

# Microfinance Pulse Report

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# Executive Summary

01

22<sup>nd</sup> edition of MFI Pulse report is based on the data submitted to the bureau for the period up to 31<sup>st</sup> December 2024.

02

Portfolio outstanding of microfinance industry as on 31<sup>st</sup> December 2024 is Rs. 348,015 crore with 11.93 crore active loans. NBFC-MFIs contributes highest towards portfolio outstanding. Microfinance industry in terms of portfolio outstanding declined by 4% in December 2024 over December 2023 and declined by 7% in December 2024 over September 2024.

03

Disbursements by value witnessed annual decline of 35%. All Lenders witnessed degrowth in terms of loan disbursal from JAS'24 to OND'24. Highest number of loans are issued under 25k-50k ticket size category and witnessed annual decline of 52% from OND'23 to OND'24.

04

Portfolio outstanding as on 31<sup>st</sup> December 2024 for Aspirational Districts is ₹51,011 crore and it grew by 1% in December 2024 over December 2023. Loans worth ₹50,407 crore were disbursed in Aspirational Districts from January 2024 to December 2024.

# Abbreviations & Glossary

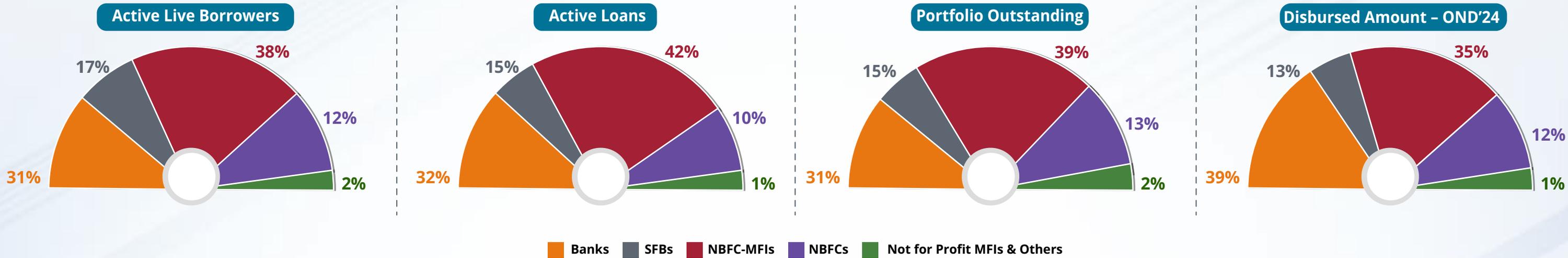
- ATS (Average Ticket Size) = Disbursed Amount / Number of Loans
- DPD = Days Past Due
- Live POS or Borrowers or Active loans = 0 to 179 DPD + New Accounts + Current Accounts
- MFI = Microfinance Institution
- POS = Portfolio Outstanding
- UT = Union Territory
- Aspirational Districts (AD) - Districts (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
- OND'23 = October 2023 to December 2023
- 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

# Microfinance Industry Overview



# Microfinance Industry Snapshot - as on 31st December 2024



Snapshot as on 31st December 2024	Banks	SFBs	NBFC-MFIs	NBFCs	Not for Profit MFIs & Others	Total Industry
Active Live Borrowers ('000)	27,448	15,336	33,086	10,211	1,649	87,730
Active Loans ('000)	38,326	18,229	49,714	11,351	1,708	119,328
Portfolio (₹ crore)	108,947	52,620	136,676	44,542	5,230	348,015
Disbursed Amount (₹ crore) - OND'24	25,150	8,198	22,137	7,736	738	63,959
Average Ticket Size (₹) - OND'24	53,965	54,039	51,152	63,027	45,873	53,776
30+ Delinquency (POS)	7.71%	7.73%	6.99%	3.90%	6.43%	6.92%
90+ Delinquency (POS)	4.15%	4.37%	4.16%	2.04%	2.86%	3.90%

➤ Book size of microfinance industry as on 31st December 2024 is ₹348,015 crore.

➤ NBFCs have the highest average ticket size.

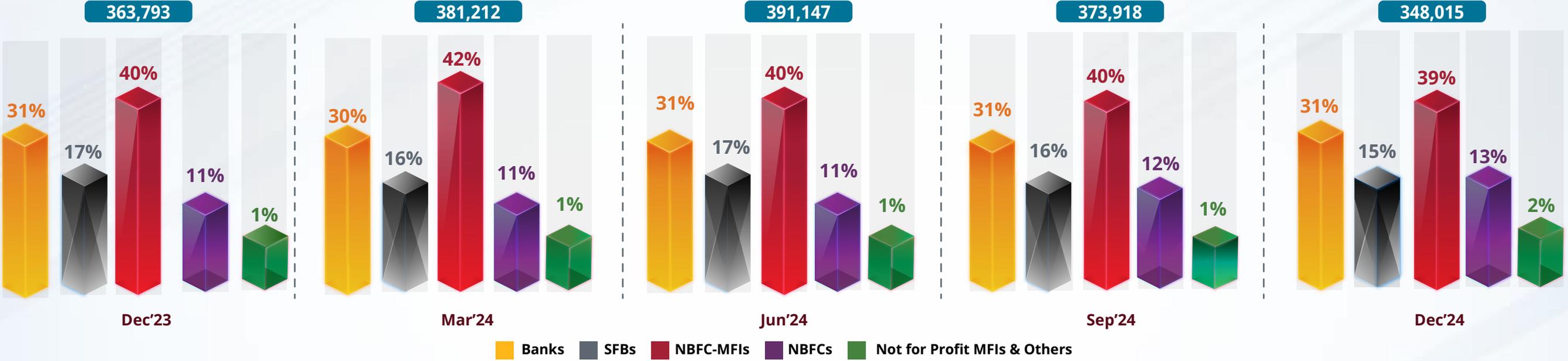
➤ SFBs have the highest 30+ and 90+ delinquency.

➤ NBFCs have the lowest 30+ and 90+ delinquency.

Note : In MFI segment there are ~6.7 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.

# Microfinance Industry Overview

## Market % Share Trends By Lender Type



Portfolio Outstanding ( ₹ crore)

Portfolio Outstanding ( ₹ crore)

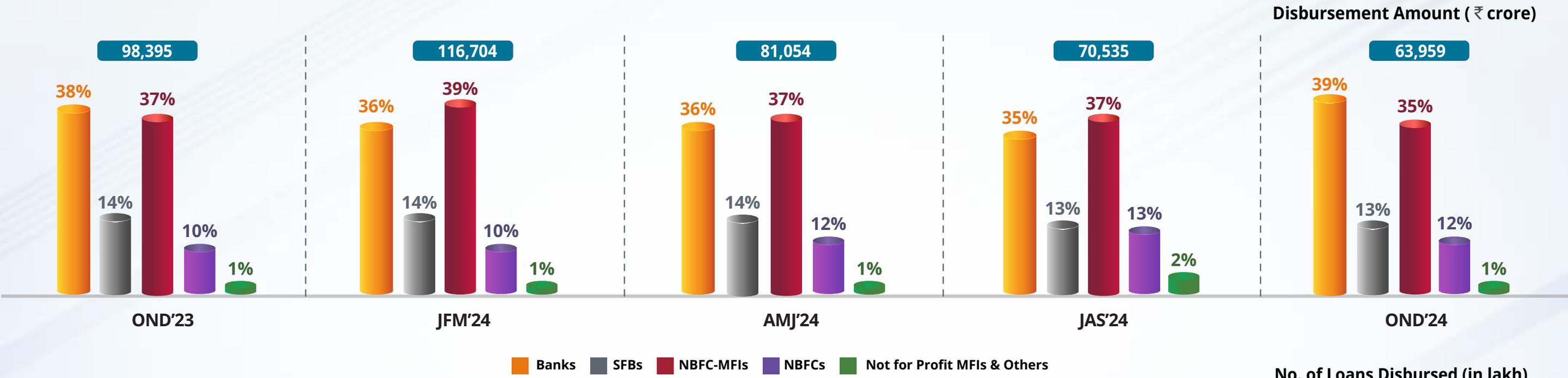
Particulars	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24	Y-o-Y Growth %
Banks	113,079	115,686	123,475	115,981	108,947	-4%
SFBs	62,722	61,705	65,154	60,838	52,620	-16%
NBFC-MFIs	147,386	161,848	156,841	147,187	136,676	-7%
NBFCs	40,141	41,453	44,581	44,907	44,542	11%
Not for Profit MFIs & Others	465	520	1,096	5,005	5,230	1025%
<b>Total Industry</b>	<b>363,793</b>	<b>381,212</b>	<b>391,147</b>	<b>373,918</b>	<b>348,015</b>	<b>-4%</b>
Q-o-Q growth rate %		5%	3%	-4%	-7%	

➤ Microfinance industry witnessed a decline of 4% in December 2024 over December 2023.

# Disbursement Trends



# Disbursement Trends – Institution wise

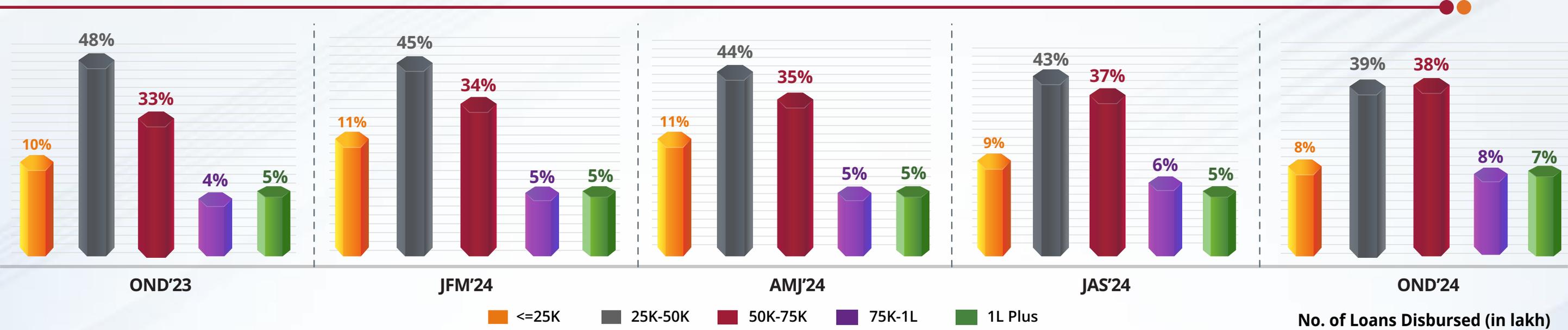


Lender Type	OND'23	JFM'24	AMJ'24	JAS'24	OND'24
Banks	76	88	61	50	47
SFBs	29	33	23	18	15
NBFC-MFIs	81	97	63	54	43
NBFCs	18	20	16	15	12
Not for Profit MFIs & Others	2	3	2	2	2
<b>Total Industry</b>	<b>206</b>	<b>241</b>	<b>165</b>	<b>139</b>	<b>119</b>

- Financial Institutions disbursed 1.19 crore loans worth ₹63,959 crore during OND'24.
- Loan disbursal in terms of volume witnessed Y-o-Y decline of 42% and in terms of disbursement amount 35%.

**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	OND'23	JFM'24	AMJ'24	JAS'24	OND'24	Y-o-Y Growth Rate %
<=25K	21	26	18	13	10	-52%
25K-50K	98	109	72	60	47	-52%
50K-75K	68	83	59	51	45	-34%
75K-1L	9	11	8	8	9	0%
1L Plus	10	12	8	7	8	-20%
<b>Total</b>	<b>206</b>	<b>241</b>	<b>165</b>	<b>139</b>	<b>119</b>	<b>-42%</b>
Q-o-Q loan disbursal growth rate %		17%	-31%	-16%	-14%	
All India ATS ( ₹ )	48,017	48,518	49,048	50,633	53,776	12%
Q-o-Q ATS growth rate %		1%	1%	3%	6%	

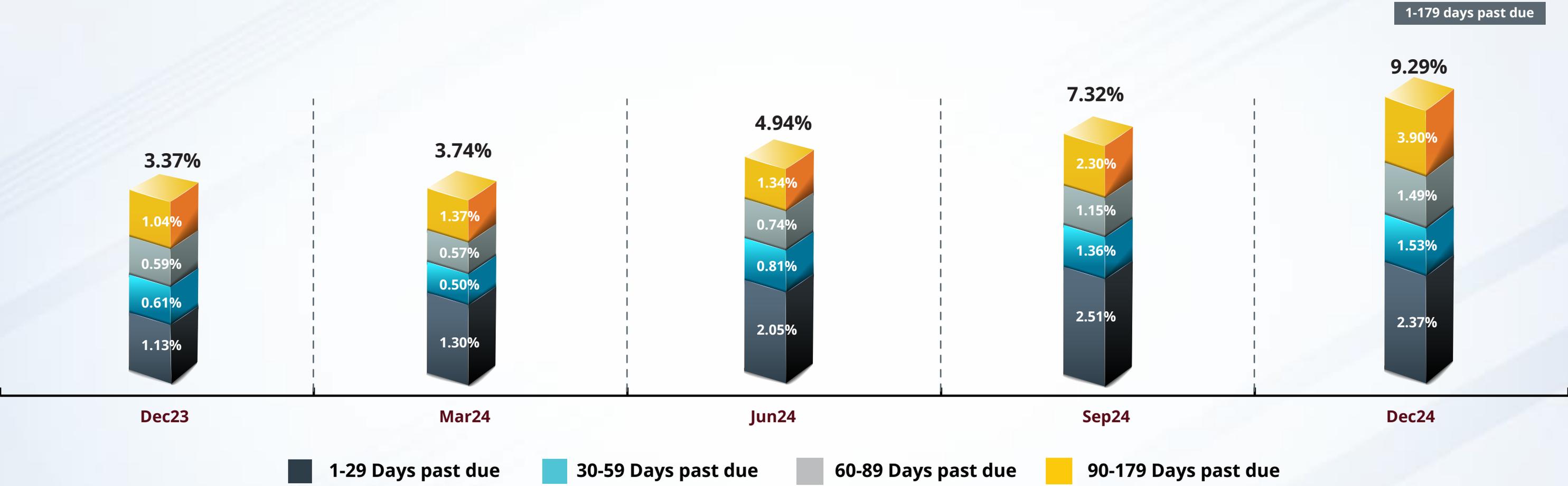
- Loan disbursal for >1L ticket size category declined by 20% in OND'24 compared to OND'23.
- Industry average ticket size increased by 12% in OND'24 over OND'23.

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

# Industry Risk Profile



# Delinquency Trends

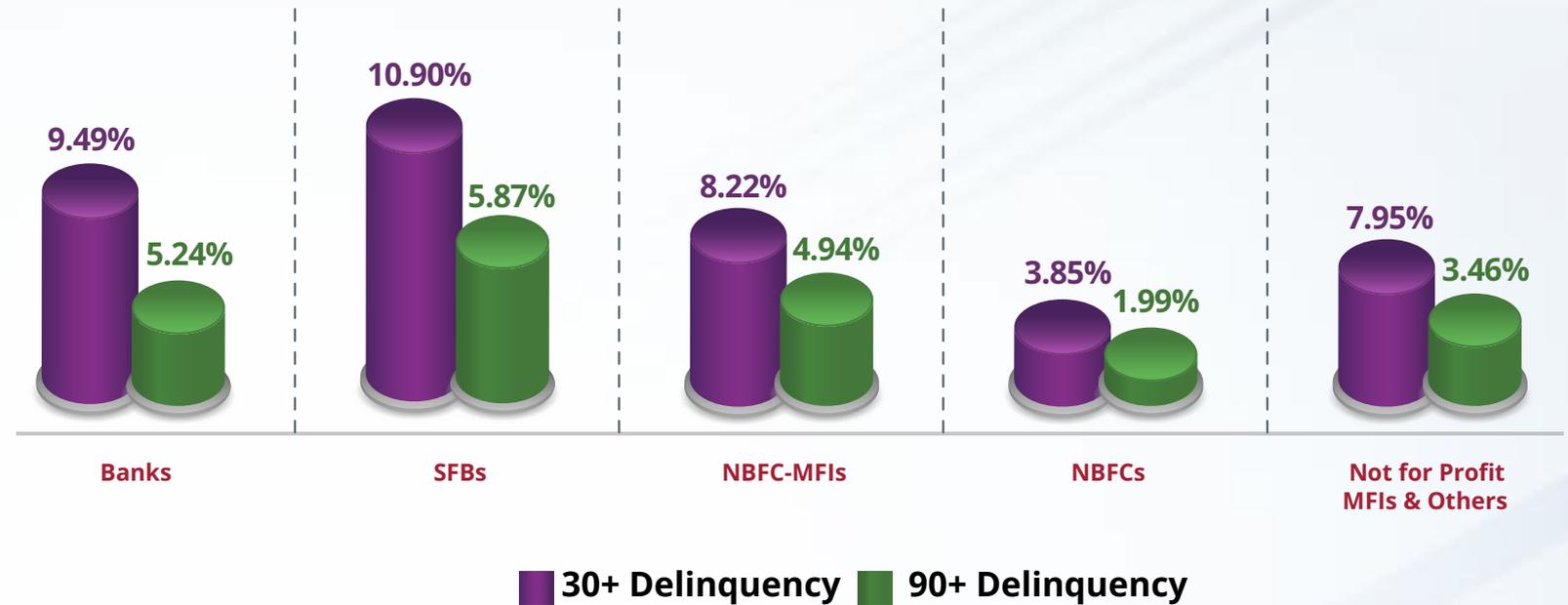
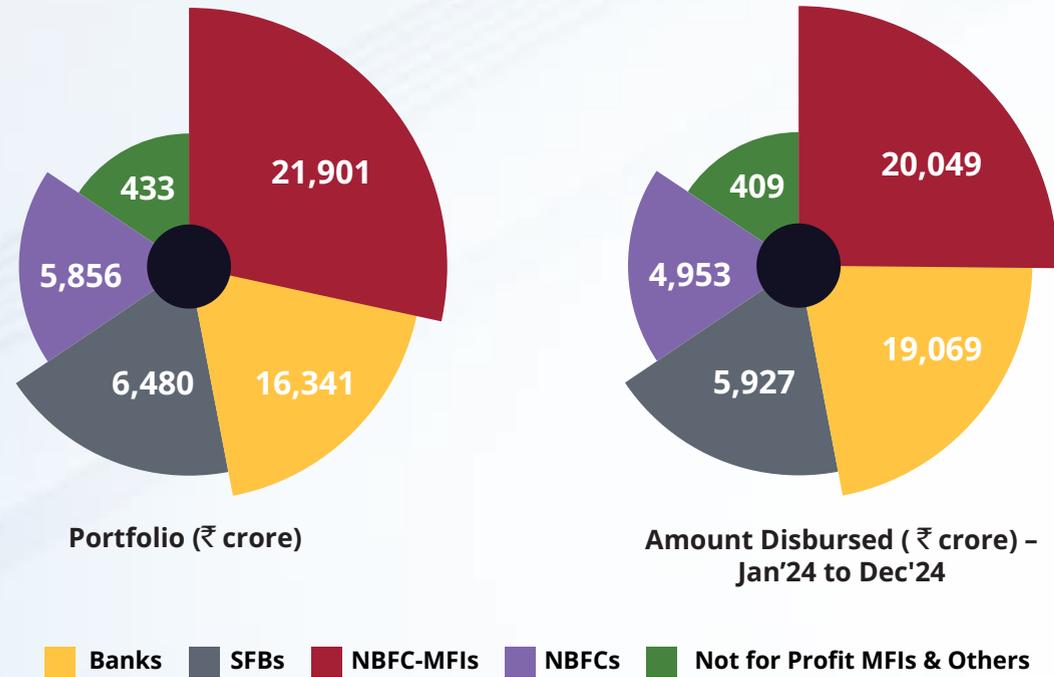


- Delinquency in all the buckets have increased in December 2024 compared to September 2024 except for 1-29 days past due.
- 90-179 days past due bucket has witnessed the highest increase in December 2024 from September 2024 compared to other delinquency buckets.

# Aspirational Districts



# Aspirational Districts – December 2024 Overview



- Portfolio outstanding for aspirational districts as on 31st December 2024 is ₹51,011 crore.
- Aspirational districts contribute 15% towards the total microfinance portfolio outstanding.
- 30+ and 90+ delinquencies of aspirational districts have increased in December 2024 compared to December 2023.

Aspirational Districts Growth Particulars	31st December 2023	31st December 2024	Growth %
Disbursement Amount (₹ crore)	*53,800	**50,407	-6%
Active Loans ('000)	17,827	18,140	2%
Portfolio Outstanding (₹ crore)	50,550	51,011	1%
***30+ Delinquency	1.85%	8.46%	
***90+ Delinquency	0.88%	4.80%	

\*Disbursement January 2023 to December 2023  
 \*\*Disbursement January 2024 to December 2024  
 \*\*\*Delinquencies are calculated basis POS

# 01

## 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.

# 02

## 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.

# 03

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