

MICROFINANCE

PULSE REPORT

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Analytical Contacts

Equifax



Shruti Joshi

Head – Insights & Analytics



shruti.joshi@equifax.com



Vandana Panchal

Manager – Insights & Analytics



vandana.panchal@equifax.com



Gifty Cheruvallimalayil

Data Scientist - Insights & Analytics



gifty.cheruvallimalayil@equifax.com

SIDBI



Suman Chowdhury

Chief Economist – SIDBI



erdav@sidbi.in



Samir Mallick

AGM-ERDAV, SIDBI



erdav@sidbi.in



Vandita Srivastava

Manager-ERDAV, SIDBI



erdav@sidbi.in

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Executive Summary

The 23rd MFI Pulse Report provides a comprehensive overview of India's microfinance sector drawing insights from data submitted to the bureau, covering the period up to March 31, 2025.

The microfinance sector continues to be in a consolidation mode with the aggregate industry portfolio of ₹3.35 Lakh Crore exhibiting a significant decline by 12% annually and 4% quarterly as of March 2025 with NBFC-MFIs being the primary contributor. As of March 2025, the number of unique live borrowers is approximately 6.5 crore.

At 3.93%, the 90+ delinquencies have seen a substantial deterioration from 1.37% as of March 2024; nevertheless, the sequential increase has been marginal from 3.90% as of December 2024. However, the 30+ delinquencies have increased by 421 bps (basis points) in March 2025 compared to March 2024.

Loan disbursements gained some momentum in JFM'25 from OND'24 (Q-o-Q), recording a 9% growth in volume and 12% growth in value. Industry average ticket size increased sequentially by 12% in JFM'25 over OND'24, reflecting industry focus on existing performing borrowers.

The Top 5 States accounts for almost 60% of the overall Industry Portfolio. These states have consistently witnessed a contraction in the portfolio outstanding since September 2024.

Portfolio outstanding for aspirational districts has declined by 8% to ₹49,256 Crore as of March 2025 from ₹53,483 Crore as of Mar'2024. 30+ and 90+ delinquencies of aspirational districts observed a significant uptick in March 2025, relative to March 2024.

Abbreviations & Glossary >>>

- ATS (Average Ticket Size) = Disbursed Amount/ Number of Loans
- DPD = Days Past Due
- Live POS or Borrowers or Active loans = 0 to 179 DPD + New Accounts + Current Accounts
- MFI = Microfinance Institution
- POS = Portfolio Outstanding
- UT = Union Territory
- Aspirational Districts (AD) - Districts (currently 112 in no.) identified by NITI Aayog, GoI, in January 2018, for improvement to enhance Human Development Index, in turn, based on composite indicators like Health & Nutrition, Education, Agriculture & Water Resources, Financial Inclusion, Skill Development and Basic Infrastructure

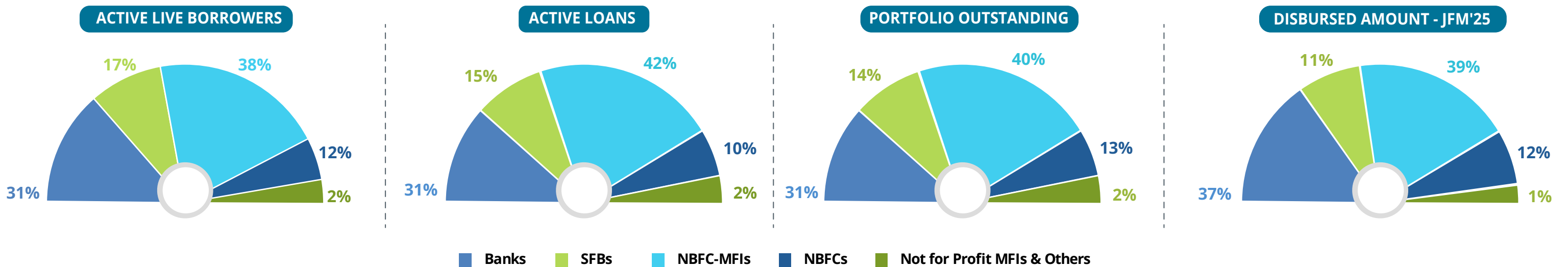
- 1-179 = 1 to 179 DPD/Live POS
- 1-29 = 1 to 29 DPD/Live POS
- 30-59 = 30 to 59 DPD/Live POS
- 60-89 = 60 to 89 DPD/Live POS
- 90-179 = 90 to 179 DPD/Live POS
- 30+ Delinquency = 30-179 DPD/Live POS
- 90+ Delinquency = 90-179 DPD/Live POS
- JFM'24 = January 2024 to March 2024
- AMJ'24 = April 2024 to June 2024
- JAS'24 = July 2024 to September 2024
- OND'24 = October 2024 to December 2024
- JFM'25 = January 2025 to March 2025



Microfinance Industry Overview



Microfinance Industry Snapshot - as on 31st March 2025



Snapshot as on 31st March 2025	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs & Others	Industry
Active Live Borrowers ('000)	26,036	14,102	32,504	10,255	1,618	84,515
Active Loans ('000)	34,819	16,536	46,480	11,461	1,682	1,10,978
Portfolio (₹ crore)	1,04,491	47,970	1,32,929	44,478	5,203	3,35,071
Disbursed Amount (₹ crore) – JFM'25	26,787	7,868	28,477	8,576	746	72,454
Average Ticket Size (₹) – JFM'25	55,030	54,157	51,353	66,528	52,997	54,494
30+ Delinquency (POS)	6.89%	7.46%	6.92%	4.10%	8.91%	6.64%
90+ Delinquency (POS)	4.10%	4.54%	4.22%	2.01%	4.26%	3.93%

- Book size of microfinance industry as on 31st March 2025 is valued at ₹ 335,071 Crore.
- NBFCs record the highest average ticket size in the industry.
- SFBs exhibit higher 90+ delinquencies compared to the overall industry.
- NBFCs demonstrate the lowest 30+ and 90+ delinquency.

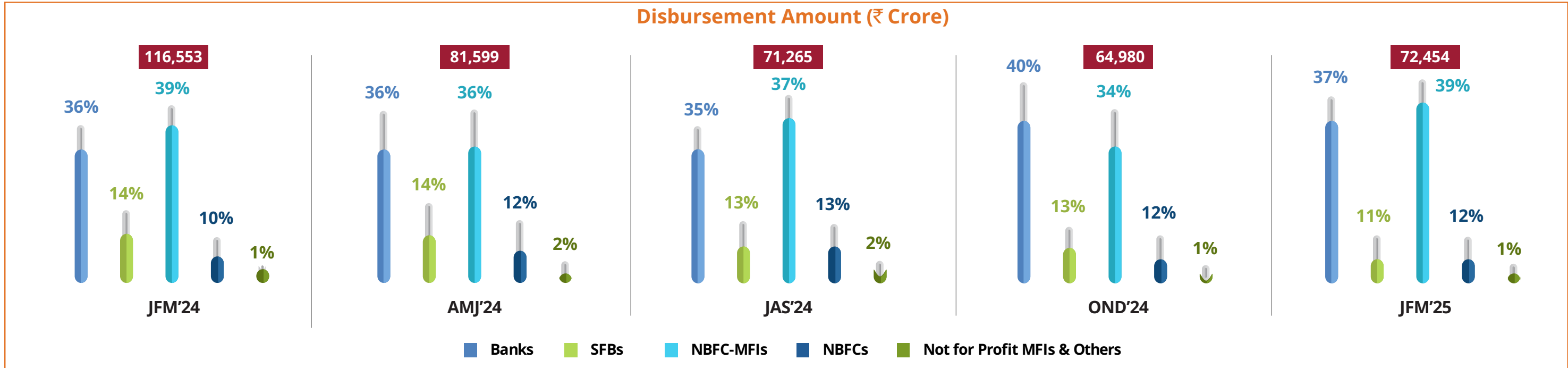
Note: In MFI segment there are 6.56 crore unique live borrowers across lenders. Difference in the unique number of customers is due to the customers having multiple relationships with SFBs, Banks, NBFC-MFIs, NBFCs and Not for Profit MFIs & Others.



Disbursement Trends



Disbursement Trends – Institution wise

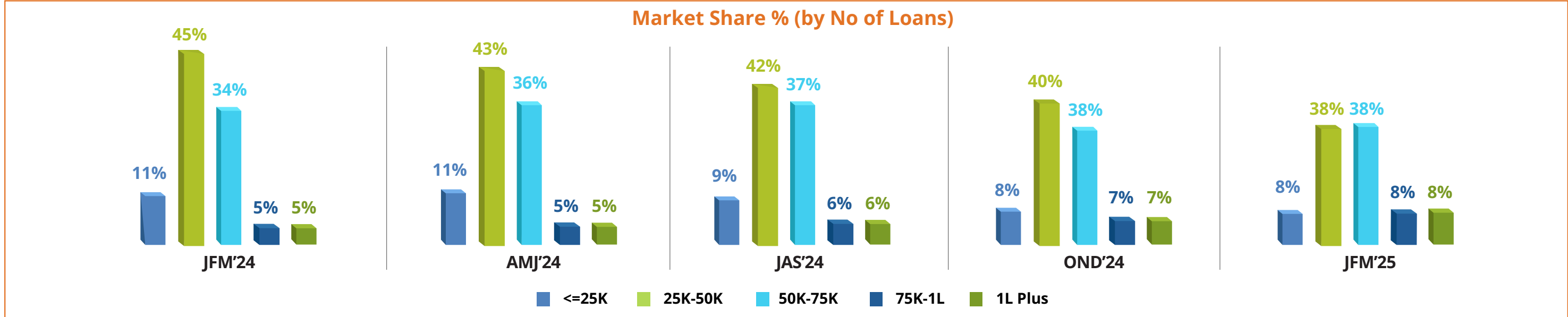


Lender Type	No. of Loans Disbursed (in lakh)				
	JFM'24	AMJ'24	JAS'24	OND'24	JFM'25
Banks	87	61	50	48	49
SFBs	33	23	18	15	15
NBFC-MFIs	97	63	54	44	55
NBFCs	20	17	15	13	13
Not for Profit MFIs & Others	3	2	3	2	1
Industry	240	166	140	122	133

- Loan Disbursements continued to decline in the last quarter of FY2025, with a 38% Y-o-Y decrease, likely due to increased delinquency and stress in the industry.
- However, disbursements improved quarterly, with a 9% growth in volume and a 12% growth in value.
- NBFC-MFIs witnessed the highest growth from OND'24 to JFM'25, with a 25% increase in volume and a 27% increase in value.

Disclaimer: Sourcing data of all the previous quarters have been updated based on the updates received from the members.

Industry Ticket Size Trends



Ticket Size						No. of Loans Disbursed (in lakh)
	JFM'24	AMJ'24	JAS'24	OND'24	JFM'25	Y-o-Y Growth Rate %
<=25K	26	18	13	10	11	-58%
25K-50K	107	71	60	48	51	-52%
50K-75K	83	59	51	46	51	-38%
75K-1L	12	9	8	9	10	-17%
1L Plus	12	9	8	9	10	-17%
Total	240	166	140	122	133	-44%
Q-o-Q loan disbursal growth rate %		-31%	-16%	-13%	9%	
All India ATS (₹)	48,604	49,235	50,832	53,795	54,494	12%
Q-o-Q ATS growth rate %		1%	3%	6%	1%	

➤ While a decline in the volume of disbursements is observed in JFM'25, a trend of increasing All India ATS is emerging.

- The industry average ticket size grew by 12% in JFM'25 compared to JFM'24
- The >50k ticket size category grew by 11% in JFM'25 compared to OND'24

Disclaimer: Sourcing data of all the previous quarters have been updated based on the updates received from the members.

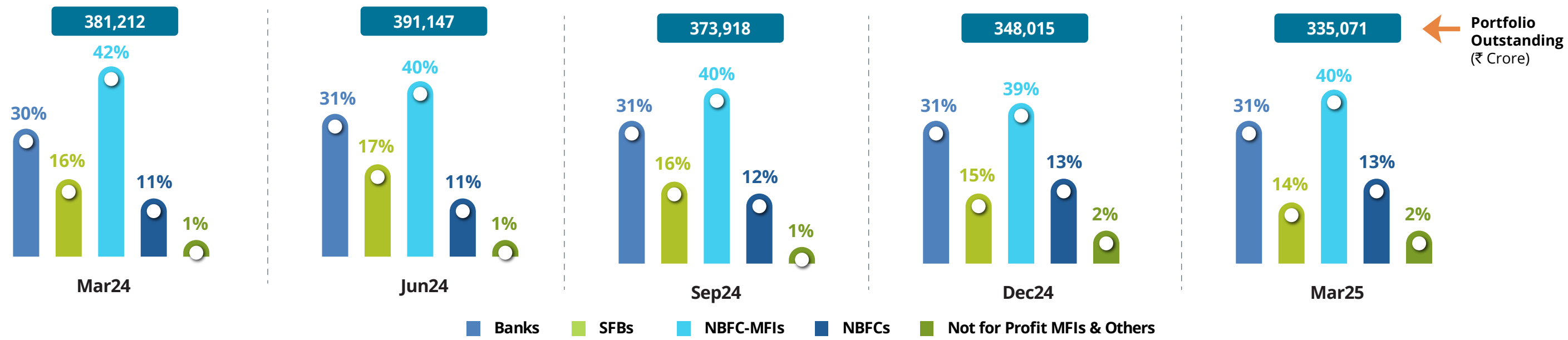


Portfolio Trends



Portfolio Trends

Market % Share Trends By Lender Type



Portfolio Outstanding (₹ Crore)						
Particulars	Mar24	Jun24	Sep24	Dec24	Mar25	Y-o-Y Growth %
Banks	1,15,686	1,23,475	1,15,981	1,08,947	1,04,491	-10%
SFBs	61,705	65,154	60,838	52,620	47,970	-22%
NBFC-MFIs	1,61,848	1,56,841	1,47,187	1,36,676	1,32,929	-18%
NBFCs	41,453	44,581	44,907	44,542	44,478	7%
Not for Profit MFIs & Others	520	1,096	5,005	5,230	5,203	901%
Industry	3,81,212	3,91,147	3,73,918	3,48,015	3,35,071	-12%
Q-o-Q growth rate %		3%	-4%	-7%	-4%	

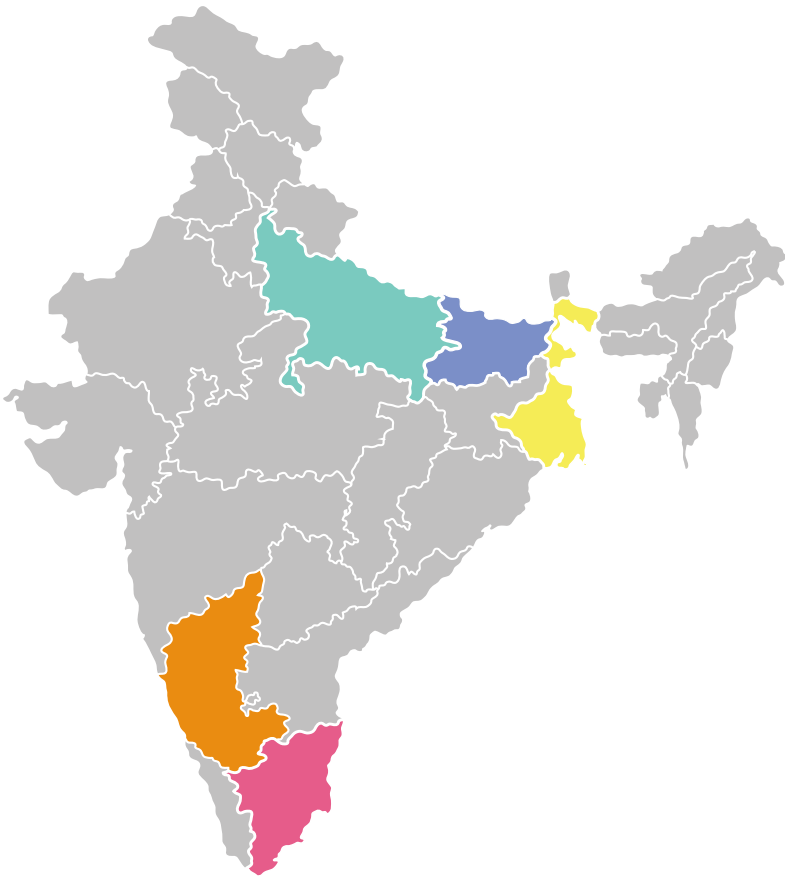
- Microfinance industry portfolio experienced a contraction of 12% in March 2025 from March 2024.
- NBFCs portfolio grew by 7% in March 2025 from March 2024.



Top States Growth & Performance



Top States Growth & Performance



Top 5 States	Mar24	Jun24	Sep24	Dec24	Mar25	Y-o-Y Growth %
Bihar	8.67%	1.60%	-5.62%	-6.63%	-4.24%	-14.26%
	1.40%	1.91%	4.46%	8.59%	7.41%	6.01%
Tamil Nadu	0.54%	3.02%	-4.67%	-8.43%	-7.78%	-17.07%
	2.31%	3.10%	4.54%	5.91%	6.90%	4.59%
Uttar Pradesh	8.95%	0.77%	-4.89%	-6.22%	-1.51%	-11.48%
	2.42%	3.10%	5.99%	9.04%	7.08%	4.66%
West Bengal	8.50%	2.82%	-2.42%	-5.01%	2.15%	-2.64%
	1.38%	1.53%	2.40%	3.72%	3.51%	2.13%
Karnataka	3.89%	6.40%	-2.34%	-7.67%	-7.68%	-11.43%
	0.96%	1.18%	2.36%	4.71%	10.81%	9.85%

Q-o-Q Growth %
30+ Delinquency %

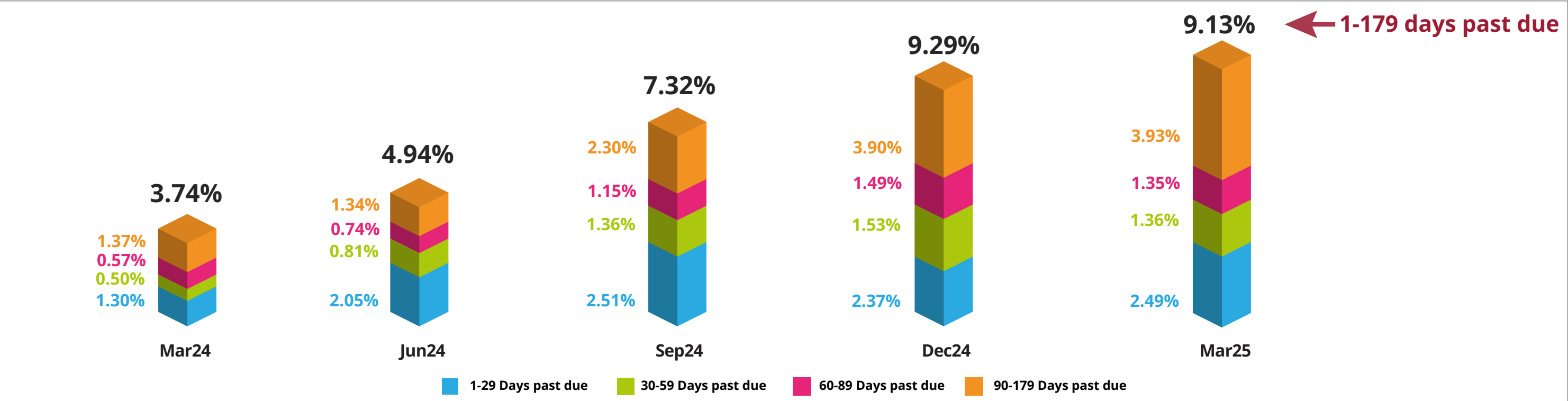
- Industry top 5 states contributes almost 60% to the overall industry portfolio.
- Since September 2024, almost all the top 5 states have seen a contraction in portfolio outstanding.
- An upward trend in 30+ delinquencies has been observed in all top 5 states.



Industry Risk Profile



Delinquency Trends ➤➤➤



Delinquency by 1-179 Days Past Due					
Lenders	Mar24	Jun24	Sep24	Dec24	Mar25
Banks	3.51%	4.56%	7.75%	9.96%	9.48%
SFBs	4.86%	8.23%	9.05%	11.23%	10.28%
NBFC-MFIs	3.86%	4.55%	7.22%	9.11%	9.48%
NBFCs	2.18%	2.52%	4.20%	5.76%	5.46%
Not for Profit MFIs & Others	5.23%	7.59%	6.30%	10.43%	13.86%
Industry	3.74%	4.94%	7.32%	9.29%	9.13%

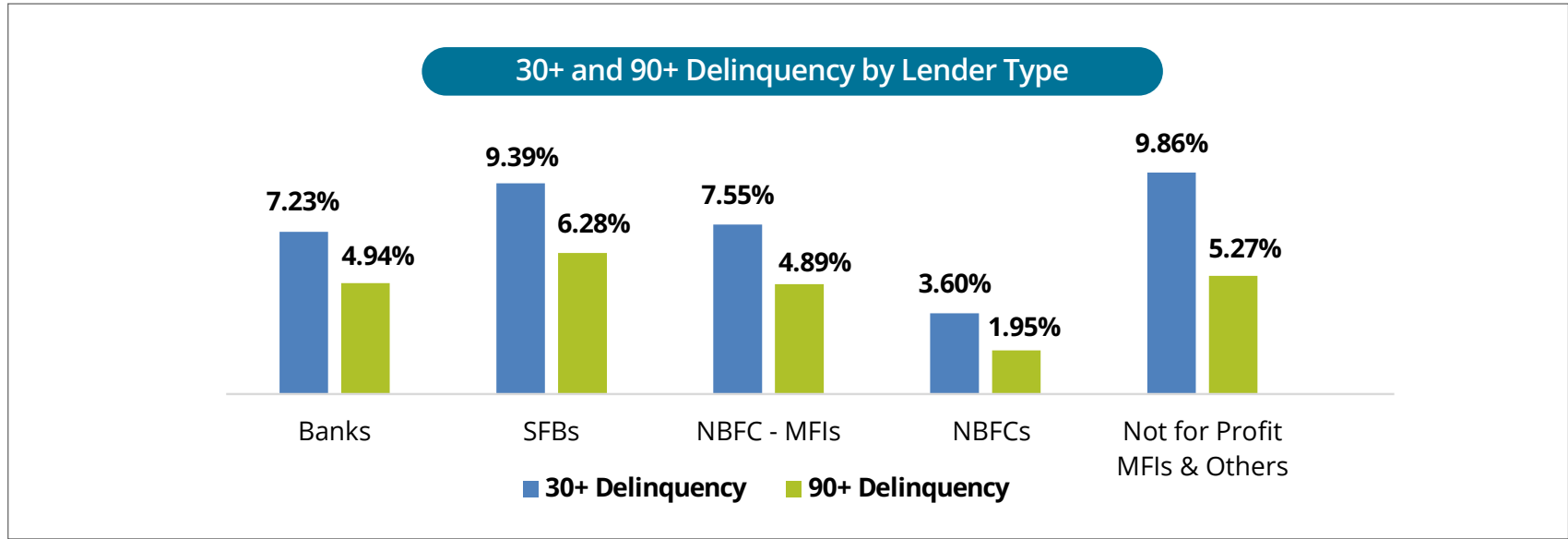
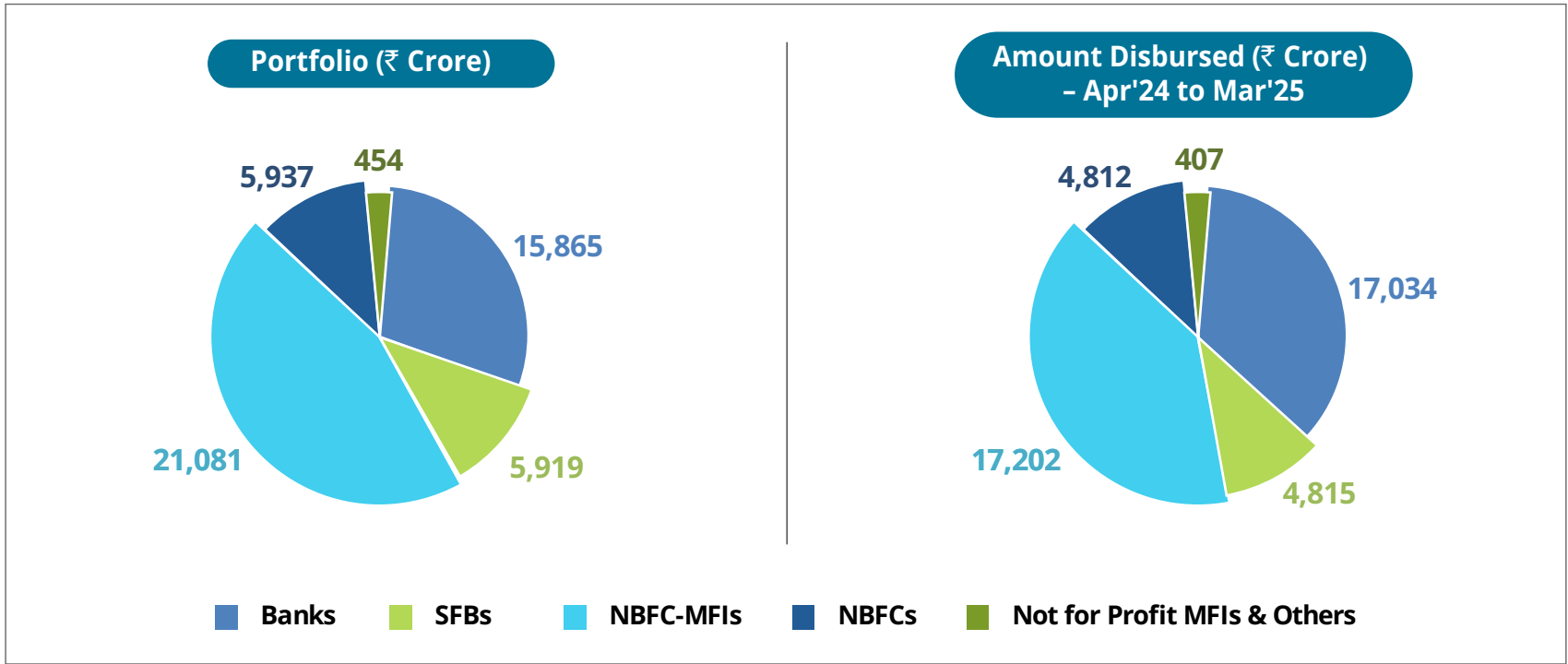
- March 2025 data indicates a slight decline in 1-179 day delinquencies from previous quarter of December 2024.
- Not for Profit MFIs followed by SFBs have the highest delinquencies in the industry as of March 2025.



Aspirational Districts



Aspirational Districts – March 2025 Overview



➤ Portfolio outstanding for aspirational districts as on 31st March 2025 is ₹49,256 Crore.

➤ Aspirational districts contribute 15% towards the total microfinance portfolio outstanding.

➤ 30+ and 90+ delinquencies of aspirational districts have increased in March 2025 compared to March 2024.

Aspirational Districts Growth Particulars	31 st March 2024	31 st March 2025	Growth %
Disbursement Amount (Rs. crore)	*54,292	**44,270	-18%
Active Loans ('000)	18,067	16,855	-7%
Portfolio Outstanding (Rs. crore)	53,483	49,256	-8%
***30+ Delinquency	1.90%	7.21%	
***90+ Delinquency	0.96%	4.72%	

*Disbursement April 2023 to March 2024.

**Disbursement April 2024 to March 2025.

***Delinquencies are calculated basis POS.

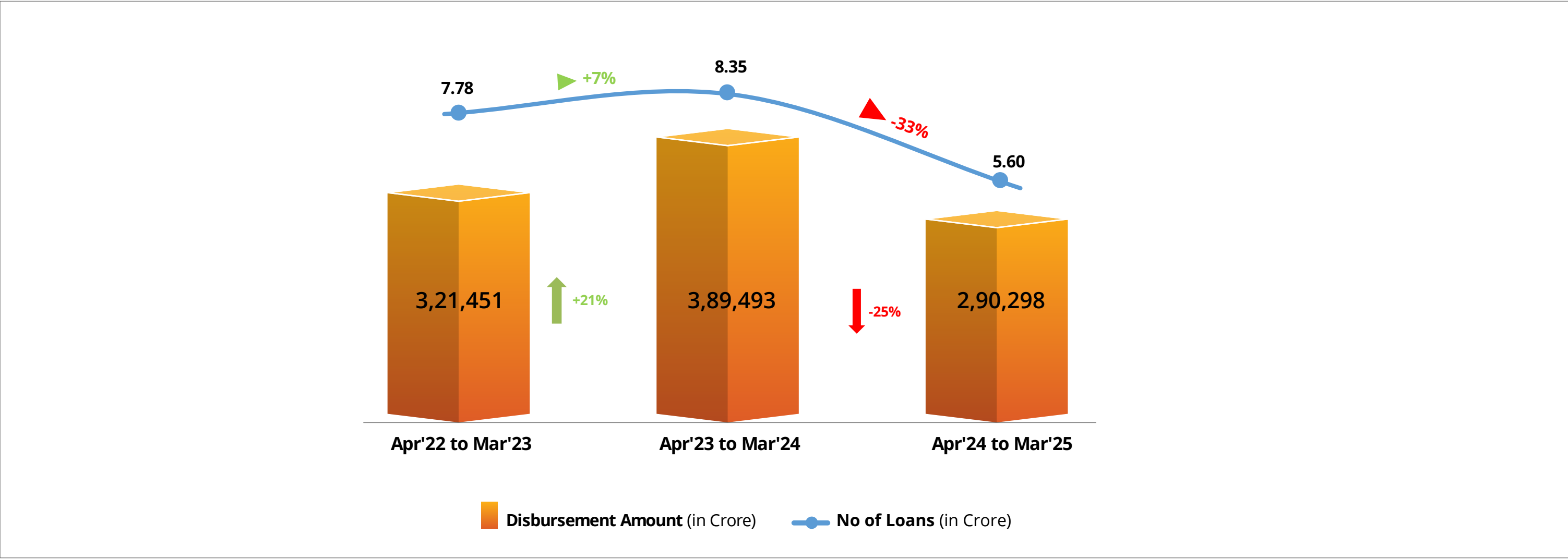


Year-on-Year growth of Microfinance Industry



Disbursement Growth ➡➡➡

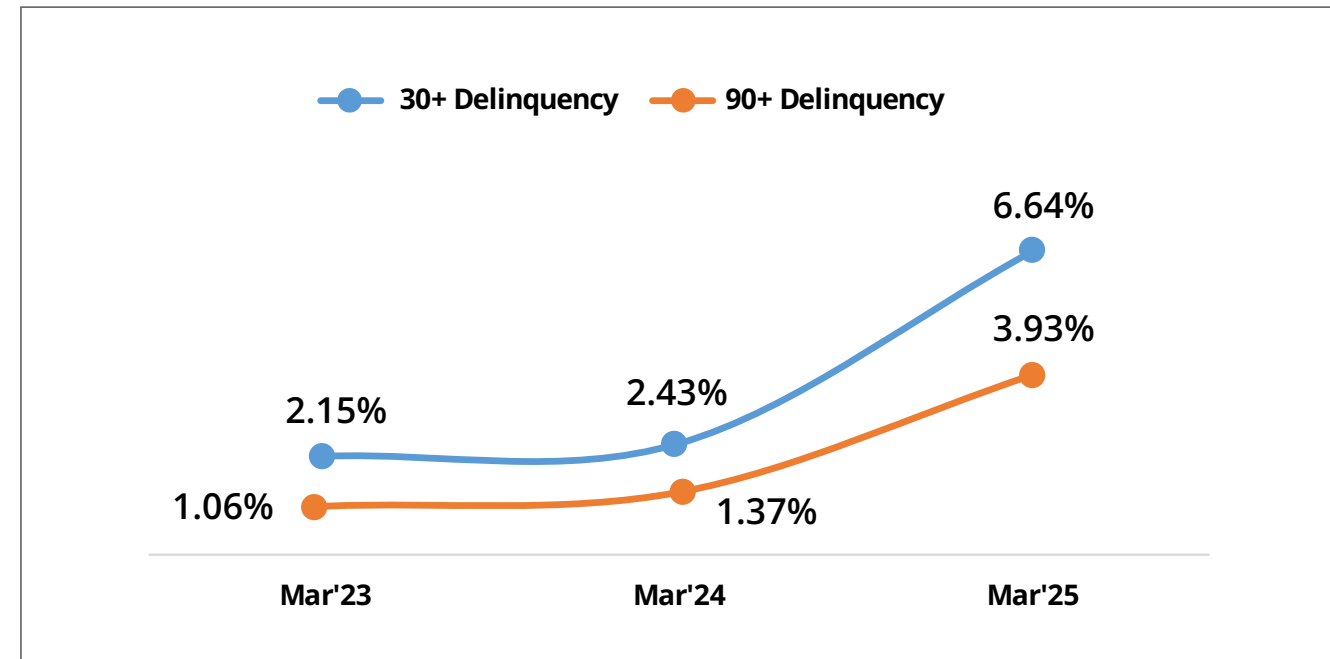
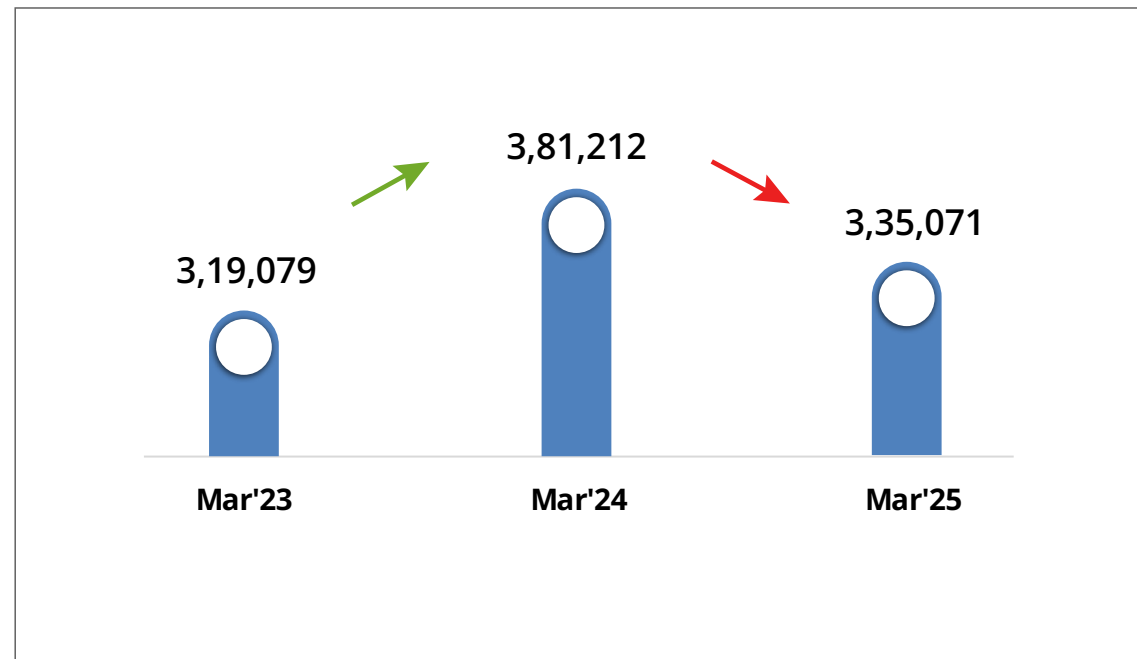
Year-on-Year Disbursement Growth



➤ Microfinance Industry witnessed a notable contraction in disbursement by volume and value both in Apr'24 to Mar'25 from Apr'23 to Mar'24.

Portfolio & Delinquency

Year-on-Year Portfolio Outstanding Growth Portfolio Outstanding (₹ Crore)



- Microfinance Industry has seen a significant growth in the past years. However, in March 2025 the portfolio declined by 12% from March 2024.
- Significant asset deterioration has been witnessed by the industry in March 2025. 30+ delinquency increased by 421 bps and 90+ delinquency increased by 256 bps in March 2025 from March 2024.



Active Lender Association



Active Lender Association



Lender	No. of Customers - March 2024			No. of Customers - March 2025			Y-o-Y Change
	0-2L	>2L	Total	0-2L	>2L	Total	
1 Lender	74.70%	0.07%	74.77%	75.91%	0.09%	76.00%	1.23%
2 Lender	14.28%	0.11%	14.39%	14.45%	0.04%	14.49%	0.10%
3 Lender	5.69%	0.22%	5.91%	5.56%	0.06%	5.62%	-0.29%
4 Lender	2.29%	0.32%	2.61%	2.19%	0.09%	2.28%	-0.33%
>=5 Lender	1.19%	1.13%	2.32%	1.18%	0.42%	1.60%	-0.72%

➤ A decline was observed in March 2025 in the number of borrowers utilizing three or more lenders, relative to March 2024.

About SIDBI

Small Industries Development Bank of India has been established under an Act of the Parliament in 1990. SIDBI is mandated to serve as the Principal Financial Institution for executing the triple agenda of promotion, financing and development of the Micro, Small and Medium Enterprises (MSME sector) and co-ordination of the functions of the various Institutions engaged in similar activities. Over the years, through its various financial and developmental measures, the Bank has touched the lives of people across various strata of the society, impacted enterprises over the entire MSME spectrum and engaged with many credible institutions In the MSME ecosystem. SIDBI has taken various initiatives to address the information asymmetry in the MSME sector like the publication of MSME Pulse, Quarterly MSME Outlook Survey, Sampoon Index apart from the Microfinance Pulse.

SIDBI in Microfinance Space

SIDBI has played pioneering role in furthering the inclusive finance agenda through supporting the MicroFinance movement. The debt and equity support to MFIs is well complemented by capacity building support to these institutions and imbibing the corporate governance culture by supporting Compliance Assessment Tools etc. Apart from handholding the MicroFinance industry from fragile beginning to a full-fledged industry segment, culminating in the transition of 8 of our partner MFIs into SFBs/Universal Banks. A path breaking initiative in Micro Lending is to make available small loans directly from SIDBI (through partnership arrangements), at interest rates which are substantially lower than the market rates. Under this initiative, titled Prayaas, the Bank has been extending small ticket size loans of ₹0.50 lakh to ₹5 lakh to Micro borrowers at bottom of the pyramid with interest rates comparatively lower than market rates under partnership model.

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Contact Details



Equifax Credit Information Services Private Limited

- 📍 Unit No. 931, 3rd Floor, Building No. 9,
Solitaire Corporate Park, Andheri Ghatkopar Link Road,
Andheri (East), Mumbai - 400 093
- ☎ Toll Free No. : **1800 2093247**
- ✉ ecissupport@equifax.com

Small Industries Development Bank of India

- 📍 Swavalamban Bhavan, Plot No. C-11, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051 Maharashtra
- ☎ Toll Free No. : **1800 226753**
- 🌐 www.sidbi.in