



MICROFINANCE PULSE

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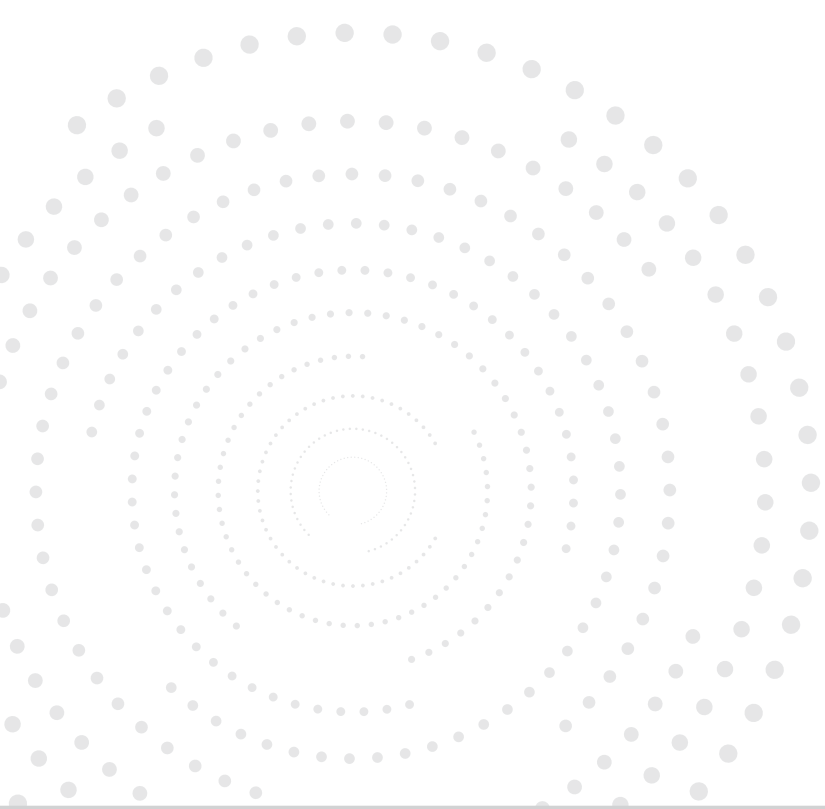
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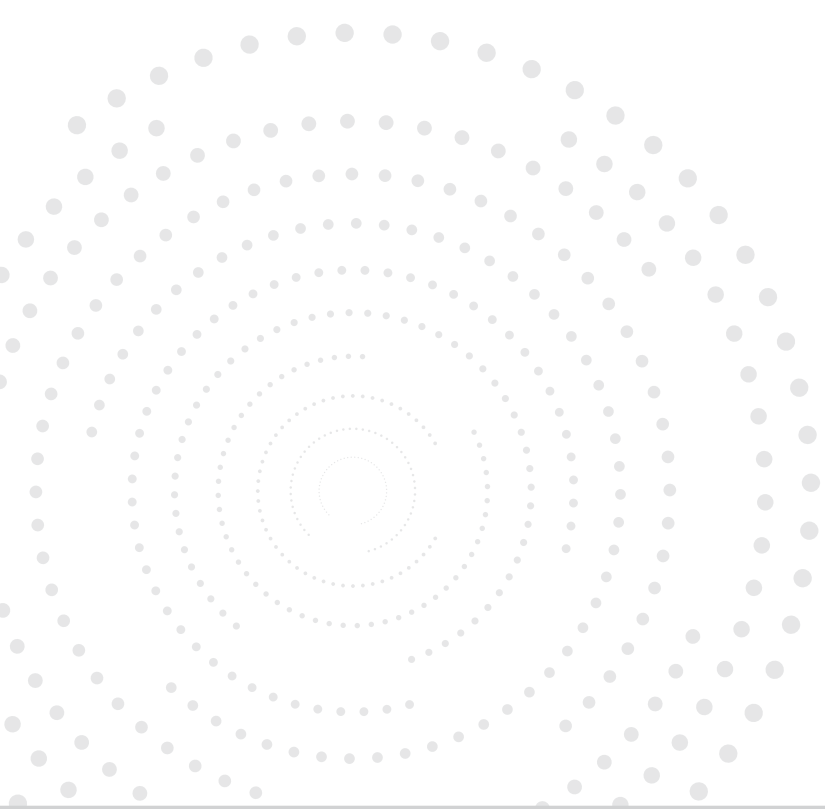
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Executive Summary

Welcome to the 13th edition of MFI Pulse report. It is based on the data submitted to the bureau for the period up to 31st March 2022.

Portfolio Outstanding of MFI Industry as on 31st March 2022 is ₹ 262,602 crore with 101 million active loans. In JFM' 22 MFI Industry disbursed loans worth ₹85,589 crore. Average ticket size of SFBs & NBFCs is higher than the industry. Portfolio outstanding witnessed 5% Y-o-Y growth from March 2021 to March 2022 and 11% Q-o-Q growth from December 2021 to March 2022. Not for Profit MFIs witnessed highest Y-o-Y growth of 34% from March 2021 to March 2022. Banks & NBFC-MFIs contribute almost 75% towards portfolio outstanding.

Disbursements by value and volume witnessed a decline in their annual growth rates, -7% by value and -10% by volume from JFM'21 to JFM'22. Quarterly disbursements show growth of 24% by value and 21% by volume from OND'21 to JFM'22. Banks and NBFC-MFIs registered the highest growth rate by value and volume from OND'21 to JFM'22. Highest number of loans are issued under the 30k-40k ticket size category. Industry ATS grew annually by 3% from JFM'21 to JFM'22.

1-179 days past due delinquency has declined in March 2022 to 8.19% from 13.80% in December 2021. All the delinquency buckets have decreased in March 2022 from December 2021.

As on 31st March 2022, top 10 states contribute 83% towards portfolio outstanding. Tamil Nadu is leading with portfolio outstanding ₹ 34,911 crore and contributes 13% towards the total portfolio outstanding. 90+ delinquency of West Bengal is higher than the industry delinquency.

In this edition we have covered the performance of top 10 districts. Disbursement growth for top 10 districts grew by 19% from March 2021 to March 2022. Among top districts, Muzaffarpur showed the highest growth of 53% with an increase in its market share by 3% from March 2021 to March 2022. North 24 Parganas witnessed a decline of 27% in disbursement from March 2021 to March 2022. 90+ delinquency of all the top districts has declined from March 2021 to March 2022.

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 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'21 = January 2021 to March 2021
- AMJ'21 = April 2021 to June 2021
- JAS'21 = July 2021 to September 2021
- OND'21 = October 2021 to December 2021
- JFM'22 = January 2022 to March 2022



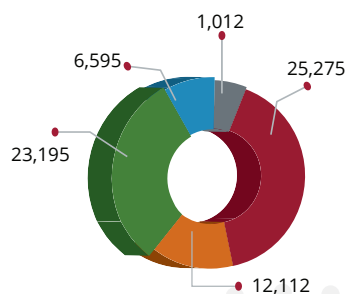
MICROFINANCE INDUSTRY OVERVIEW



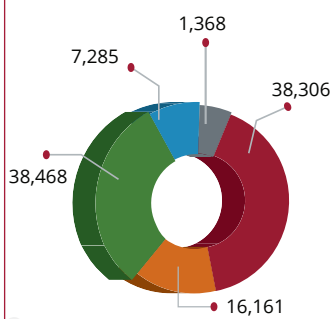
Microfinance Industry Snapshot – as on 31st March 2022

Snapshot as on 31 st March 2022	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs	Total Industry
Unique Live Borrowers ('000)	25,275	12,112	23,195	6,595	1,012	68,189
Active Loans ('000)	38,306	16,161	38,468	7,285	1,368	101,588
Portfolio (₹crore)	102,032	44,134	94,481	19,155	2,800	262,602
Disbursed Amount (₹ crore) – JFM' 22	35,669	13,316	30,231	5,403	970	85,589
Average Ticket Size (₹) – JFM' 22	39,506	45,066	38,641	45,034	26,574	40,047
30+ Delinquency (POS)	6.39%	6.89%	3.74%	3.22%	3.12%	5.26%
90+ Delinquency (POS)	2.92%	3.06%	1.88%	1.19%	1.46%	2.43%

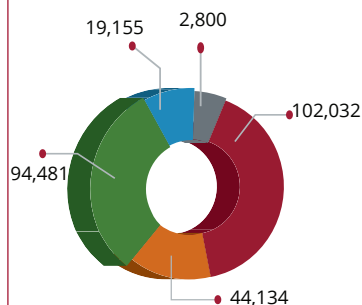
Unique Live Borrowers ('000)



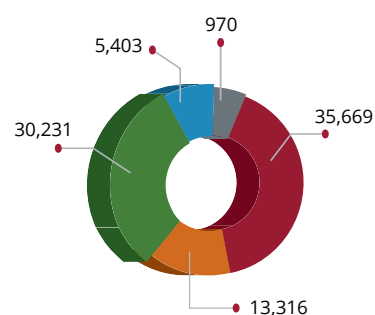
Active Loans ('000)



Portfolio (₹crore)



Disbursed Amount (₹crore) -JFM' 22



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

◆ Portfolio outstanding of MFI Industry as on 31st March 2022 was ₹ 262,602 crore with 101 million active loans

★ ◆ In JFM' 22 MFI Industry disbursed loans worth ₹ 85,589 crore

◆ Average ticket size of SFBs & NBFCs is higher than the industry

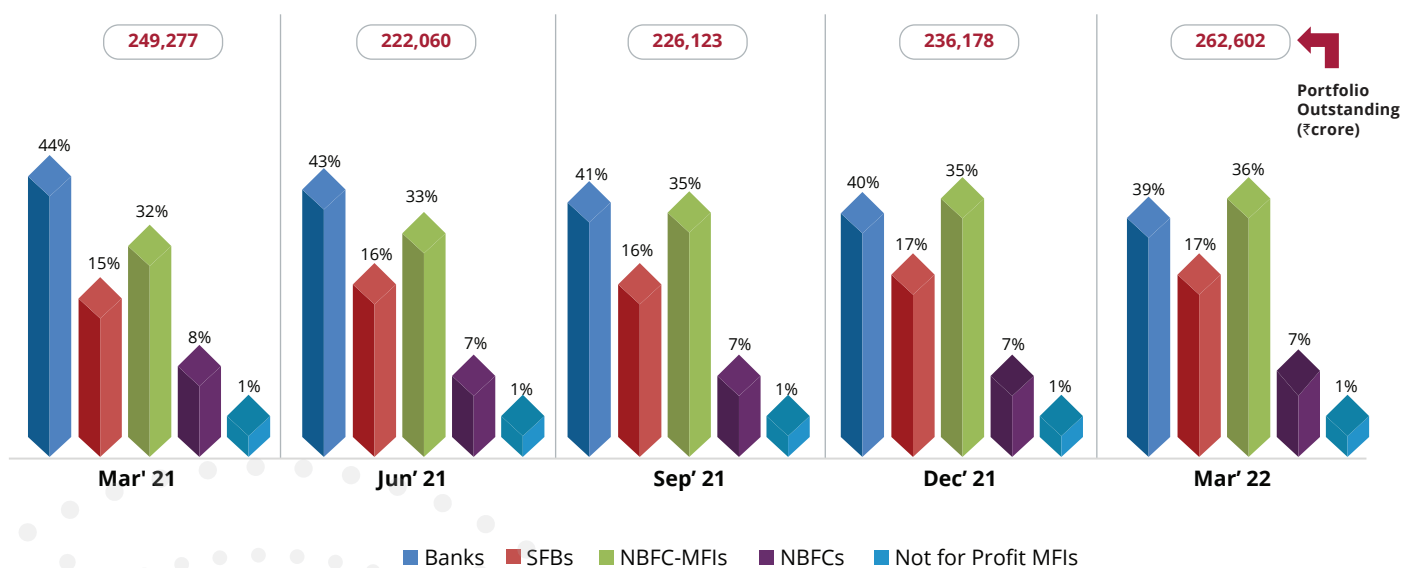
◆ 30+ & 90+ delinquency of Banks & SFBs is higher than the industry delinquency

Microfinance Industry Overview

Portfolio Outstanding (₹ crore)

Lender Type	Mar' 21	Jun' 21	Sep' 21	Dec' 21	Mar' 22	Y-o-Y Growth %
Banks	109,867	95,674	92,725	93,841	102,032	-7%
SFBs	38,903	35,345	36,863	39,675	44,134	13%
NBFC-MFIs	79,420	72,856	79,932	84,065	94,481	19%
NBFCs	18,992	16,140	14,621	16,337	19,155	1%
Not for Profit MFIs	2,095	2,045	1,982	2,260	2,800	34%
Total Industry	249,277	222,060	226,123	236,178	262,602	5%
Q-o-Q growth rate %		-11%	2%	4%	11%	

Market Share Trends by Lender type



- ◆ Due to second wave of COVID 19 portfolio outstanding declined in June 2021
- ◆ MFI Industry witnessed 5% Y-o-Y growth from March 2021 to March 2022 and 11% Q-o-Q growth from December 2021 to March 2022
- ◆ Not for Profit MFIs witnessed highest Y-o-Y growth of 34% from March 2021 to March 2022
- ◆ Banks & NBFC-MFIs contribute almost 75% towards portfolio outstanding

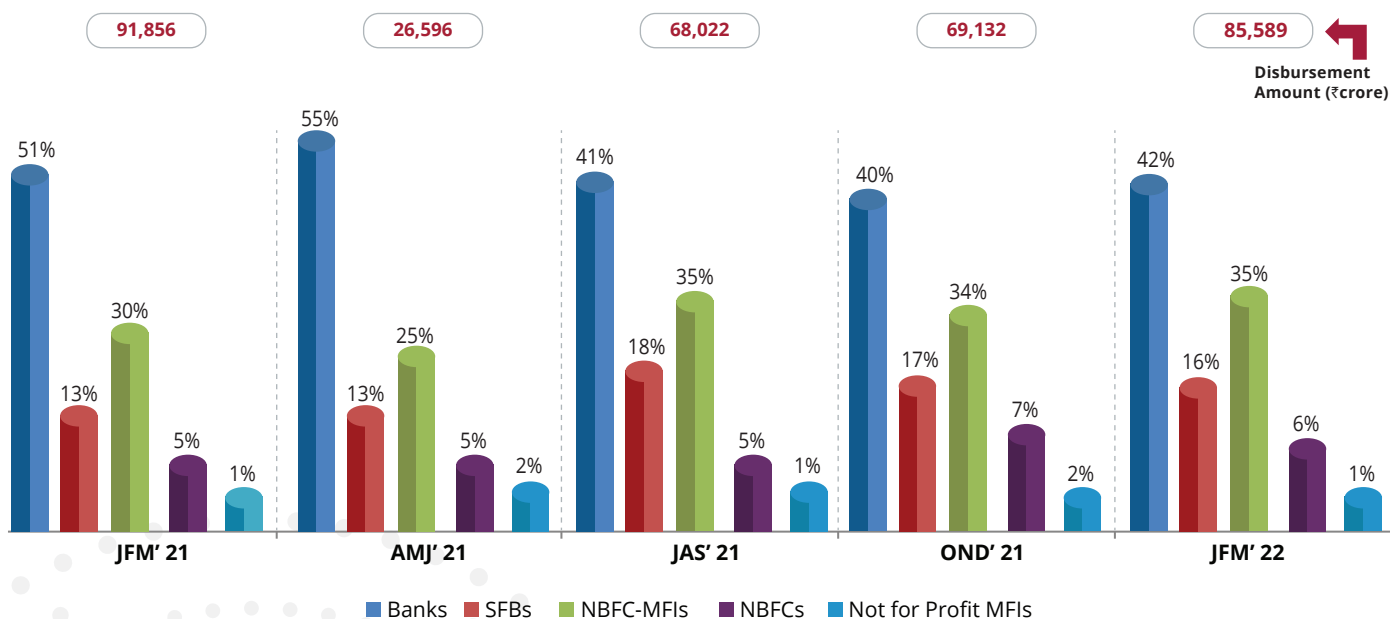


DISBURSEMENT TRENDS

Disbursement Trends – Institution wise

No. of Loans Disbursed (in lakh)					
Lender Type	JFM' 21	AMJ' 21	JAS'21	OND' 21	JFM' 22
Banks	112	42	78	68	90
SFBs	32	10	36	29	30
NBFC-MFIs	78	19	69	65	78
NBFCs	12	3	9	11	12
Not for Profit MFIs	3	1	2	3	4
Total Industry	237	75	194	176	214

Market Share Trends by Lender type

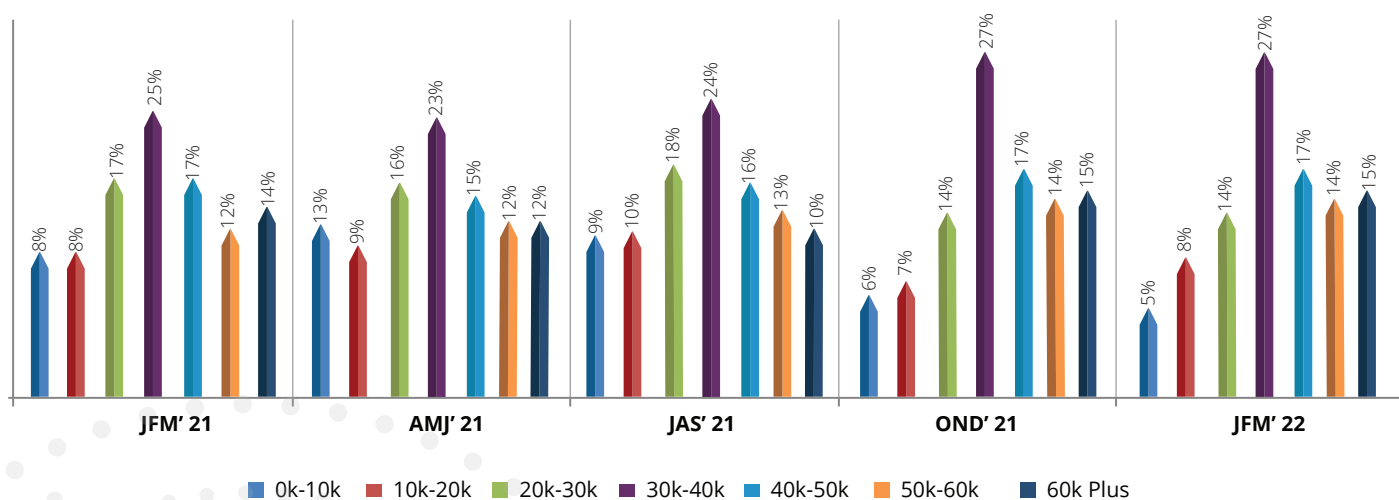


- ◆ Disbursements in AMJ'21 declined due to second wave of COVID 19 but there was a faster recovery in JAS'21
- ◆ Disbursements by value and volume witnessed a decline in their annual growth rates, -7% by value and -10% by volume from JFM'21 to JFM'22
- ◆ Quarterly disbursements show growth of 24% by value and 22% by volume from OND'21 to JFM'22
- ◆ Banks and NBFC-MFIs registered highest growth rate by value and volume from OND'21 to JFM'22

Industry Ticket Size Trends

Ticket Size	No. of Loans Disbursed (in lakh)					Y-o-Y growth rate %
	JFM' 21	AMJ' 21	JAS' 21	OND' 21	JFM' 22	
0K-10K	19	10	18	10	11	-42%
10K-20K	18	7	20	13	16	-11%
20K-30K	40	12	34	25	30	-25%
30K-40K	59	17	47	48	58	-2%
40K-50K	40	11	30	30	37	-8%
50K-60K	28	9	25	24	29	4%
60K Plus	33	9	20	26	33	0%
Total	237	75	194	176	214	-10%
Q-o-Q loan disbursal growth rate %	-	-68%	159%	-9%	22%	-
All India ATS (₹)	38,771	35,263	35,086	39,183	40,047	-
Q-o-Q ATS growth rate %	-	-9%	-1%	12%	2%	-

No. of Loans Disbursed (in lakh)



- ◆ Highest number of loans are issued under 30k-40k ticket size category
- ★ ◆ 50k-60k witnessed positive annual growth from JFM'21 to JFM'22
- ◆ ATS grew by 3% from JFM'21 to JFM'22



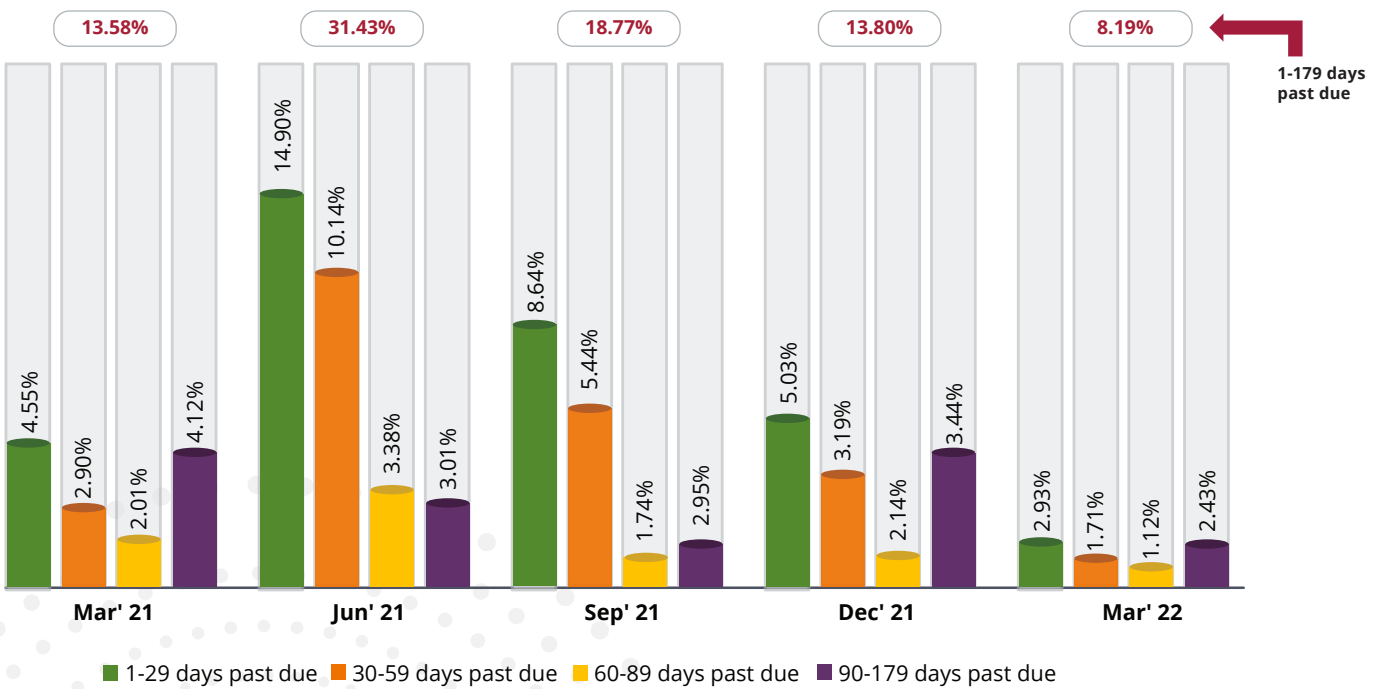
INDUSTRY RISK PROFILE

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' 21	4.55%	2.90%	2.01%	4.12%	13.58%
Jun' 21	14.90%	10.14%	3.38%	3.01%	31.43%
Sep' 21	8.64%	5.44%	1.74%	2.95%	18.77%
Dec' 21	5.03%	3.19%	2.14%	3.44%	13.80%
Mar' 22	2.93%	1.71%	1.12%	2.43%	8.19%

Delinquency by Days Past Due

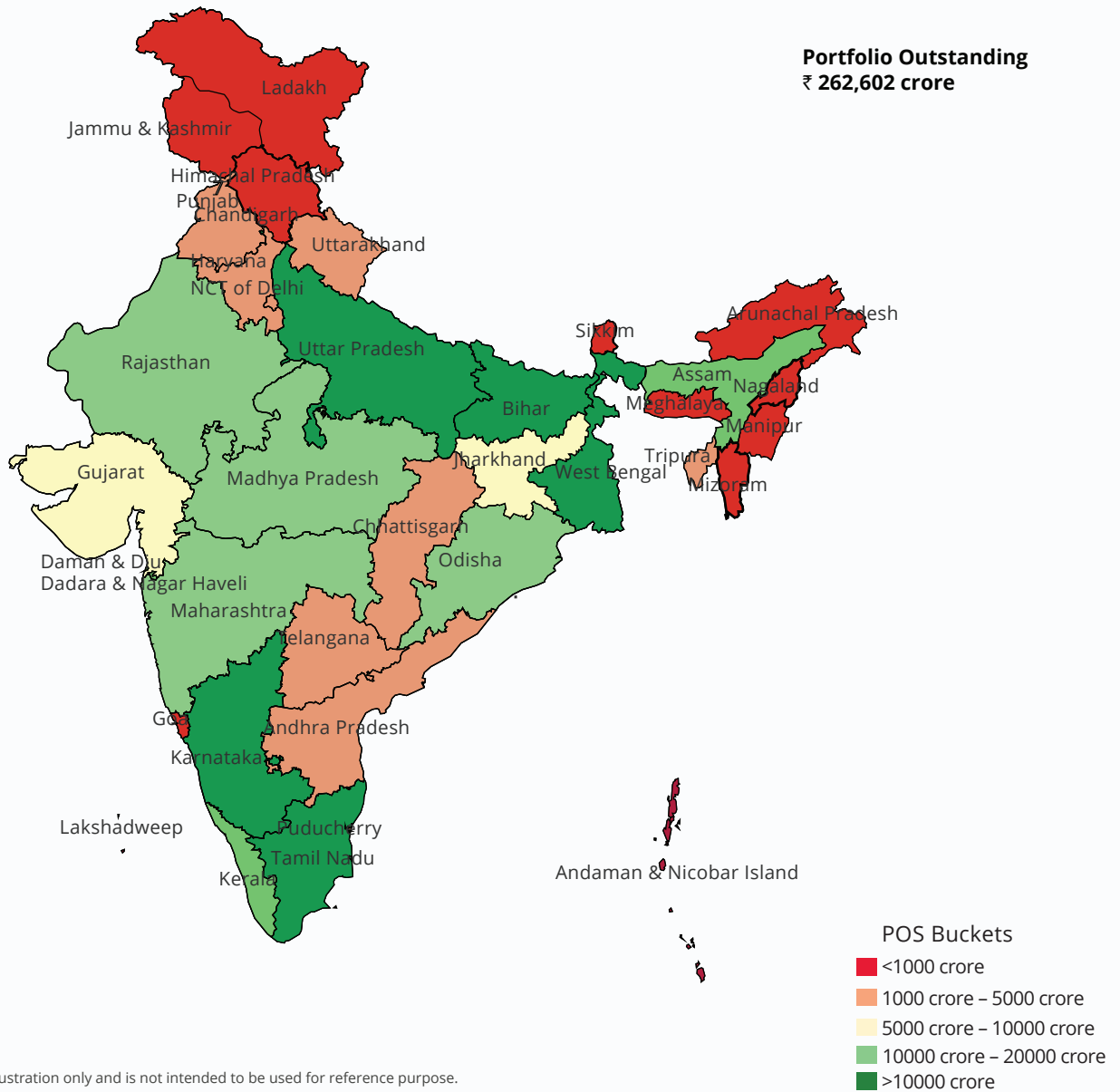


- ★ 1-179 days past due delinquency has declined in March 2022 to 8.19% from 13.80% in December 2021
- ◆ All the delinquency buckets have decreased in March 2022 from December 2021



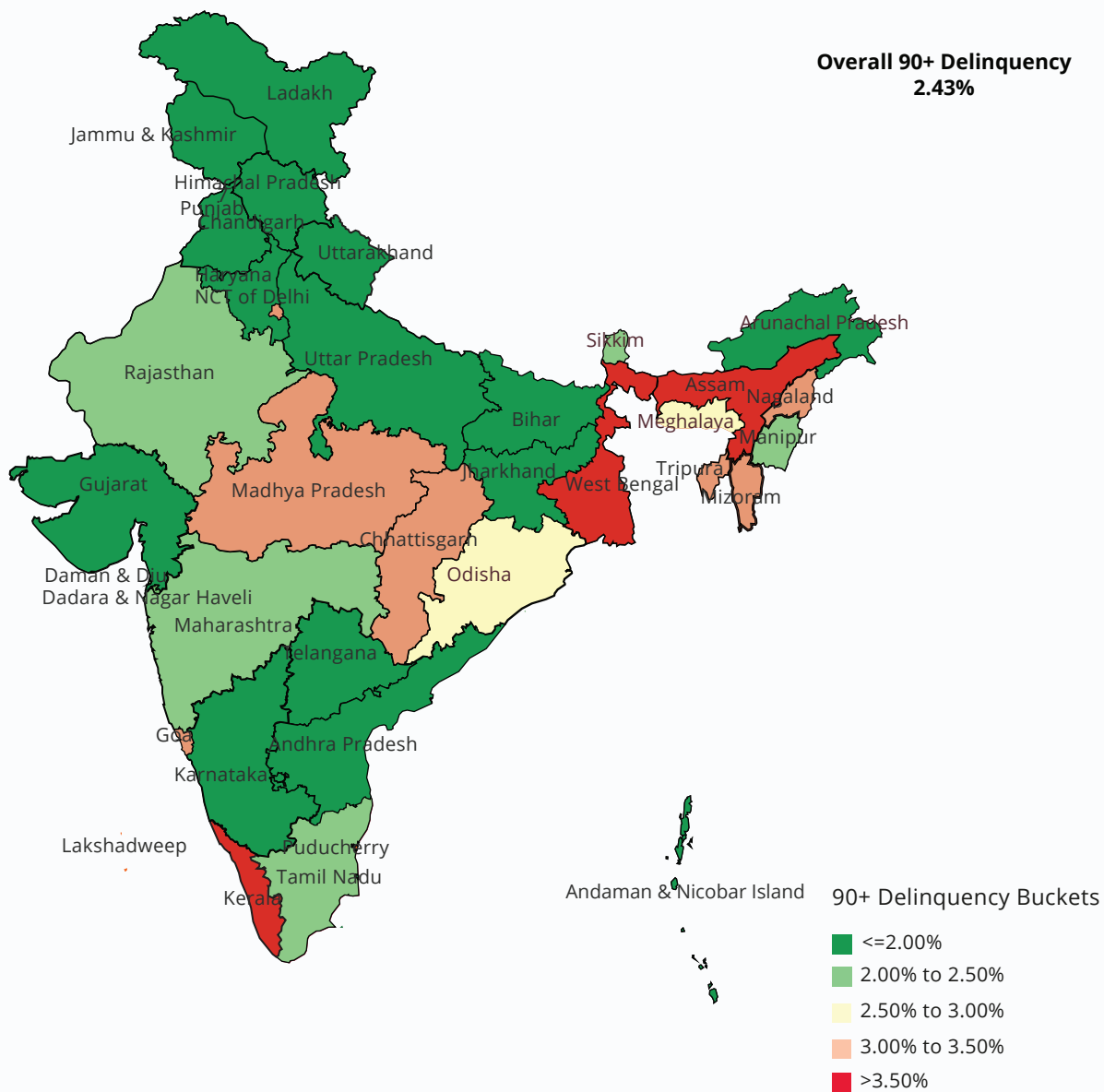
**GEOGRAPHICAL
EXPOSURE**

State/UT wise Portfolio Outstanding - as on 31st March 2022



- ◆ As on 31st March 2022, top 10 states contribute 83% towards based on total portfolio outstanding
- ◆ Tamil Nadu is leading with portfolio outstanding ₹34,911 crore and contributes 13% towards the total based on total portfolio outstanding
- ★ Tamil Nadu, Bihar, West Bengal, Karnataka and Uttar Pradesh are top 5 states as on 31st March 2022 based on total portfolio outstanding

State/UT wise 90+ Delinquency - as on 31st March 2022



This Map is a generalized illustration only and is not intended to be used for reference purpose.

◆ 90+ delinquency of top 5 states based on portfolio outstanding are as follows:

Tamil Nadu	Bihar	West Bengal	Karnataka	Uttar Pradesh
2.43%	1.54%	4.38%	1.62%	1.16%

◆ 90+ delinquency of West Bengal is higher than the industry delinquency of 2.43%



ASPIRATIONAL DISTRICTS

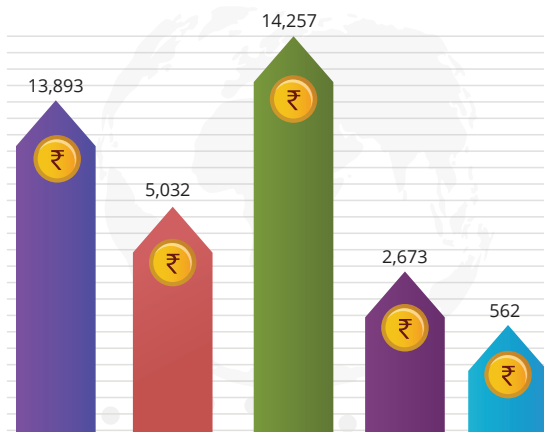
Aspirational Districts – 31st March 2022 Overview

Aspirational Districts Growth Particulars	31st Mar 2021	31st Mar 2022	Growth %
Active Customer Penetration ('000)	8,544	9,446	11%
Disbursement Amount (₹crore)	26,910*	35,794**	33%
Active Loans ('000)	13,681	14,494	6%
Portfolio Outstanding (₹crore)	31,856	36,417	14%
30+ Delinquency	7.68%	4.05%	-
90+ Delinquency	3.32%	1.94%	-

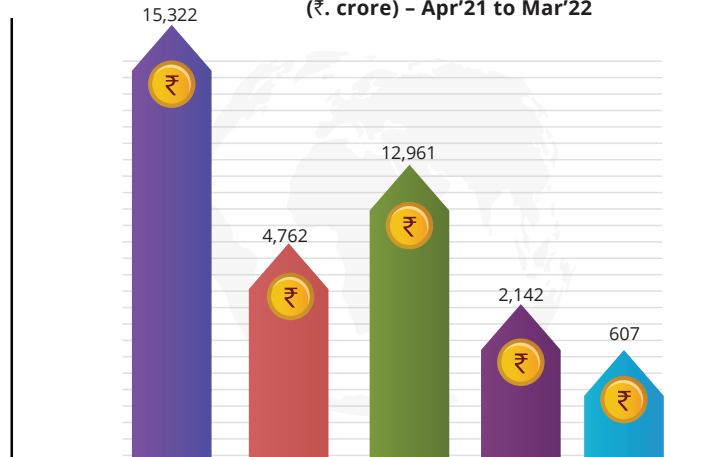


- ◆ Portfolio outstanding as on 31st March 2022 for Aspirational Districts is ₹36,417 crore and it grew by 14% from March 2021 to March 2022
- ◆ Active customer penetration in Aspirational Districts increased by 11% from March 2021 to March 2022
- ◆ Loans worth ₹ 35,794 crore were disbursed in Aspirational Districts from April 2021 to March 2022
- ◆ 30+ delinquency has come down to 4.05% in March 2022 from 7.68% in March 2021
- ◆ 90+ delinquency has come down to 1.94% in March 2022 from 3.32% in March 2021

Portfolio (₹. crore)

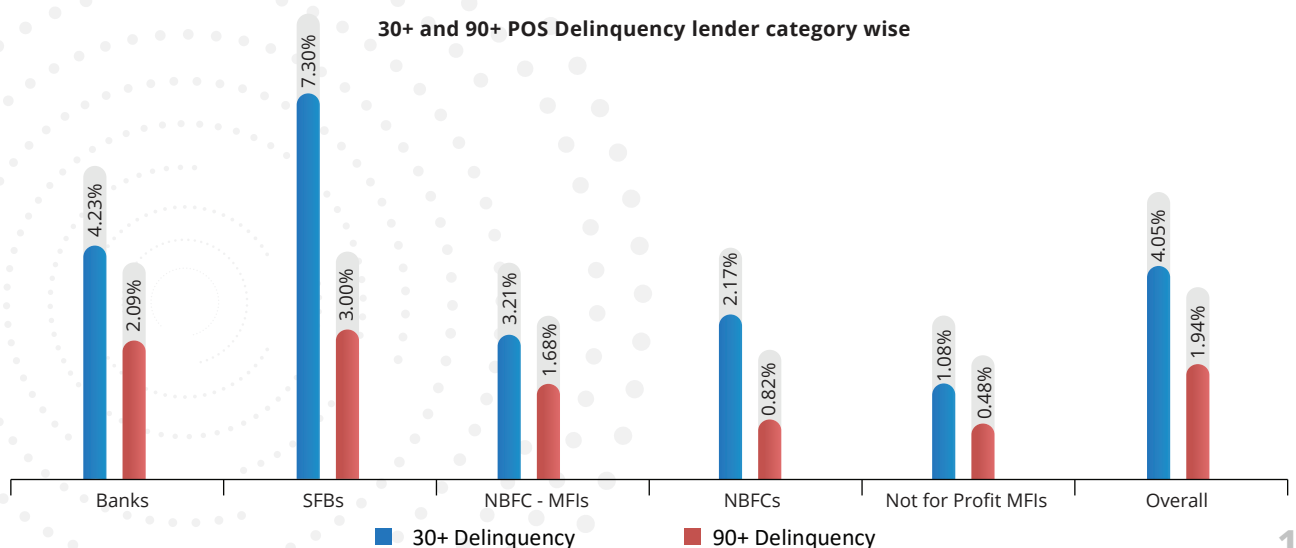


Amount Disbursed (₹. crore) – Apr'21 to Mar'22



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

30+ and 90+ POS Delinquency lender category wise

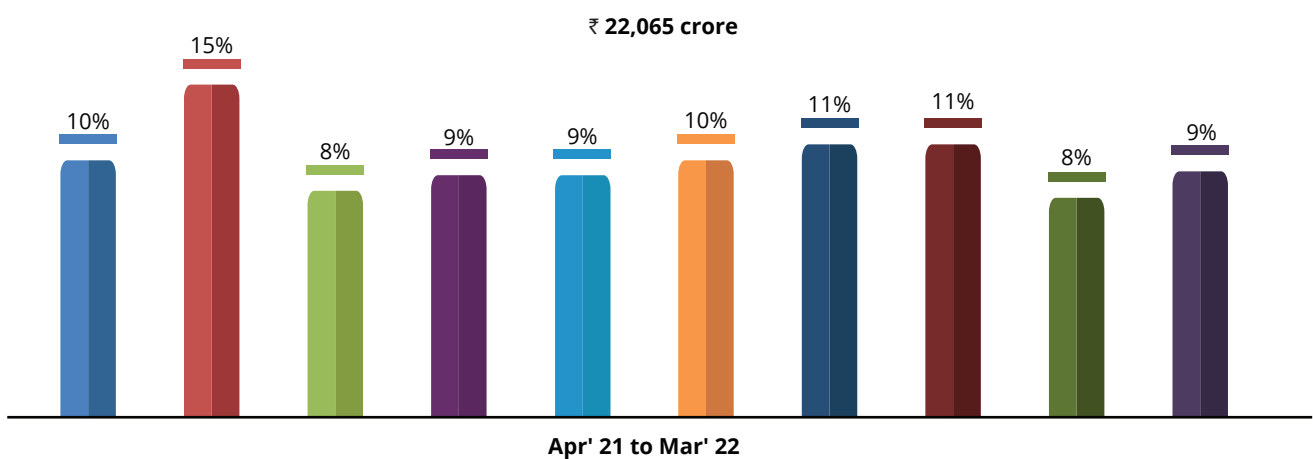
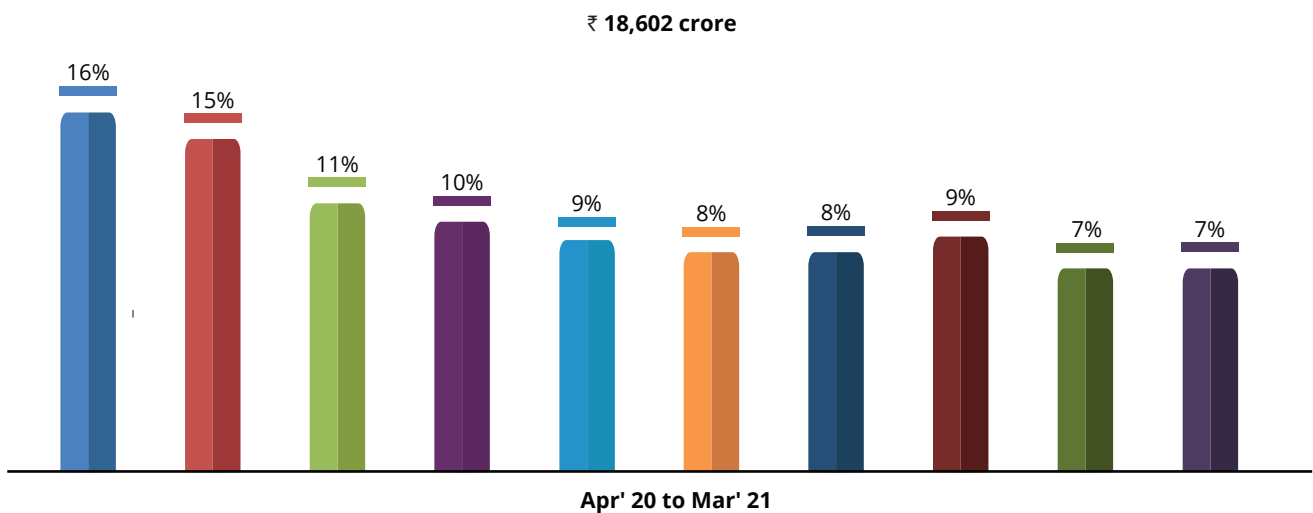


Note: *Disbursement April 2020 to March 2021 | **Disbursement April 2021 to March 2022 | Delinquencies are calculated basis POS



**PERFORMANCE OF
TOP 10 DISTRICTS**

Top 10 Districts – Disbursement Trends



- North 24 Parganas
- Murshidabad
- Nadia
- Bardhaman
- Mysore
- East Champaran
- Muzaffarpur
- Samastipur
- Coimbatore
- Cuddalore

- ◆ Disbursement growth for top 10 districts grew by 19% from March 2021 to March 2022
- ◆ Among top districts, Muzaffarpur showed highest growth of 53% with increase in its market share by 3% from March 2021 to March 2022
- ◆ North 24 Parganas witnessed decline of 26% in disbursement from March 2021 to March 2022

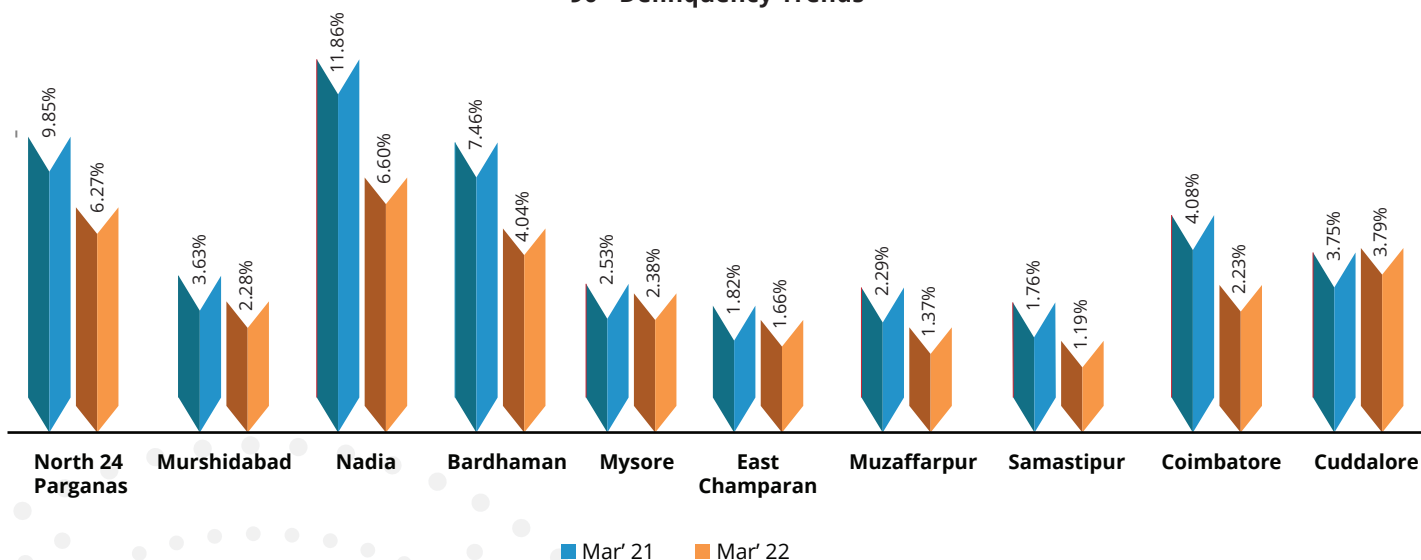
Top 10 Districts – Portfolio & 90+ delinquency Trends

Rank of Top 10 District basis Portfolio Outstanding

Top 10 Districts	Position as on Mar' 21	Position as on Mar' 22	Y-o-Y Growth Rate
North 24 Parganas	1	2	↓ -33%
Murshidabad	2	1	↓ -14%
Nadia	3	10	↓ -29%
Bardhaman	4	7	↓ -18%
Mysore	5	4	↑ 11%
East Champaran	6	3	↑ 19%
Muzaffarpur	7	5	↑ 18%
Samastipur	8	6	↑ 20%
Coimbatore	9	9	↑ 10%
Cuddalore	10	8	↑ 14%
POS of Top 10 Districts (in crore)	24,774	23,516	-5%

- ◆ Top 4 districts as on March 2021 show decline in their growth rates from March 2021 to March 2022
- ◆ Samastipur has shown highest Y-o-Y growth rate and also have moved at 6th position from 8th position in March 2022
- ◆ North 24 Parganas witnessed highest decline of 33% in portfolio outstanding from March 2021 to March 2022
- ◆ Except Cuddalore 90+ delinquency of all the top district has decline from March 2021 to March 2022
- ◆ Nadia has shown highest dip of 5.26% in their 90+ delinquency from March 2021 to March 2022

90+ Delinquency Trends



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, 2022 aggregate to ₹23,460 crore benefitting around 4.83 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 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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