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MICROFINANCE PULSE REPORT

VOL XX – AUGUST 2024

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Executive Summary

20th edition of MFI Pulse Report presents the snapshot of the data submitted for the period up to March 2024 and developments in the MicroFinance industry during the fiscal year 2023-24.

Portfolio outstanding of MicroFinance industry as on 31st March 2024 is ₹3,77,706 crore with 1,238 lakh active loans and 6.6 crore unique live borrowers. NBFC-MFIs contributes highest towards portfolio outstanding. In terms of portfolio outstanding, MicroFinance industry witnessed annual growth of 18% and NBFCs witnessed highest growth of 45% in March 2024 over March 2023

MicroFinance industry witnessed quarterly growth of 4% in March 2024 over December 2023 in terms of portfolio outstanding and 8% of growth in terms of disbursements by value. SFBs witnessed highest growth of 17% in terms of loan disbursement from OND'23 to JFM'24.

Portfolio outstanding as on 31st March 2024 for Aspirational Districts is ₹53,483 crore and it grew by 23% in March 2024 over March 2023. Loans worth ₹54,292 crore were disbursed in Aspirational Districts from April 2023 to March 2024.

Note: In MFI segment there are ~6.6 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.



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 (we have covered 117 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'23 = January 2023 to March 2023
- AMJ'23 = April 2023 to June 2023
- JAS'23 = July 2023 to September 2023
- OND'23 = October 2023 to December 2023
- JFM'24 = January 2024 to March 2024

Note:

Due to rounding, numbers presented throughout the report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. Portfolio Outstanding for the loans opened after February 2017 is ₹4,06,314 crore.

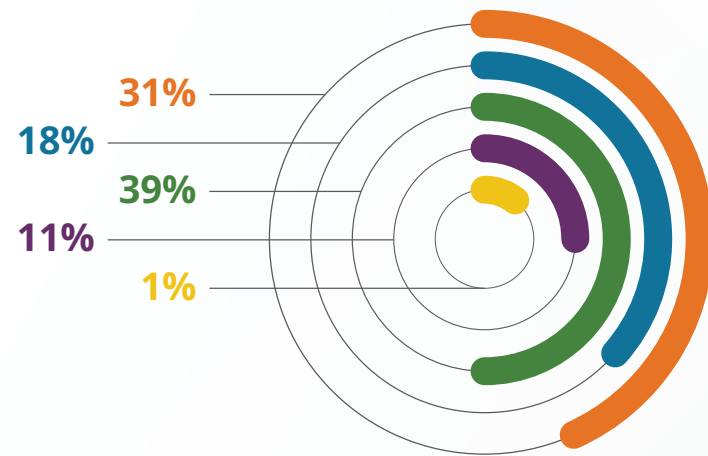




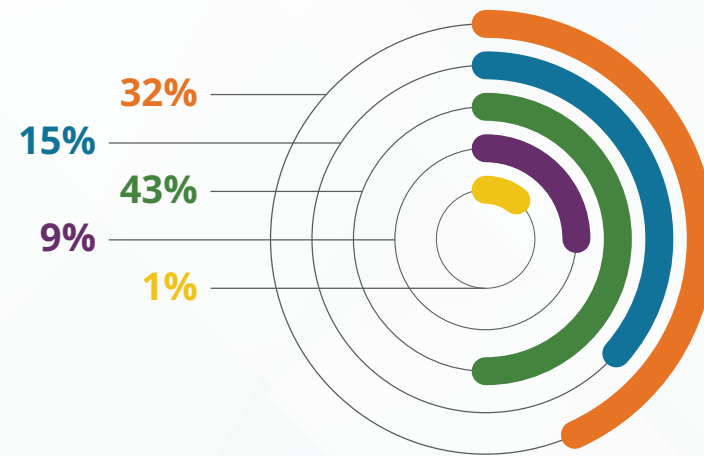
MicroFinance Industry Overview

MicroFinance Industry Snapshot – as on 31st March 2024

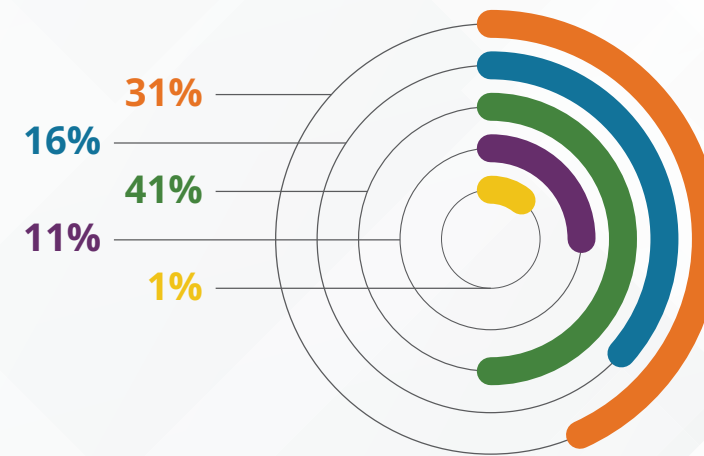
Active Live Borrowers



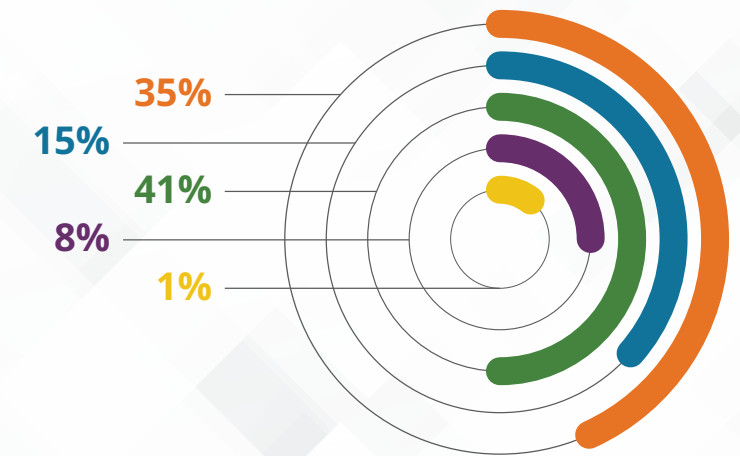
Active Loans



Portfolio Outstanding



Disbursed Amount – JFM'24



■ Banks
 ■ SFBs
 ■ NBFC-MFIs
 ■ NBFCs
 ■ Not for Profit MFIs

Snapshot as on 31st March 2024	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs	Total Industry
Active Live Borrowers('000)	26,534	15,720	33,589	9,699	173	85,715
Active Loans ('000)	39,831	19,171	53,410	11,244	223	123,879
Portfolio (₹crore)	118,568	61,351	155,390	41,869	528	377,706
Disbursed Amount (₹crore) – JFM' 24	37,227	16,322	42,520	8,334	143	104,546
Average Ticket Size (₹) – JFM' 24	49,207	50,127	46,821	55,310	43,789	48,757
30+ Delinquency (POS)	2.45%	2.92%	2.15%	1.45%	3.98%	2.29%
90+ Delinquency (POS)	1.11%	1.26%	1.26%	0.73%	1.79%	1.16%

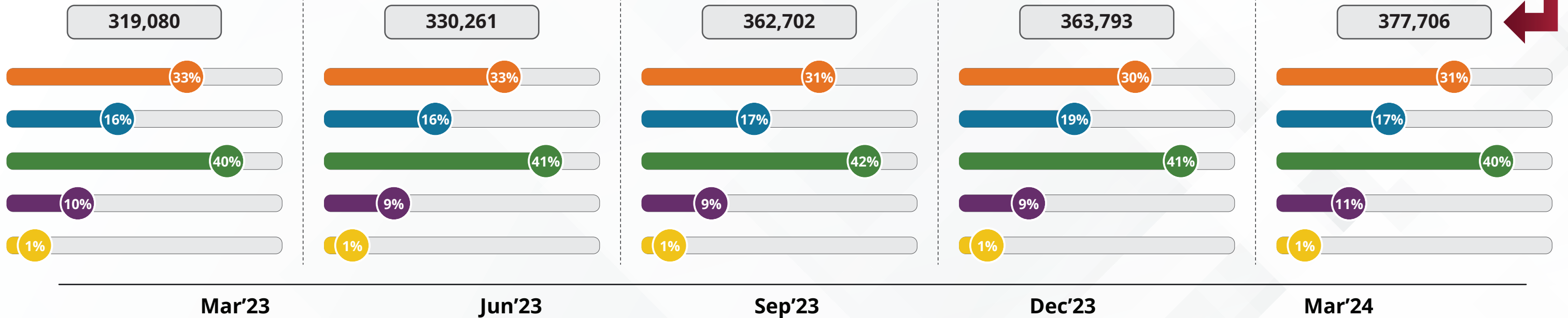
- Portfolio outstanding of MicroFinance industry as on 31st March 2024 is ₹3,77,706 crore.
- NBFC-MFIs are contributing highest to portfolio outstanding and disbursement amount.

- NBFCs have the highest average ticket size.
- 30+ & 90+ delinquencies are lowest for NBFCs.
- Not for profit MFIs have the highest 30+ & 90+delinquencies

Note : In MFI segment there are ~6.6 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.

MicroFinance Industry Overview

Market % Share Trends By Lender Type



Portfolio Outstanding (₹ crore)



Particulars	Mar23	Jun23	Sep23	Dec23	Mar24	Y-o-Y Growth %
Banks	104,984	102,004	109,459	113,079	118,568	13%
SFBs	52,386	56,296	68,792	62,722	61,351	17%
NBFC-MFIs	129,414	140,026	149,128	147,386	155,390	20%
NBFCs	28,850	31,278	34,741	40,141	41,869	45%
Not for Profit MFIs	3,446	657	582	465	528	-85%
Total Industry	319,080	330,261	362,702	363,793	377,706	18%
Q-o-Q growth rate %		4%	10%	0.3%	4%	

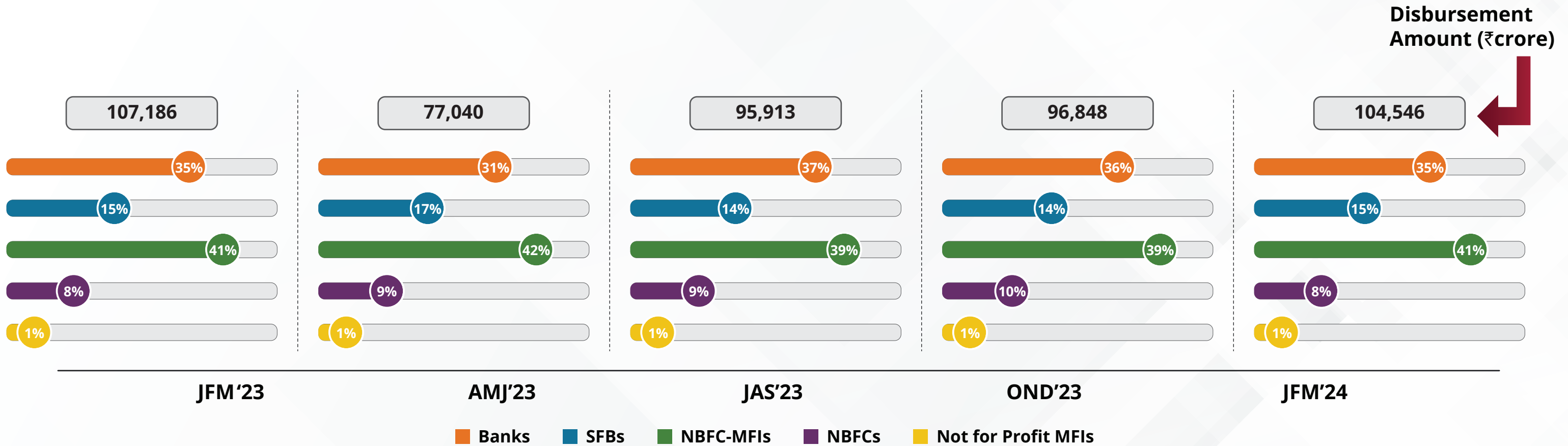
Portfolio Outstanding (₹ crore)

- MicroFinance industry grew by 18% in March 2024 over March 2023.
- NBFCs witnessed highest annual growth of 45% in March 2024 over March 2023.



Disbursement Trends

Disbursement Trends – Institution wise

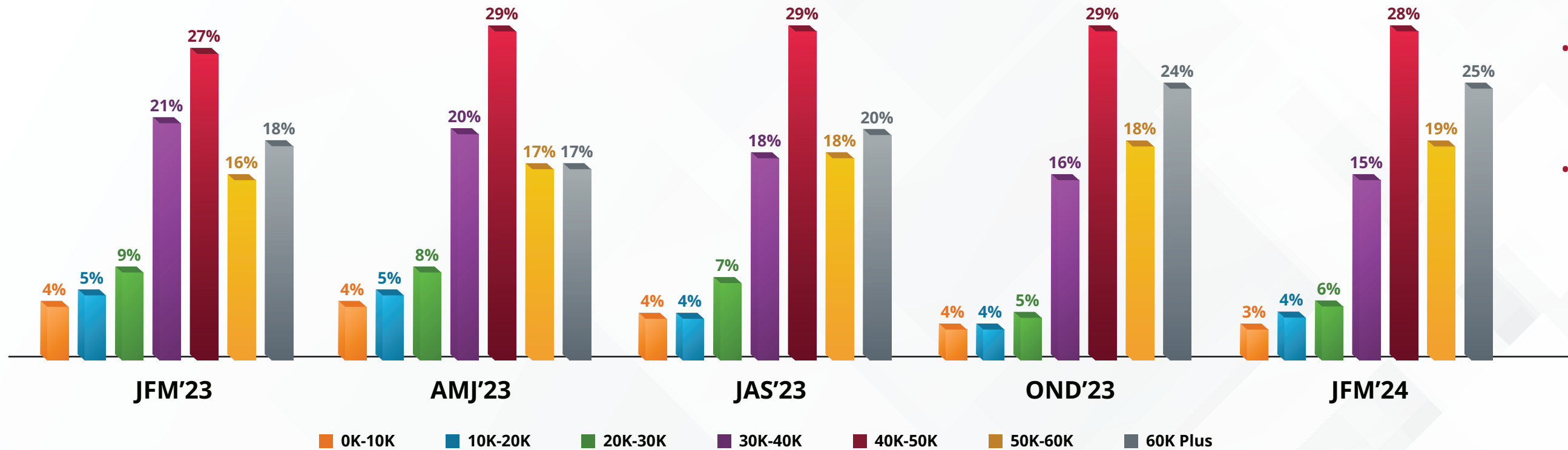


No. of Loans Disbursed (in lakh)

Lender Type	JFM'23	AMJ'23	JAS'23	OND'23	JFM'24
Banks	89	58	76	70	76
SFBs	34	28	28	28	33
NBFC-MFIs	105	76	86	84	91
NBFCs	18	14	19	19	15
Not for Profit MFIs	0.6	0.5	0.5	0.4	0.3
Total Industry	247	177	210	201	215

- Loan disbursal in terms of volume witnessed Y-o-Y degrowth of 13% and in terms of value 2%.
- In terms of value SFBs witnessed highest Q-o-Q growth of 17% in JFM'24 over OND'23.

Industry Ticket Size Trends



- Loan disbursement for >60k ticket size category grew by 20% in JFM'24 compared to JFM'23.
- Average ticket size increased by 13% in JFM'24 over JFM'23.

Ticket Size	JFM'23	AMJ'23	JAS'23	OND'23	JFM'24	Y-o-Y Growth Rate %
0k-10k	10	7	8	7	7	-30%
10k-20k	12	8	9	7	8	-33%
20k-30k	21	14	14	11	12	-43%
30k-40k	53	36	38	33	32	-40%
40k-50k	67	52	60	58	60	-10%
50k-60k	39	30	38	37	42	8%
60k Plus	45	30	43	48	54	20%
Total	247	177	210	201	215	-13%
Q-o-Q loan disbursement growth rate %		-28%	19%	-4%	7%	
All India ATS (Rs)	43,284	43,294	45,829	48,171	48,757	13%
Q-o-Q ATS growth rate %		0.02%	6%	5%	1%	

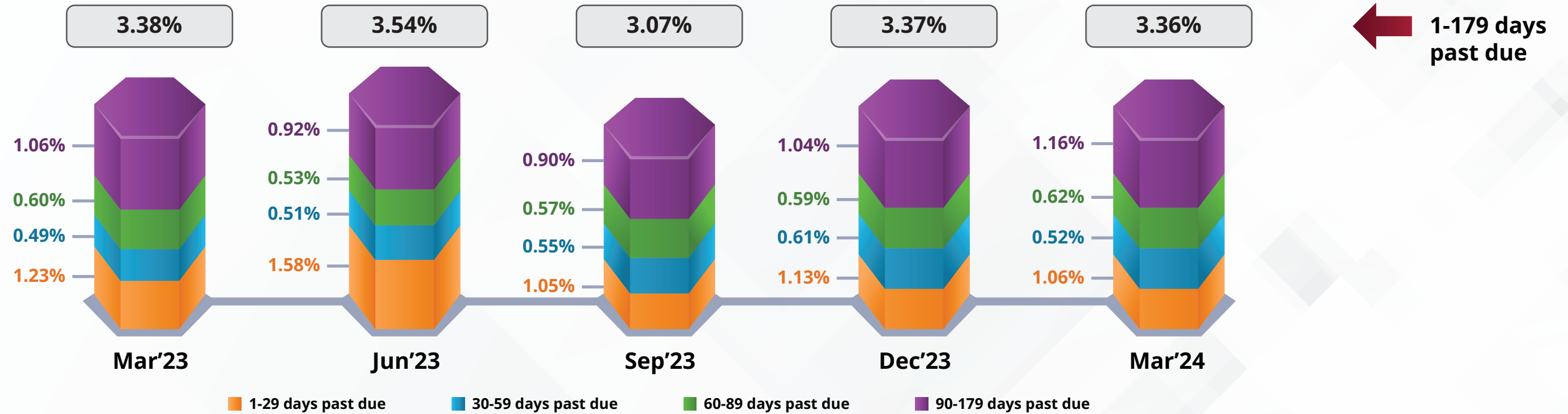


No. of Loans Disbursed (in lakh)



Industry Risk Profile

Delinquency Trends



Delinquency by Days past due

Reporting Quarter	1-29 days past due	30-59 days past due	60-89 days past due	90-179 days past due	1-179 days past due
Mar'23	1.23%	0.49%	0.60%	1.06%	3.38%
Jun'23	1.58%	0.51%	0.53%	0.92%	3.54%
Sep'23	1.05%	0.55%	0.57%	0.90%	3.07%
Dec'23	1.13%	0.61%	0.59%	1.04%	3.37%
Mar'24	1.06%	0.52%	0.62%	1.16%	3.36%

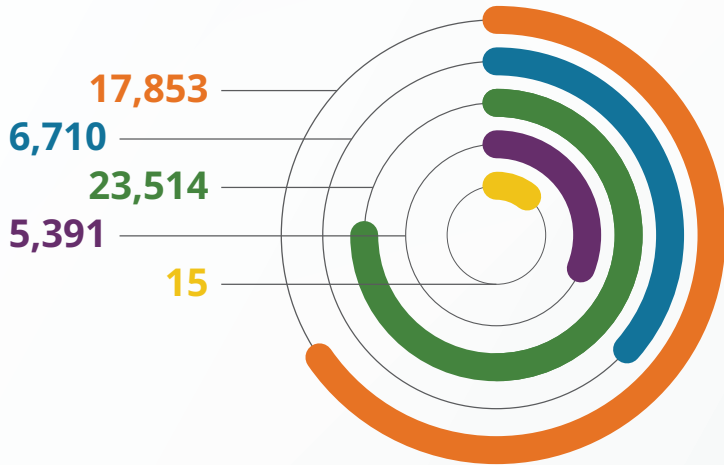
- Delinquency in all the buckets have declined in March 2024 compared to December 2023 except 60-89 days past due and 90-179 days past due.



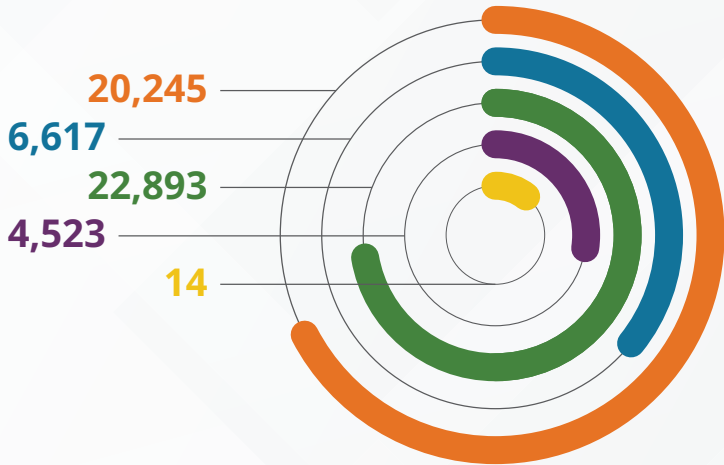
Aspirational Districts

Aspirational Districts – March 2024 Overview

Portfolio (₹crore)



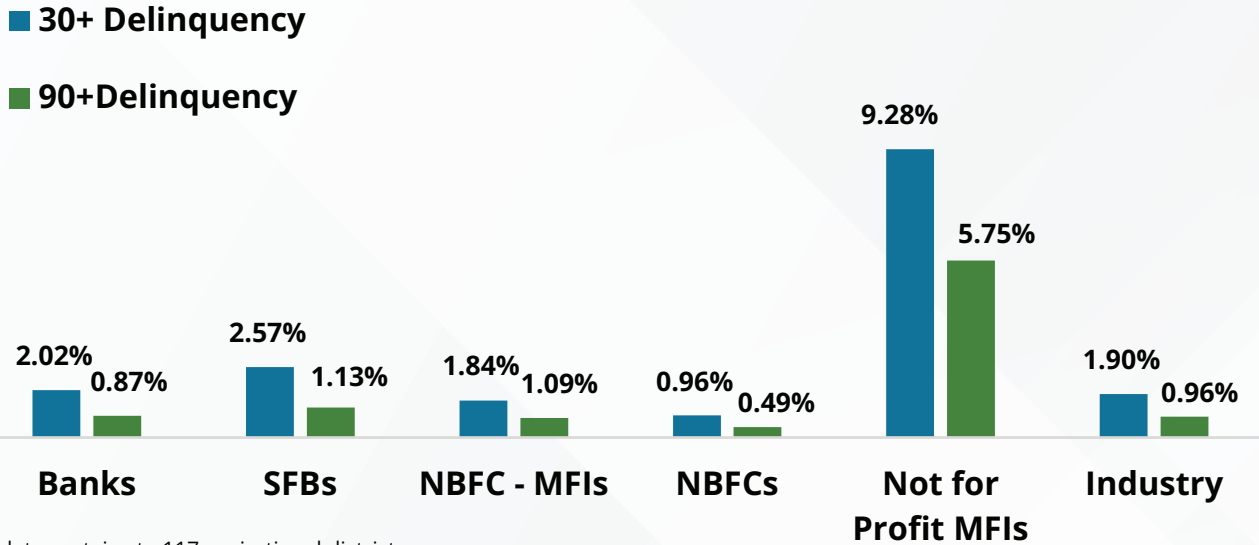
Amount Disbursed (₹crore) – Apr'23 to Mar'24



■ Banks
 ■ SFBs
 ■ NBFC - MFIs
 ■ NBFCs
 ■ Not for Profit MFIs

- Portfolio outstanding for aspirational districts as on 31st March 2024 is ₹53,483 crore.
- Aspirational districts contribute 14% towards the total MicroFinance portfolio outstanding.
- 30+ and 90+ delinquencies of aspirational districts have increased in March 2024 as compared to March 2023.

30+ and 90+ Delinquency by Lender Type



Aspirational Districts Growth Particulars	31st March 2023	31st March 2024	Growth %
Disbursement Amount (₹crore)	*44,954	**54,292	21%
Active Loans ('000)	16,160	18,067	12%
Portfolio Outstanding (₹crore)	43,602	53,483	23%
***30+ Delinquency	1.82%	1.90%	
***90+ Delinquency	0.93%	0.96%	

*Disbursement April 2022 to March 2023
 **Disbursement April 2023 to March 2024
 ***Delinquencies are calculated basis POS

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. Under Vision 2.0, SIDBI has spearheaded various Initiatives to address the Information Asymmetry in MSME sector like MSME Pulse, the health tracker of MSMEs and CriSidEx, for gauging the MSE sentiments & aspirations, Industry spotlight, a comprehensive report on industry Lenders and Fintech Pulse, for credit data insights on Fintech lending segment, apart from MicroFinance Pulse.

SIDBI in MicroFinance space

SIDBI has played pioneering role in furthering the inclusive finance agenda through supporting the MicroFinance movement. The cumulative assistance disbursed under SIDBI's MicroFinance initiatives upto March 31, 2024 aggregate to ₹33,443 crore benefitting around 5.15 crore underserved clients. 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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