing to lender being the key focus:**
 - Of the loans disbursed in Q1 FY26, approx. 57% were extended to existing borrowers as part of their next loan cycle with the same lender.
 - Similarly, between July'25 and Sep'25, for ₹1L+ ticket sizes, around 92% of the loans were disbursed to borrowers with a vintage of over 24 months.

NBFC-MFIs, the leading lender type, recorded an 11.3% QoQ increase in disbursement value in Q2 FY26

Lender wise originations value trends (Q2 FY25 to Q2 FY26)



Lender trends in originations value

QoQ disbursements increased across all lender types except banks, which saw a 3.6% QoQ decline, and a sharper YoY decline (-22.0%).

- **NBFC-MFIs** remained the largest lender type in originations value, accounting for 41.6% of total disbursement value in Q2 FY26—up from 39.9% in Q1 FY26 and further up from 38.7% in Q1 FY25.
- In Q2 FY26, **SFBs** increased their originations value share from 12.4% in Q1 FY26 to 14.5%, while **NBFCs** saw a slight decline in share from 13.3% to 12.7%, though their disbursement value grew marginally by 1.7% QoQ.

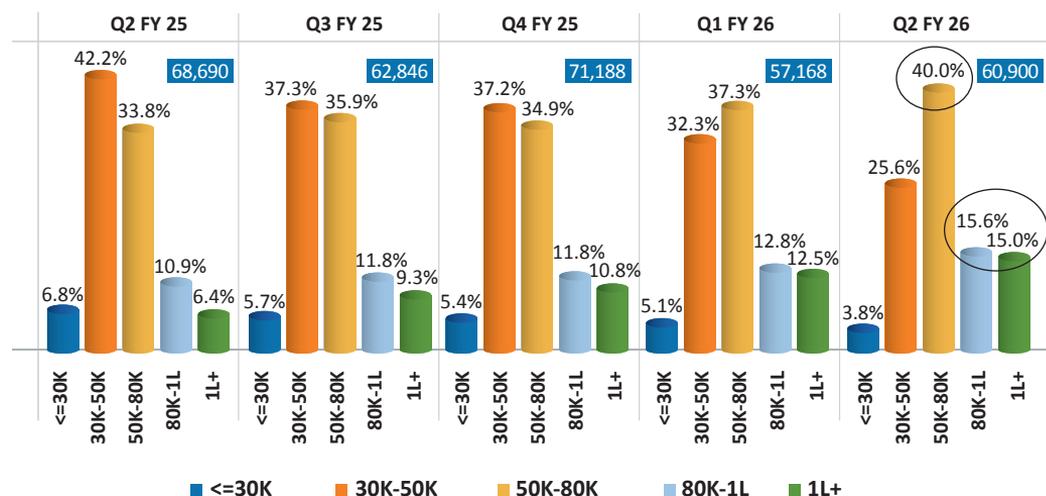
The Quarter (Q) indicates the loan Origination Periods and (%) indicates the market share by lender type.

Lender Type (Q2 FY26)	Banks	NBFC MFI	NBFCs	SFBs	Total
Q-o-Q Growth	-3.6%	11.3%	1.7%	24.7%	6.5%
Y-o-Y Growth	-22.0%	-4.3%	-7.7%	-5.0%	-11.3%

*Y-o-Y Growth refers to growth compared to same quarter previous year.

Originations value growth were driven by ticket sizes greater than ₹50k

Ticket size wise originations value trends (Q2 FY25 to Q2 FY26)



Which ticket sizes drove the increase in originations value?

- The ₹50K–₹80K ticket size value has emerged as the leading category in originations since Q1 FY26, overtaking the ₹30K–₹50K segment. Its share rose to 40% in Q2 FY26.
- The ₹80K–₹1L segment grew from 10.9% in Q2 FY25 to 15.6% in Q2 FY26. Additionally, the share of ₹1L+ loans value more than doubled to 15% in Q2 FY26 from Q2 FY25.
- While most lenders saw growth in originations value within the ₹80K–₹1L segment, the ₹1L+ segment was primarily driven by banks and NBFCs. In Q2 FY26, banks recorded a 44% QoQ increase in originations value in ₹1L+ ticket size, while NBFCs saw a 25.1% QoQ rise in this segment.

Prominent decline areas: The ₹30K–₹50K segment saw a sharp reduction in share, declining from 42.2% in Q2 FY25 to 25.6% in Q2 FY26.

Ticket Size (Q2 FY26)	<=30K	30K – 50K	50K – 80K	80K – 1L	1L+	Total
Q-o-Q Growth	-21.9%	-15.6%	14.1%	30.1%	28.7%	6.5%
Y-o-Y Growth*	-50.7%	-46.3%	4.9%	27.3%	109.4%	-11.3%

*Y-o-Y Growth refers to growth compared to same quarter previous year

Most of the states have recorded larger increases in originations value in the ₹1L segment between Q2 FY25 and Q2 FY26

Regional originations value trends (by share of ticket size)

Rank	State	<=30K		30K-50K		50K-80K		80K-1L		1L+	
		Q2 FY25	Q2 FY26	Q2 FY25	Q2 FY26	Q2 FY25	Q2 FY26	Q2 FY25	Q2 FY26	Q2 FY25	Q2 FY26
1	Bihar	4.8%	2.3%	41.4%	21.3%	40.7%	44.2%	9.3%	16.3%	3.8%	16.0%
2	Tamil Nadu	2.8%	2.6%	31.0%	18.5%	31.7%	33.3%	22.1%	21.9%	12.4%	23.8%
3	Uttar Pradesh	7.1%	4.3%	49.6%	31.3%	33.2%	43.7%	8.0%	15.8%	2.1%	4.9%
4	West Bengal	8.8%	4.4%	36.5%	21.6%	27.7%	28.1%	13.3%	16.6%	13.7%	29.2%
5	Karnataka	6.6%	4.0%	39.2%	20.7%	32.8%	38.8%	12.7%	15.1%	8.7%	21.4%
6	Maharashtra	9.2%	5.1%	44.7%	28.3%	33.0%	40.7%	7.5%	13.3%	5.6%	12.6%
7	Madhya Pradesh	8.6%	5.3%	45.7%	32.3%	33.6%	43.1%	7.7%	11.4%	4.4%	7.9%
8	Odisha	9.7%	4.9%	46.4%	29.8%	34.1%	43.8%	6.5%	14.3%	3.3%	7.2%
9	Rajasthan	5.8%	2.5%	43.1%	27.6%	38.4%	48.8%	9.0%	14.9%	3.6%	6.2%
10	Kerala	5.3%	2.7%	40.0%	17.8%	43.2%	49.6%	7.0%	16.9%	4.5%	13.0%
	Pan India	6.8%	3.8%	42.2%	25.6%	33.8%	40.0%	10.9%	15.6%	6.4%	15.0%

The Top 10 states constituted 80% of the originations value as of Q2 FY26.

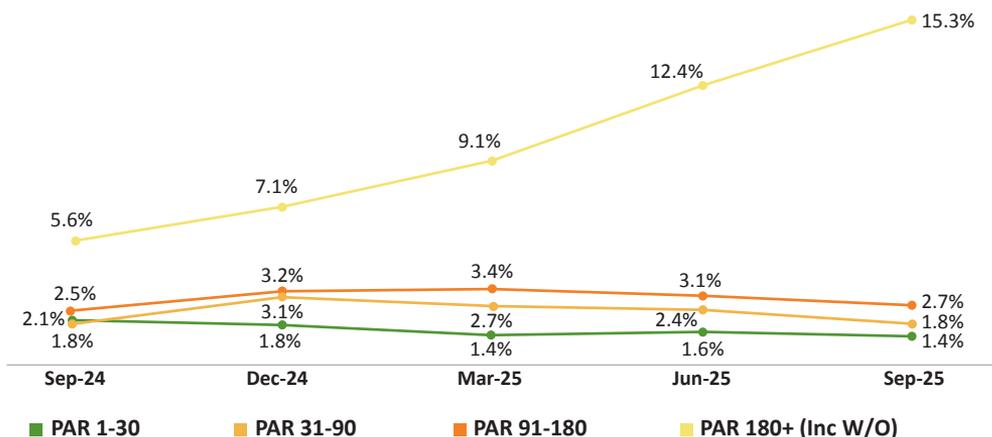
Highlights

- The top states have their largest share of originations in the ₹50K–₹80K segment, except WB.
 - WB has a higher share originations value in the ₹1L+ segment (29.2% in Q2 FY26).
- In the ₹80K–₹1L segment, TN, followed by KL and WB, recorded a relatively higher share of originations value compared to other states.
- Similarly, in the ₹1L+ segment, WB, TN, and KA showed a comparatively higher share of originations value than their peers.



Portfolio Performance

Steady improvements continued between the PAR 1-180 buckets in Sep'25



Recovery trends

PAR 180+ (Inc W/O) in the microfinance portfolio continued to rise, reflecting lenders' efforts to recalibrate strategies and strengthen underlying asset quality. Early signs of recovery are emerging-most notably in improved collection performance.

- **PAR 1-30** declined to 1.4% in Sep'25 from 1.8% as of Dec'24.
- **PAR 31-90** showed stronger improvements, dropping to 1.8% from a peak of 3.1% in Dec'24.
- **PAR 91-180** also declined to 2.7% in Sep'25 from 3.2% in Dec'24.

As of Sep'25	Top 5 Performing Lenders	Bottom 5 Performing Lenders	Industry
GLP (₹ Cr)	64,146	21,856	3,45,602
% share of industry	19.0%	6.3%	100.0%
PAR 1-30	0.7%	1.7%	1.4%
PAR 31-90	1.0%	3.2%	1.8%
PAR 91-180	1.3%	7.9%	2.7%
PAR 180+ (Inc W/O)	6.1%	24.3%	15.3%

Note: The analysis is limited to top 30 MFI institutions with a GLP market share of 86.6% as of Sep'25.

When ranked by performance metrics, the gap between the bottom 5 performing lenders, top 5 performing lenders, and the industry average widens notably in PAR 91-180-and even more significantly in PAR 180+ (Incl W/O).

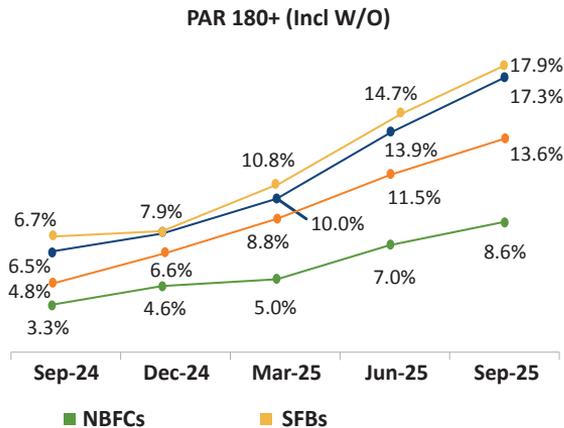
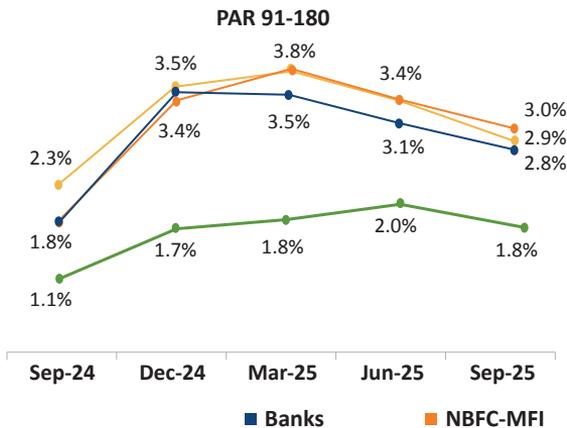
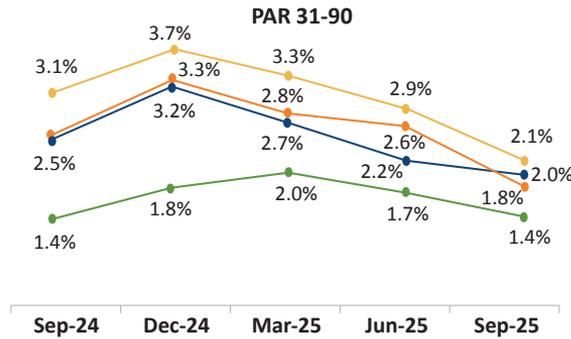
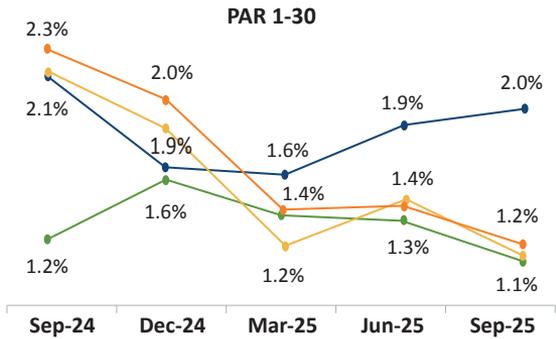
PAR 180+ (Incl. W/O) is for Loans disbursed in last 36 M.

Higher bucket delinquency especially 180 plus could be on a higher side as many regulated entities may keep reporting DPD for write off accounts.

MicroLend - Sept 2025 data

Improvements across PAR 1–180 were broad-based across all lender types, except for banks in the PAR 1–30 segment

Delinquency by lender type



Highlights

- Improvements in the PAR 1–30 bucket were driven by all lender types except for banks. Early-stage delinquency (PAR 1–30) for banks has been steadily rising since Mar’25 reaching 2.0% as of Sep’25.
- SFBs, followed by NBFC-MFIs, showed substantial improvements in PAR 31–90 and PAR 91–180. For example, SFBs’ PAR 31–90 improved from 2.9% in Jun’25 to 2.1% in Sep’25.
- NBFCs continue to maintain one of the lowest PAR levels compared to other lender types and are showing signs of further improvement.

PAR 180+(Incl W/O):

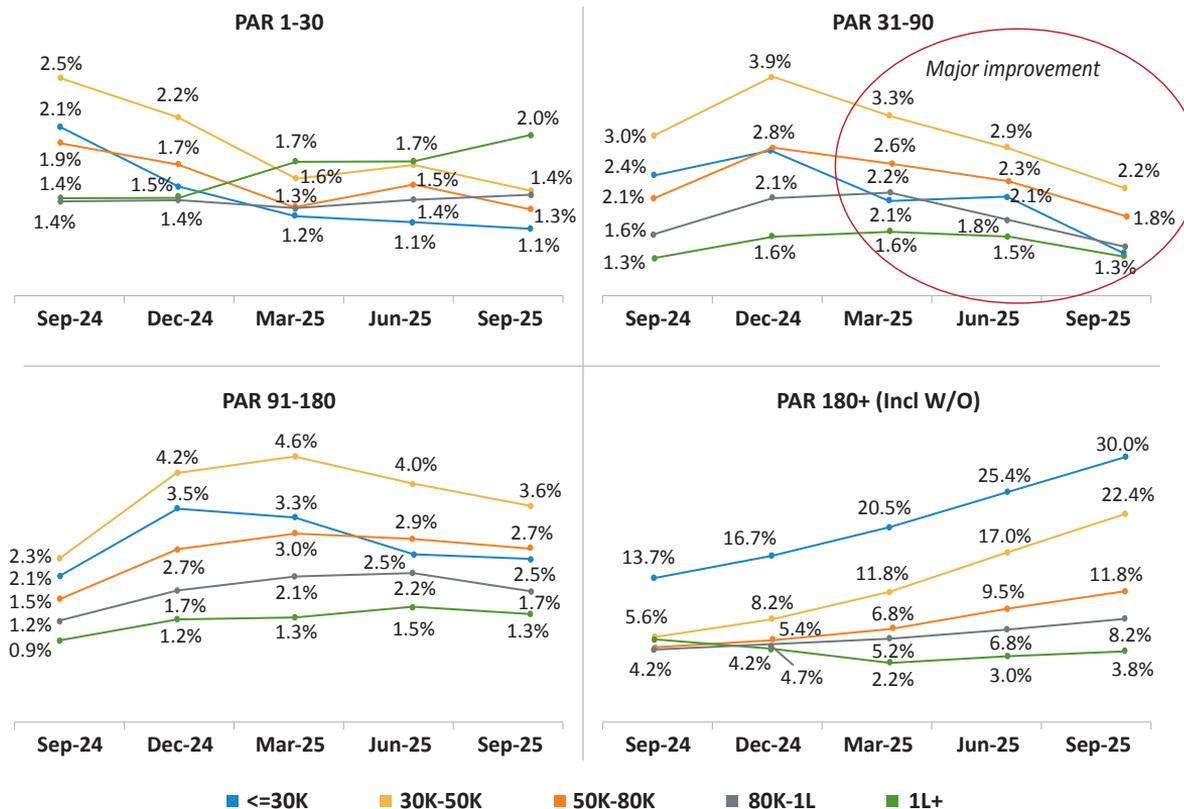
- PAR 180+ (Incl w/o) increases were primarily driven by SFBs and banks, with this metric rising from 14.7% to 17.9% and from 13.9% to 17.9%, respectively, between Jun’25 and Sep’25.

PAR 180+ (Incl. W/O) is for Loans disbursed in last 36 M.

Higher bucket delinquency especially 180 plus could be on a higher side as many regulated entities may keep reporting DPD for write off accounts.

Improvements across PAR 1–180 buckets were observed in all ticket sizes, except in the ₹1L+ segment within the PAR 1–30 bucket

Delinquency by Ticket Size (₹)



Highlights

- Improvements were observed across all ticket sizes, with the most significant gains seen in the PAR 31–90 bucket, with higher ticket size showing lower PAR and improving trends as well.
- While most ticket sizes improved in the PAR 1–30 bucket, the ₹1L+ segment showed a slight uptick—from 1.7% in Jun’25 to 2.0% in Sep’25—primarily due to slippage among banks.
- The ₹30K–₹50K segment, followed by ₹50K–₹80K, recorded the highest PAR levels (between PAR 1-180) compared to other ticket sizes.

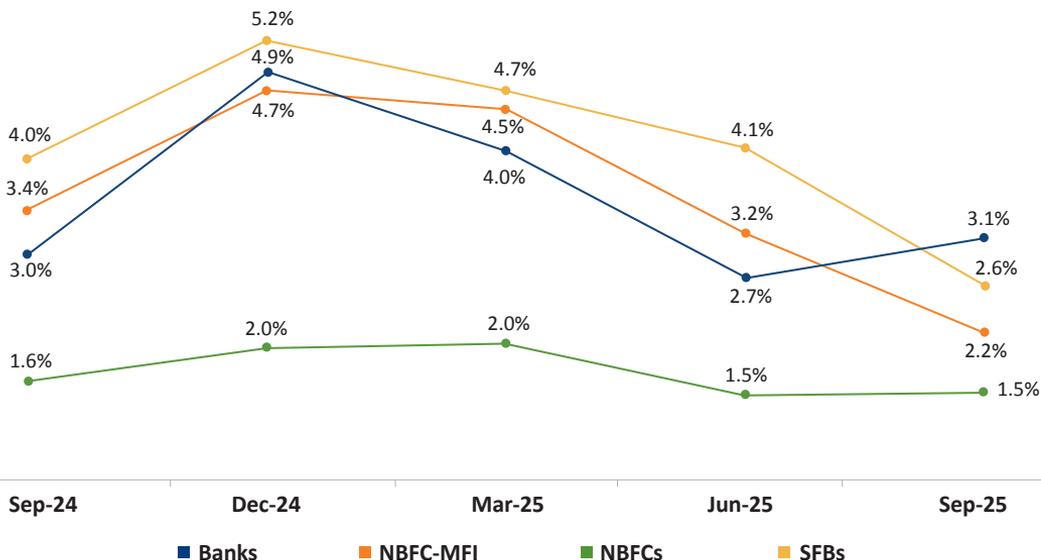
Write-off trends:

- Write-off increases were primarily driven by major increases in <=30k and 30k to 50k segment.

PAR 180+ (Incl. W/O) is for Loans disbursed in last 36 M

Continuous improvement in originations quality (7-9 MOB PAR 30+) observed across most lender types

7-9 MOB PAR 30+ by lender type



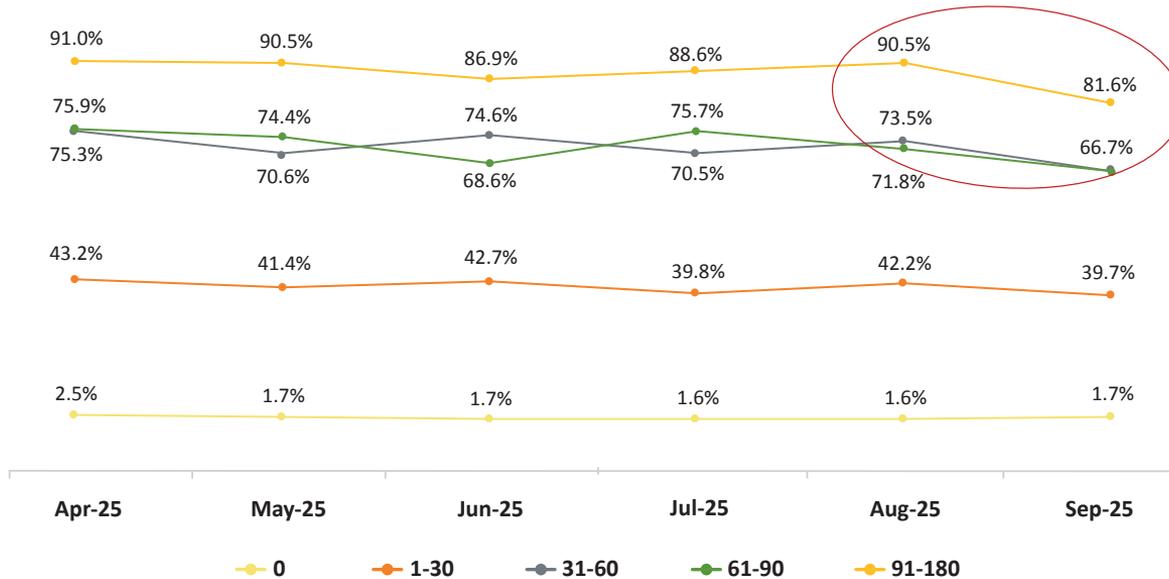
Observations

- Overall improvement in 7–9 MOB PAR 30+% was observed across lender types, with a minor exception in banks, which showed deterioration from 2.7% as of Jun'25 to 3.1% as of Sep'25.
- NBFC-MFIs improvement is higher with 7-9 MOB PAR 30+% improving from 4.7% as of Dec'24 to 2.2% in Sep'25.
- SFBs 7-9 MOB PAR 30+% also dropped from 5.2% in Dec '24 to 2.6% in Sep'25.
- NBFCs continue to demonstrate strong sourcing quality, with PAR 30+% declining from 2.0% in Dec'24 to 1.5% in Sep'25.

Collection efficiency, as measured by Net FF%, has improved across almost all buckets between August and September 2025



Net FF% trends (Performance Month)



Improvements

- Net Forward Flow% based on total active loans improved across nearly all buckets.
- The most notable improvement was in the critical PAR 91–180 bucket, which dropped by 8.9% before transitioning to potential write-offs.
- The PAR 31–60 bucket also saw a meaningful decline, improving from 73.5% in Aug’25 to 66.7% in Sep’25.

Improved collection efficiency driven by increased collection efforts and guardrails introduced by self-regulatory organization (SRO)

Net Forward Flow (FF) % = Forward Flow% - Roll Back % for each DPD band.



Borrower Analysis

Portfolio exposure of borrowers up to 3 lender associations increased from 83.1% of the book in Sep'24 to 91.2% in Sep'25

Number of lender association trends

Active Lender Associations	Portfolio O/S (₹ Cr)						PAR 31-180*			
	Sep-24	POS % share (for Sep'24)	Jun-25	POS % share (for Jun'25)	Sep-25	POS % share (for Sep'25)	Sep-24	Jun-25	Sep-25	Incremental delinquency (QoQ)
<=2	281,984	68.1%	270,409	75.3%	259,916	75.2%	4.0%	4.9%	4.2%	0.7% ▼
3	61,903	15.0%	53,049	14.8%	55,193	16.0%	8.0%	10.9%	8.9%	2.0% ▼
4	36,156	8.7%	22,193	6.2%	19,791	5.7%	12.1%	19.3%	16.3%	3.0% ▼
>=5	33,996	8.2%	13,519	3.8%	10,703	3.1%	22.0%	33.4%	24.2%	9.2% ▼
Industry	414,038	100.0%	359,169	100.0%	345,603	100.0%	6.8%	7.7%	6.3%	1.5% ▼

This is also one of the impacts of guardrails with regulated entities now more prudent in underwriting and not lending to borrowers who are not eligible as per guardrails.

The reduction in incremental delinquency for five or more lenders may be attributed to higher write-off activity

Across all states, adherence to the guardrails cap-limiting borrowers to a maximum of three lenders-has improved

Active Lender Associations

State/# Borrowers (Lakh)	<=2			3			4			>=5		
	Jun-25	Sep-25	Q-o-Q growth									
BR	95.1	85.6	-9.9%	10.3	11.0	6.7%	3.7	3.4	-6.5%	1.5	1.2	-17.6%
TN	66.1	60.7	-8.2%	8.5	8.4	-1.0%	3.8	3.5	-6.9%	2.6	2.2	-16.5%
UP	79.9	74.1	-7.3%	6.6	7.0	5.9%	2.3	2.2	-7.3%	1.1	0.9	-15.0%
WB	69.6	66.2	-5.0%	3.9	4.2	8.0%	1.2	1.1	-9.1%	0.4	0.3	-21.7%
KA	50.6	46.9	-7.3%	5.0	5.0	-0.4%	2.1	1.9	-10.1%	1.5	1.2	-19.3%
MH	53.5	50	-6.5%	3.9	4.1	3.3%	1.3	1.2	-8.3%	0.5	0.4	-17.4%
MP	44.7	42.2	-5.5%	3.1	3.2	3.7%	0.9	0.9	-8.4%	0.3	0.3	-17.9%
OR	37.2	34.2	-8.0%	3.6	3.7	3.2%	1.5	1.4	-9.5%	0.9	0.7	-19.5%
RJ	31.3	28.7	-8.2%	2.3	2.3	1.7%	0.7	0.6	-12.8%	0.3	0.2	-22.0%
KL	17.5	16.6	-5.0%	1.8	1.8	-1.7%	0.7	0.6	-12.1%	0.3	0.3	-25.0%
Industry	708.6	661.4	-6.7%	57.7	59.9	3.8%	20.9	19.3	-7.9%	10.4	8.6	-17.9%
Share	88.8%	88.3%		7.2%	8.0%		2.6%	2.6%		1.3%	1.1%	

Borrower Distribution by Lender Associations – Sep '25

- Trends in this quarter: While the number of borrowers associated with more than three lenders has declined to a minimum, this quarter saw a notable increase in borrowers with exactly three lender associations across many states led by WB, Bihar, and UP.
- However, borrowers with two or fewer lender associations still represent the majority-close to 90% of the overall borrower base.

As of Sep'25, borrowers with aggregate exposure up to ₹1.0 lakh made up 68.5% of the overall POS, while those beyond ₹2.0 lakh (Guardrails threshold) accounted for just 2.3%



Borrower level credit Exposure	Portfolio O/S (₹ Cr)						PAR 31-180*			
	Sep-24	POS % share (for Sep'24)	Jun-25	POS % share (for Jun'25)	Sep-25	POS % share (for Sep'25)	Sep-24	Jun-25	Sep-25	QoQ difference (Jun'25 and Sep'25)
0-30K	52,854	12.8%	51,184	14.3%	45,874	13.3%	4.4%	6.0%	5.5%	-0.5% ▼
30K-60K	110,051	26.6%	98,740	27.5%	92,094	26.6%	4.6%	6.1%	5.2%	-0.9% ▼
60K-1L	106,723	25.8%	101,434	28.2%	98,790	28.6%	6.1%	7.6%	6.6%	-1.0% ▼
1L-1.5L	84,003	20.3%	73,604	20.5%	73,429	21.2%	8.4%	9.1%	7.0%	-2.1% ▼
1.5L-2L	39,313	9.5%	25,913	7.2%	27,327	7.9%	10.6%	11.1%	6.8%	-4.3% ▼
GRTR 2L	21,094	5.1%	8,293	2.3%	8,089	2.3%	13.9%	17.2%	9.7%	-7.6% ▼
Industry	414,038	100.0%	359,169	100.0%	345,603	100.0%	6.8%	7.7%	6.3%	-1.5% ▼

Quarter in focus – Highlights

- The portfolio share of borrowers with an aggregated credit outstanding of up to ₹1.0 lakh increased from 65.2% in Sep'24 to 68.5% in Sep' 25, although it had declined from 70% in Jun'25.
- Across all credit exposure categories, risk levels declined. Notably, the most significant reductions were observed in exposures exceeding ₹1.0 lakh.

*Borrower level worst DPD

▼ Refers to improvement in delinquency

GLP	ATS	PAR	DPD	Y-o-Y	Q-o-Q	M-o-M	Q1 FY25	Q2 FY25	Q2 FY26
Gross Loan Portfolio	Average Ticket Size	Portfolio at Risk	Days Past Due	Year on Year	Quarter on Quarter	Month on Month	First Quarter of the Financial Year 2024-25	Second Quarter of the Financial Year 2024-25	Second Quarter of the Financial Year 2025-26
Portfolio outstanding of the microfinance sector	The average size of the microfinance loan disbursed	The proportion of portfolio outstanding which is delinquent by >0 days	Measure of loan delinquency/ overdue, segmented as 1-30, 31-180, 180+	Year on year comparison for change, example Sep 2025 compared to Sep 2024	Quarterly comparison for change, example Sep 2025 compared to June 2025	Monthly comparison for change, example Sep 2025 compared to August 2025	April-May-June'2024	July-Aug-Sep'2024	July-Aug-Sep'2025

Notes:

1. The CRIF Microfinance Credit Repository has undergone data corrections (updates, closure, etc.) by institutions as part of the book closing and reconciliation activity. This report accommodates these corrections to the historical trends presented in the report for the previous quarters.
2. The analysis in this Edition of MicroLend is based on data which is around 90% representative of the Industry as of Sep'25 as received by the bureau.

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About MicroLend

MicroLend is a quarterly publication from CRIF High Mark that provides comprehensive insights into microfinance lending in India. It covers key parameters such as Gross Loan Portfolio, growth trends, market share, borrower leverage, compliance, and portfolio risks. This flagship industry report is widely referenced for tracking emerging trends and shifts in India's microfinance landscape.

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CRIF High Mark is an RBI licensed credit bureau in India that commenced its bureau operations in March 2011. CRIF High Mark offers Credit Bureau Information and Identification and fraud prevention services. It is India's first full-service credit information company which provides comprehensive credit information for all borrower segments, namely Commercial, Consumer, and Microfinance borrowers. With the databases of individuals and businesses from over 5,000 financial institutions CRIF High Mark provides credit information services and supports millions of lending decisions every month.

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CIR (Commercial, Consumer & Microfinance)

- Detailed Information of a borrower's credit history & financial behavior. These details are utilized by the lenders & financial institutions to evaluate credit worthiness of the borrower.
- Commercial CIR includes CRIF India Business Rank (CIBR), which is a 13-Rank Assessment model to gauge a Business entity's Credit repayment ability based on its credit profile, credit history and other factors.



B2B2C Consumer CIR

- The reports are fetched by individuals who approach Agents/Online Fintech Platform to avail personal credit for personal usage/pre-qualified offers.



B2C Consumer/Commercial CIR

- Individuals/Entities looking for their personal/entity's credit report fetch this CIR through CRIF's portal.



Commercial Lite CIR

- Synopsis of credit facilities with respect to Member and Off-member exposures, exposures on CC/OD facilities, Total Banking Exposure.



Portfolio review

- The data output represents Offline bulk credit information of their customer base with Lending Institutions.



Market Insights Report

- Market Insights products, offer insights on broader market trends and consumer behavior, using aggregated credit data.



Alerts

- Event based triggers for near real time and effective monitoring of borrowers, post disbursement.

