



# MICROFINANCE PULSE REPORT

VOL XIX – Mar 2024



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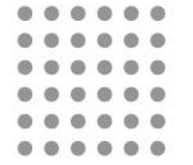
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# Executive Summary



19<sup>th</sup> edition of MFI Pulse report is based on the data submitted to the bureau for the period up to 30<sup>th</sup> September 2023.

Portfolio outstanding of microfinance industry as on 30<sup>th</sup> September 2023 is ₹362,702 crore with 1,270 lakh active loans and 6.6 crore unique live borrowers. NBFC-MFIs contributes highest towards portfolio outstanding. Microfinance industry in terms of portfolio outstanding grew by 34% in September 2023 over September 2022 and witnessed Q-o-Q growth of 10% in September 2023 over June 2023.

Disbursements by value witnessed annual growth of 21% and 6% by volume from JAS'22 to JAS'23. NBFCs witnessed highest growth of 26% in terms of disbursement amount and SFBs, NBFC-MFIs by 12% in terms of loan disbursal from JAS'22 to JAS'23. Highest number of loans are issued under 40k-50k ticket size category and witnessed annual growth of 48% from JAS'22 to JAS'23.

All the delinquency buckets have declined in September 2023 over September 2022.

Portfolio outstanding as on 30<sup>th</sup> September 2023 for Aspirational Districts is ₹49,073 crore and it grew by 27% in September 2023 over September 2022. Loans worth ₹51,056 crore were disbursed in Aspirational Districts from October 2022 to October 2023.

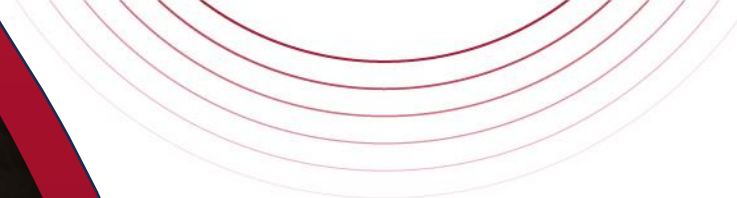
In this edition we have covered Roll Rate Analysis. In roll forward, SFB's have the lowest bucket movement from 1-29 DPDs to 30-59 DPDs across all the quarters.

**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** = Micronance Institution
- **POS** = Portfolio Outstanding
- **UT** = Union Territory
  
- **Aspirational Districts (AD)** - Districts (currently 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
  
- **JAS'22** = July 2022 to September 2022
- **OND'22** = October 2022 to December 2022
- **JFM'23** = January 2023 to March 2023
- **AMJ'23** = April 2023 to June 2023
- **JAS'23** = July 2023 to September 2023

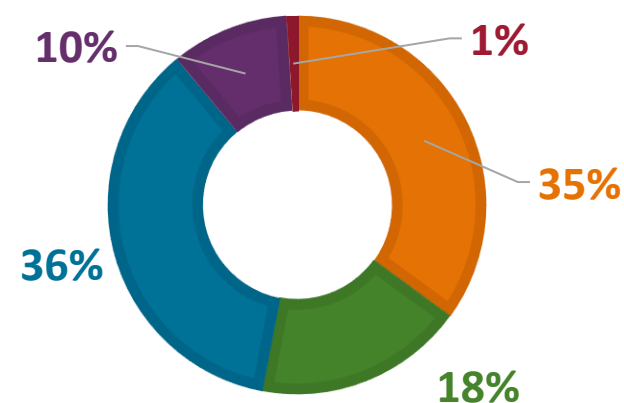


# Microfinance Industry Overview

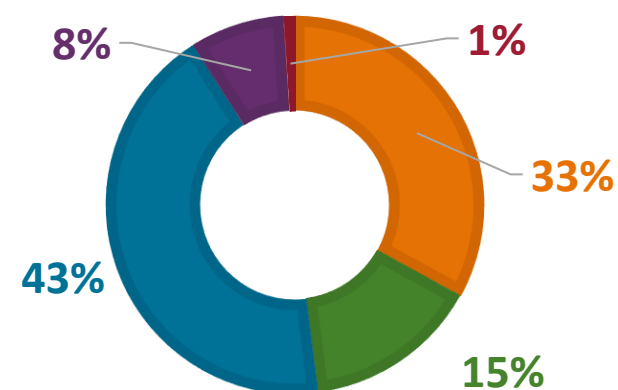


# Microfinance Industry Snapshot – as on 30th September 2023

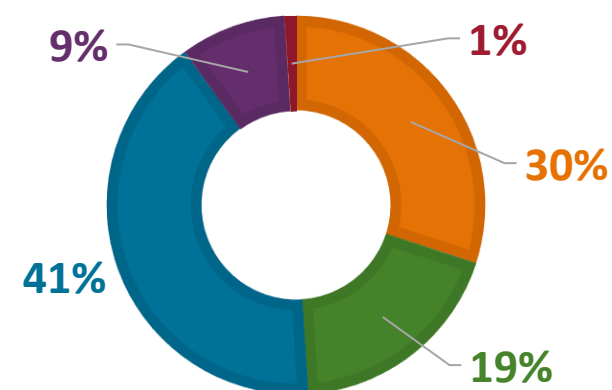
UNIQUE LIVE BORROWERS



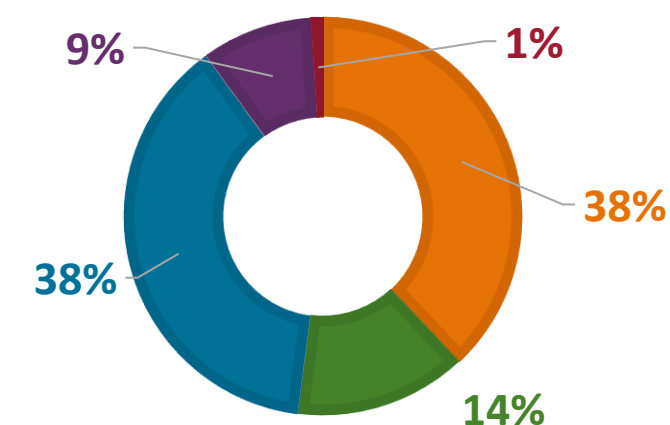
ACTIVE LOANS



PORTFOLIO OUTSTANDING



DISBURSED AMOUNT - JAS'23



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

Snapshot as on 30 <sup>th</sup> September 2023	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs	Total Industry
Active Live Borrowers('000)	30,537	16,127	31,693	9,171	207	87,735
Active Loans ('000)	42,444	19,705	54,253	10,379	260	127,041
Portfolio (Rs. crore)	109,459	68,792	149,128	34,741	582	362,702
Disbursed Amount (₹ crore) – JAS'23	35,216	13,490	35,554	8,862	110	93,232
Average Ticket Size (₹) – JAS'23	45,736	48,687	42,640	53,418	29,952	45,469
30+ Delinquency (POS)	2.48%	2.76%	1.55%	1.04%	2.75%	2.01%
90+ Delinquency (POS)	1.07%	1.09%	0.77%	0.50%	1.27%	0.90%

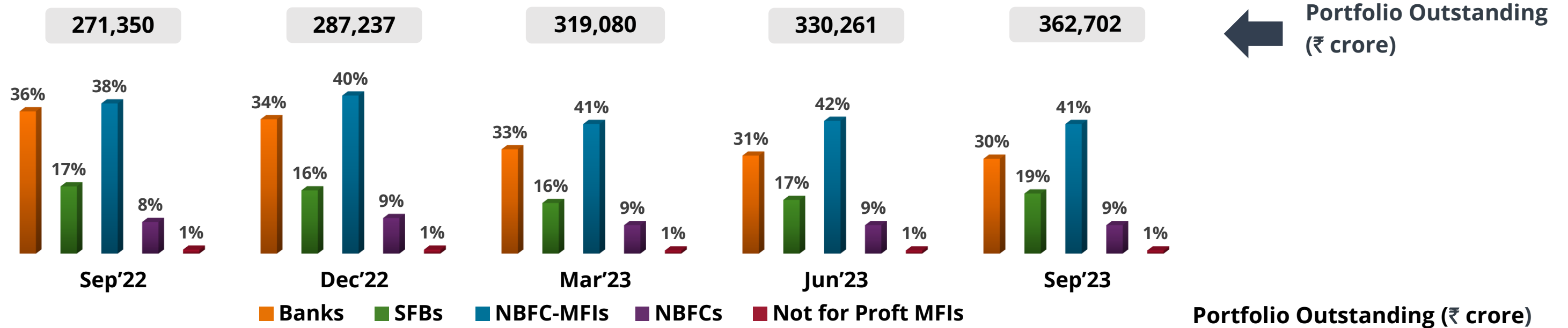
- Book size of MFI Industry as on 30th September 2023 is ₹362,702 crore.
- NBFC-MFIs have the highest market share of 41% in terms of portfolio outstanding.
- Average ticket size of Banks, SFBs and NBFCs is higher than the industry ticket size.
- 30+ delinquency and 90+ delinquency of NBFC-MFI and NBFCs are lower than the industry's 30+ and 90+ delinquency.

**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



Particulars	Sep' 22	Dec' 22	Mar' 23	Jun'23	Sep'23	Y-o-Y Growth %
Banks	98,001	95,923	104,984	102,004	109,459	12%
SFBs	45,046	46,878	52,386	56,296	68,792	53%
NBFC-MFIs	102,129	114,776	129,414	140,026	149,128	46%
NBFCs	23,175	26,506	28,850	31,278	34,741	50%
Not for Profit MFIs	2,999	3,154	3,446	657	582	-81%
Total Industry	271,350	287,237	319,080	330,261	362,702	34%
Q-o-Q growth rate %		6%	11%	4%	10%	

- Microfinance Industry grew by 34% from September 2022 to September 2023 and witnessed Q-o-Q growth of 10% from June 2023 to September 2023.
- SFBs witnessed the highest Y-o-Y growth of 53% from September 2022 to September 2023 and also witnessed highest Q-o-Q growth of 22% from June 2023 to September 2023.

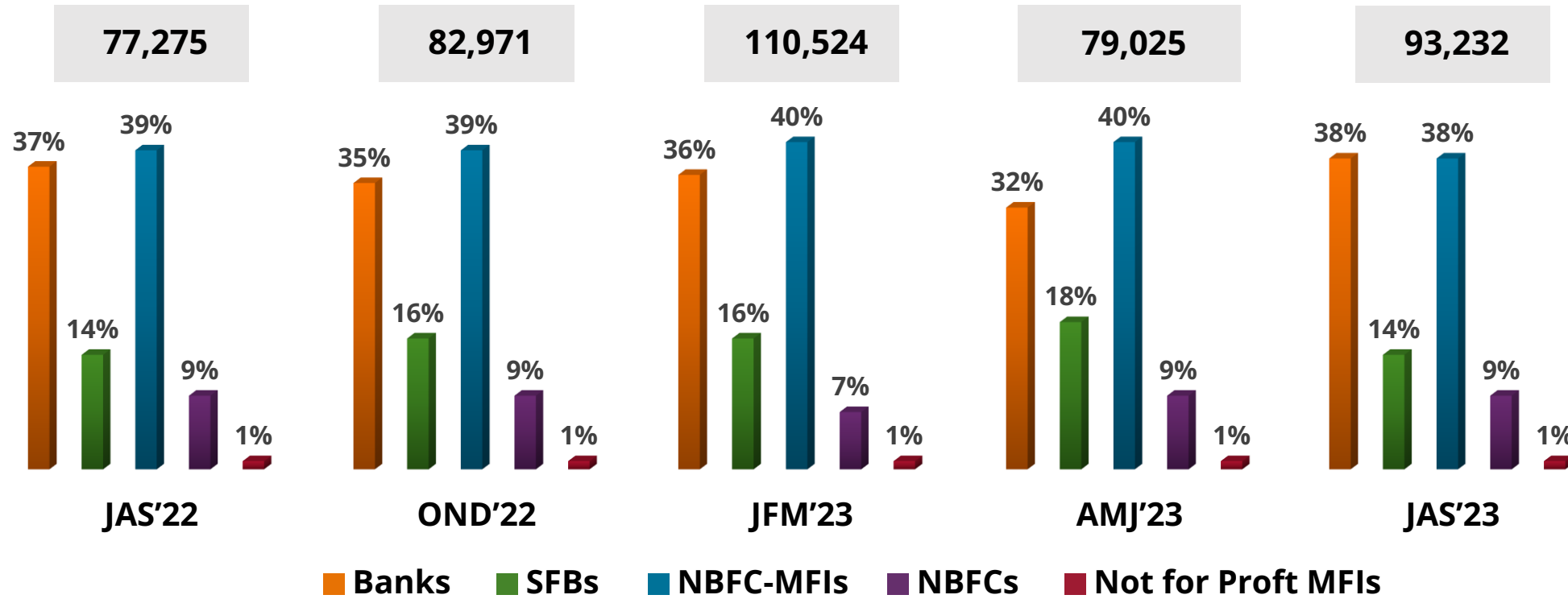




# Disbursement Trends



# Disbursement Trends – Institution wise



← Disbursement Amount (₹ crore)

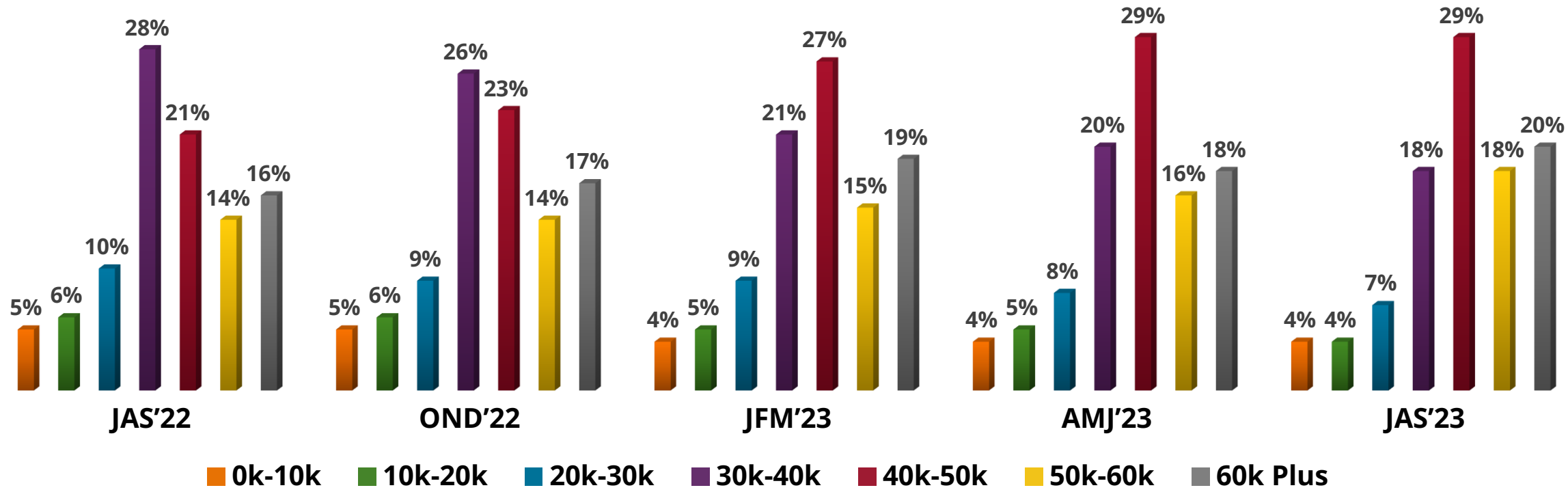
- Financial institutions disbursed 205 lakhs loan of amount ₹93,232 crore in JAS'23.
- Industry witnessed Y-o-Y growth of 6% in terms of number of loans and 21% in terms of loan disbursement by amount.
- SFBs, NBFC-MFIs witnessed highest growth of 12% in terms of number of loan disbursement and NBFCs witnessed highest growth of 26% in terms of disbursement amount in JAS'23 over JAS'22.

No. of Loans Disbursed (in lakh)

Lender Type	JAS'22	OND'22	JFM'23	AMJ'23	JAS'23
Banks	78	76	95	61	77
SFBs	25	28	36	29	28
NBFC-MFIs	74	80	105	76	83
NBFCs	16	17	18	14	17
Not for Profit MFIs	0.5	1	1	1	0.4
Total Industry	193	202	255	181	205

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

# Industry Ticket Size Trends

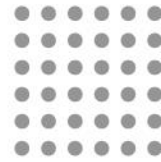


- In JAS'23 highest number of loans were disbursed under 40k-50k ticket size category and this category witnessed highest Y-o-Y growth of 48%.
- ATS increased by 13% in JAS'23 over JAS'22.

No. of Loans Disbursed (in lakh)

Ticket Size	JAS'22	OND'22	JFM'23	AMJ'23	JAS'23	Y-o-Y Growth Rate %
0k-10k	10	10	10	7	8	-20%
10k-20k	12	12	12	9	9	-25%
20k-30k	20	17	22	14	14	-30%
30k-40k	55	51	54	36	37	-31%
40k-50k	40	46	69	52	59	48%
50k-60k	26	29	39	30	36	38%
60k Plus	30	35	48	33	42	40%
Total	193	200	254	181	205	6%
Q-o-Q loan disbursal growth rate %		4%	27%	-29%	13%	
All India ATS (Rs)	40,086	41,458	43,572	43,607	45,469	
Q-o-Q ATS growth rate %		3%	5%	0%	4%	

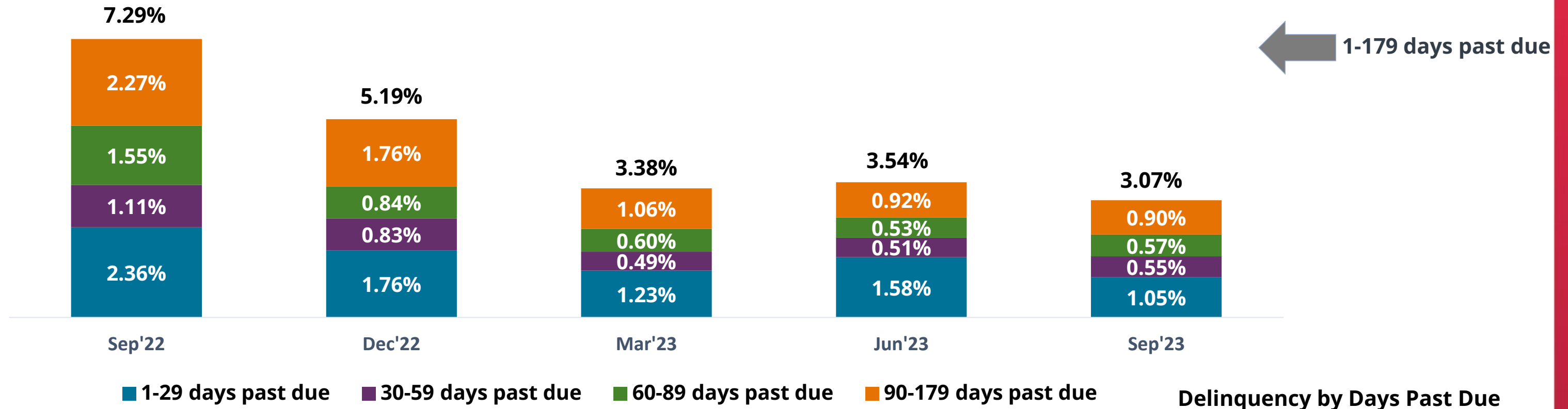
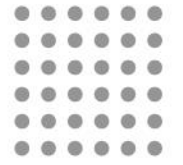
**Disclaimer:** Sourcing data of all the previous quarters have been updated based on the updates received from the members.



# Industry Risk Profile

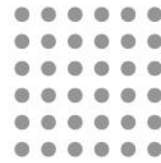


# Delinquency Trends

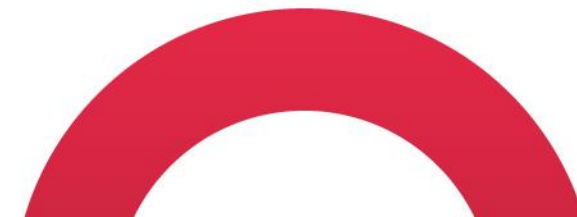


Reporting Quarter	1-29 days past due	30-59 days past due	60-89 days past due	90-179 days past due	1-179 days past due
Sep' 22	2.36%	1.11%	1.55%	2.27%	7.29%
Dec' 22	1.76%	0.83%	0.84%	1.76%	5.19%
Mar' 23	1.23%	0.49%	0.60%	1.06%	3.38%
Jun' 23	1.58%	0.51%	0.53%	0.92%	3.54%
Sep' 23	1.05%	0.55%	0.57%	0.90%	3.07%

- Delinquencies declined for all the buckets in September 2023 over September 2022.
- Delinquency rate declined across all buckets (except 30-59 DPD) in September 2023 vis-à-vis March 2023.



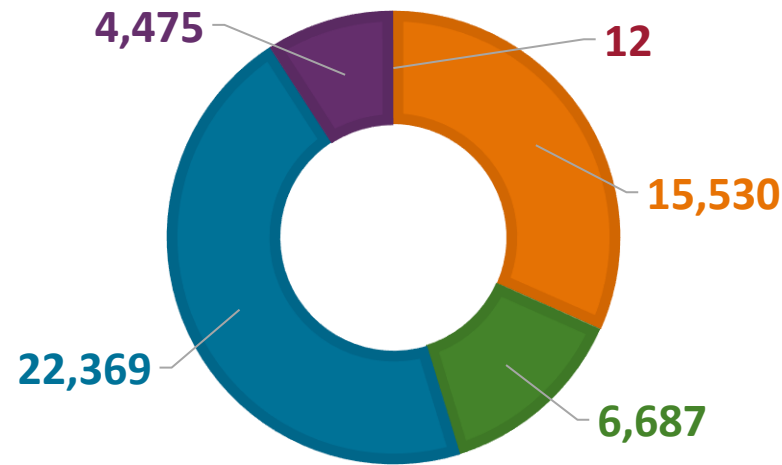
# Aspirational Districts



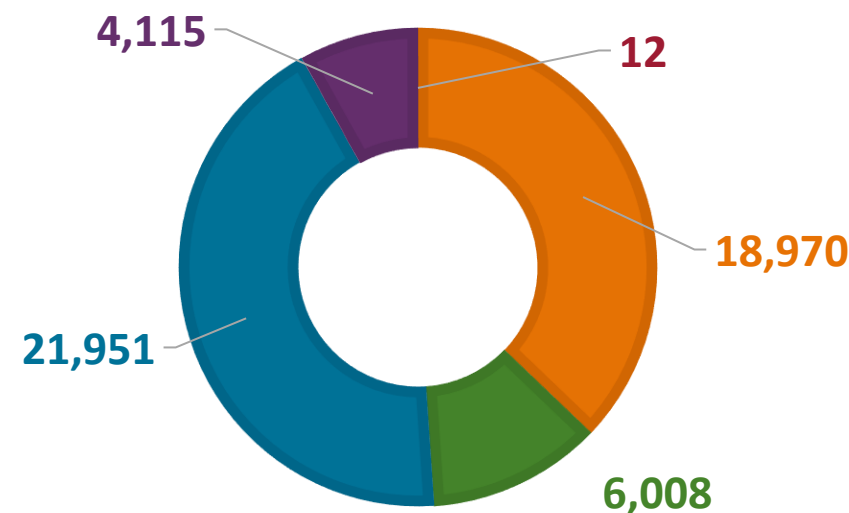
# Aspirational Districts – September 2023 Overview



PORTFOLIO (₹ CRORE)



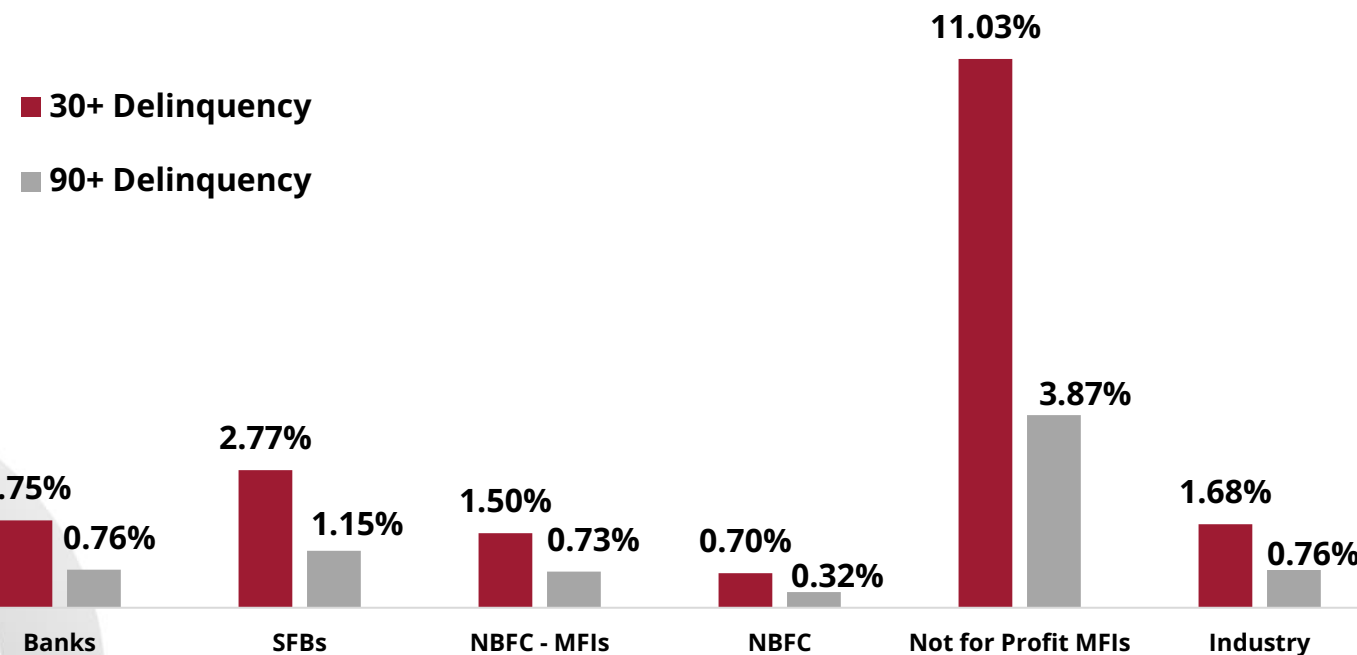
AMOUNT DISBURSED (₹ CRORE) – OCT'22 TO SEP'23



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

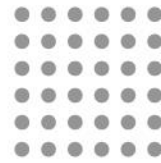
- Portfolio outstanding as on 30th September 2023 for Aspirational Districts stood at Rs. 49,073 crore.
- Aspirational Districts contribute 14% towards total portfolio outstanding of Microfinance Industry.
- NBFCs have the lowest 30+ and 90+ delinquency.
- Portfolio of aspirational districts in September 2023 vis-à-vis September 2022 grew by 27%, slower than the 34% growth in overall portfolio of the industry.

30+ and 90+ Delinquency by Lender Type



Aspirational Districts Growth Particulars	30th September 2022	30th September 2023	Growth %
Active Borrower Penetration ('000)	10,357	13,095	26%
Disbursement Amount (in crore)	*43,122	**51,056	18%
Active Loans ('000)	15,487	18,095	17%
Portfolio Outstanding (in crore)	38,682	49,073	27%
***30+ Delinquency	3.95%	1.68%	
***90+ Delinquency	1.88%	0.76%	

\*Disbursement October 2021 to September 2022  
 \*\*Disbursement October 2022 to September 2023  
 \*\*\*Delinquencies are calculated basis POS



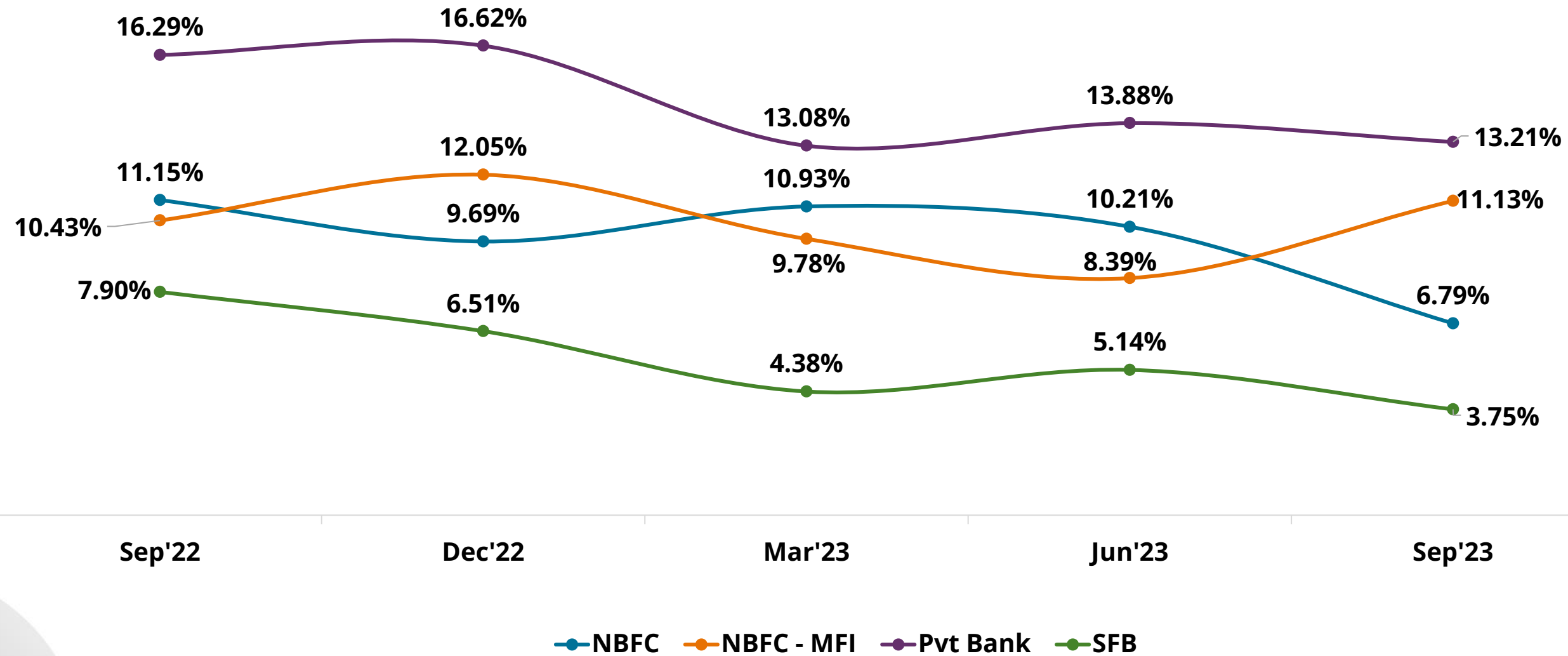
# Roll Rate Analysis







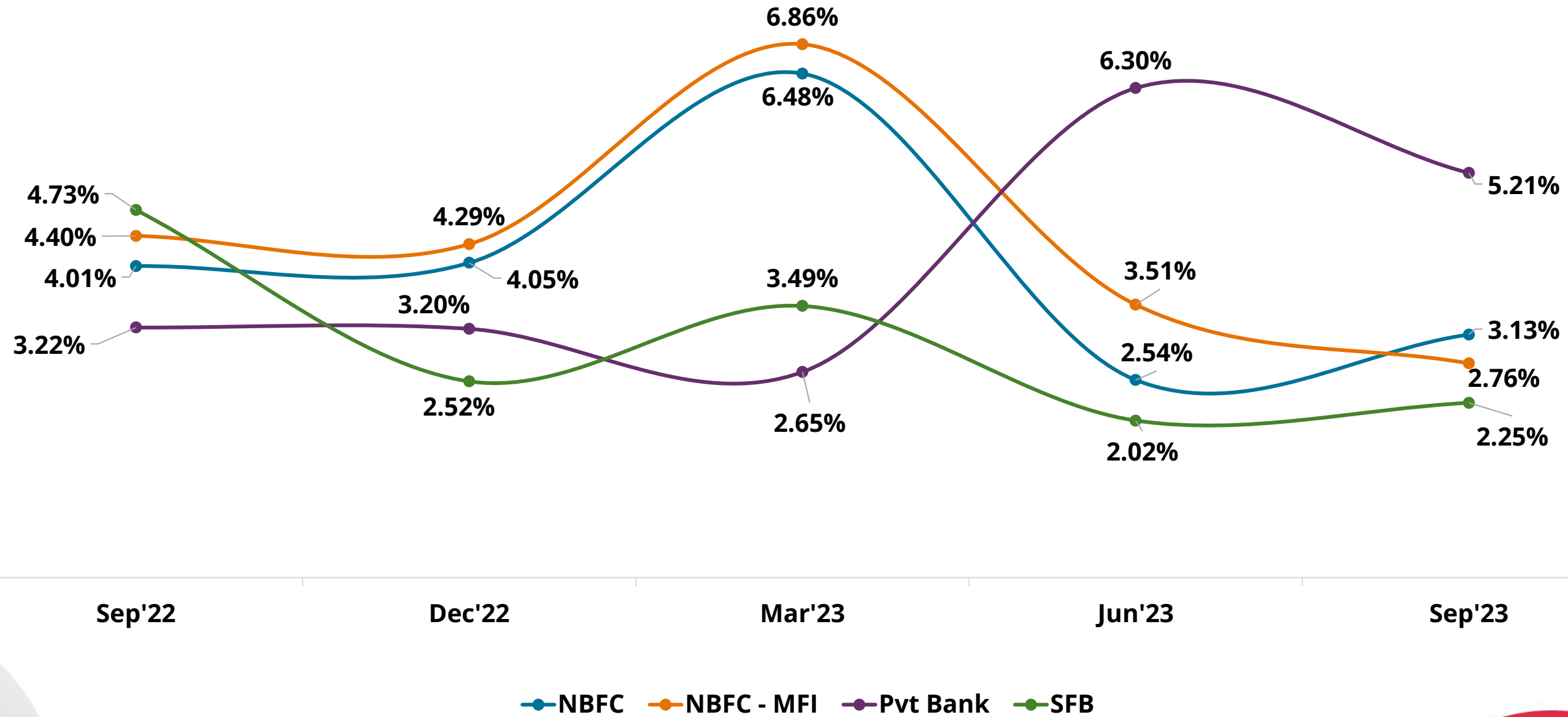
## Roll Forward from 1-29DPD to 30-59 DPD by Value



- SFB's have the lowest bucket movement across all the quarters



## Roll Backward from 30-59 DPD to 1-29 DPD by Value



• Collection efficiency of PVT banks is good after Mar'23

## 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 spearheaded various Initiatives to address the Information Asymmetry in MSME sector like MSME Pulse, the health tracker of MSMEs and Fintech Pulse, for credit data insights on Fintech lending segment, apart from Microfinance Pulse.

## SIDBI in Microfinance space

SIDBI has played a pioneering role in furthering the inclusive finance agenda through supporting the Microfinance movement. The cumulative assistance disbursed under SIDBI's microfinance initiatives Rs. 27,271 Cr is in respect of March 31, 2023 benefitting around 5 crore poor 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 a 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 the bottom of the pyramid with interest rates comparatively lower than market rates under a partnership model.

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