



MICROFINANCE PULSE

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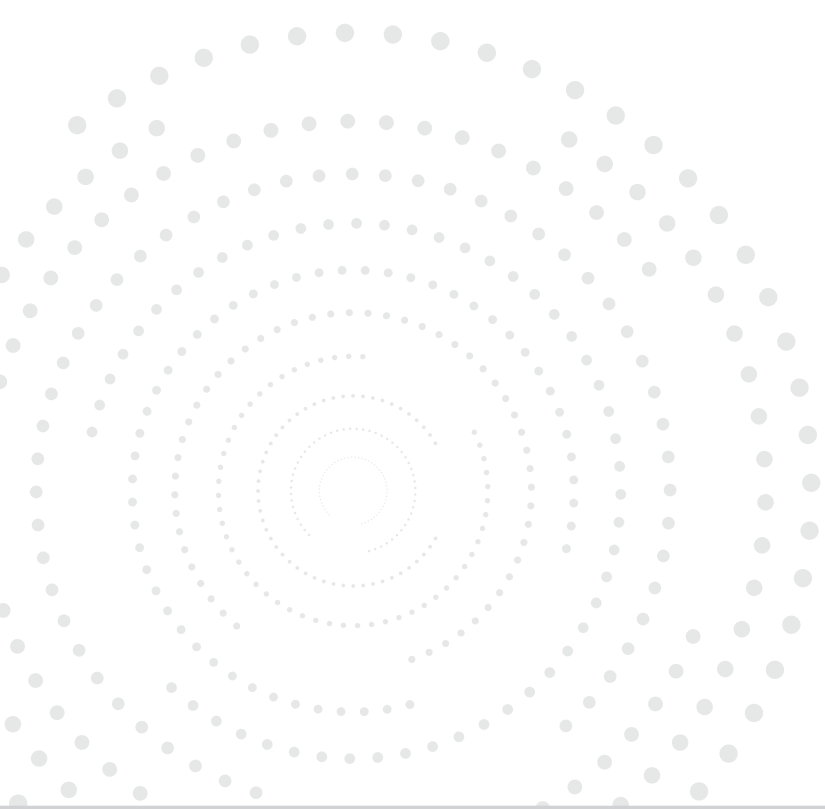
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Index

Executive Summary	03
Abbreviations & Glossary	04
Microfinance Industry Overview	05
Disbursement Trends	08
Industry Risk Profile	12
Geographical Exposure	14
Borrower Distribution	17
Comprehensive State Profile: Odisha	20
Aspirational Districts	25

Executive Summary

Microfinance activities gained prominence in the early 1990s and it has witnessed phenomenal growth over past few years. 10th edition of MFI Pulse covers the growth of microfinance industry based on data submission as on 30th June 2021.

The portfolio outstanding of MFI Industry stood at ₹222,060 crore, as on June 30, 2021, with Banks and NBFC-MFIs contributing more than 75%. Portfolio outstanding decreased by 11% in June 2021 from March 2021. Not for Profit MFIs witnessed Y-o-Y growth of 11% from June 2020 to June 2021 followed by Banks with the growth of 4%.

Disbursements during AMJ'21 have been impacted due to second wave of the pandemic, however, the impact is not as severe as was in AMJ'20. Microfinance industry disbursed loans worth ₹25,808 crore with Y-o-Y growth of 300% by value and 209% by volume in AMJ'21 as compared to AMJ'20.

1-179 days past due delinquency has increased in June 2021 to 31.44% from 13.59% in March 2021. 30+ and 90+ delinquency of NBFC-MFIs, NBFC and Not for Profit MFIs is lower compared to the industry delinquency.

West Bengal, Tamil Nadu, Bihar, Karnataka and Uttar Pradesh are top 5 states as on 30th June 2021. West Bengal is leading with portfolio outstanding of ₹31,024 crore and 90+ delinquency of West Bengal is 5.15% which is higher than the industry delinquency.

The report covers comprehensive state profile of Odisha. Portfolio outstanding of Odisha as on 30th June 2021 is ₹13,096 crore. 85% of market share towards portfolio outstanding is from Banks and NBFC-MFIs. Disbursement amount of Odisha during AMJ' 21 is ₹2,127 crore with the highest contribution from Banks. 30+ and 90+ delinquency in Odisha is lower than the overall industry delinquency.

The report also presents the analysis of borrower distribution by number of loans and portfolio outstanding. 42% of the customers have 3 or more loans. Highest number of borrowers are covered by Banks and NBFCs. 66% of borrowers are falling under 10K-50K portfolio outstanding bucket. 15% of the borrowers have portfolio outstanding more than ₹50,000.

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
-
- AMJ'20 =April 2020 to June 2020
 - JAS'20 =July 2020 to September 2020
 - OND'20 = October 2020 to December 2020
 - JFM'21 =January 2021 to March 2021
 - AMJ'21 =April 2021 to June 2021



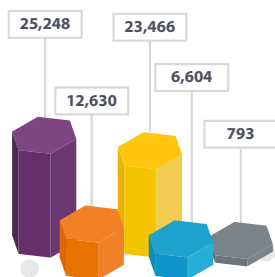
MICROFINANCE INDUSTRY OVERVIEW



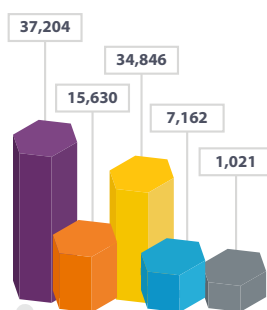
Microfinance Industry Snapshot as on 30th June 2021

Snapshot as on 30 th June 2021	BANKS	SFBs	NBFC-MFIs	NBFCs	Not for profit MFIs	Total Industry
Unique Live Borrowers('000)	25,248	12,630	23,466	6,604	793	68,741
Active Loans ('000)	37,204	15,630	34,846	7,162	1,021	95,863
Portfolio (₹ crore)	95,674	35,345	72,856	16,140	2,045	222,060
Disbursed Amount (₹crore) AMJ'21	14,763	3,402	6,073	1,131	439	25,808
Average Ticket Size (₹) AMJ'21	35,609	38,724	35,356	41,048	34,007	36,112
30+ Delinquency (POS)	17.15%	22.95%	10.67%	14.30%	3.26%	16.54%
90+ Delinquency (POS)	3.17%	3.22%	1.97%	3.00%	0.87%	3.01%

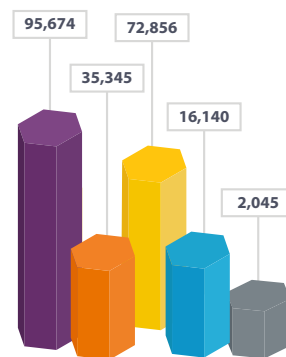
Unique Live Borrowers ('000)



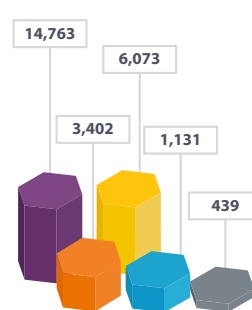
Active Loans ('000)



Portfolio (₹crore)



Disbursed Amount (₹crore) -AMJ' 21



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

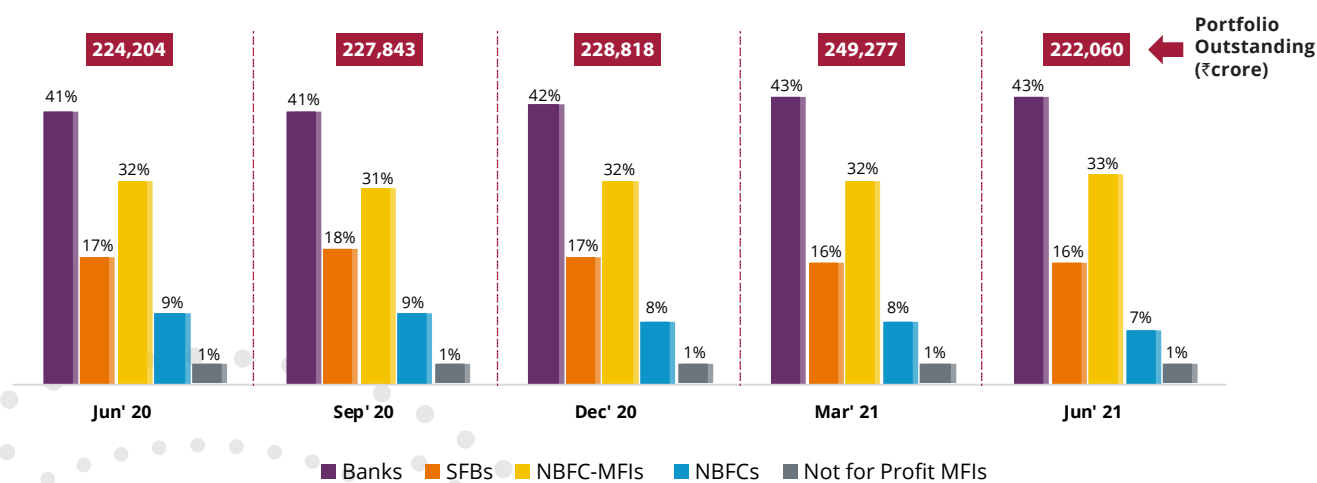
- The portfolio outstanding of MFI Industry stood at ₹222,060 crore, as on June 30, 2021, with Banks and NBFC-MFIs contributing more than 75%
- Disbursement amount during AMJ'21 is ₹25,808 crore where Banks are leading by contributing 57% and the second highest contributor is NBFC-MFIs with 24%
- ATS of NBFCs is highest amongst all the lenders and it is higher than the industry ATS as well
- 30+ and 90+ delinquency of NBFC-MFIs, NBFC and Not for Profit MFIs is lower compared to the industry delinquency

Microfinance Industry Overview

Portfolio Outstanding (₹crore)

Particulars	Jun'20	Sep'20	Dec'20	Mar'21	Jun'21
BANKS	91,920	93,409	96,683	109,867	95,674
SFBs	39,225	42,682	38,109	38,903	35,345
NBFC-MFIs	71,342	70,142	73,166	79,420	72,856
NBFCs	19,875	19,838	18,988	18,992	16,140
Not for profit MFIs	1,842	1,772	1,872	2,095	2,045
Total industry	224,204	227,843	228,818	249,277	222,060
Q-o-Q growth rate %	-	2%	0%	9%	-11%

Market Share Trends by Lender type



- Portfolio outstanding decreased by 11% in June 2021 from March 2021
- Not for Profit MFIs witnessed Y-o-Y growth of 11% from June 2020 to June 2021 followed by Banks with the growth of 4%



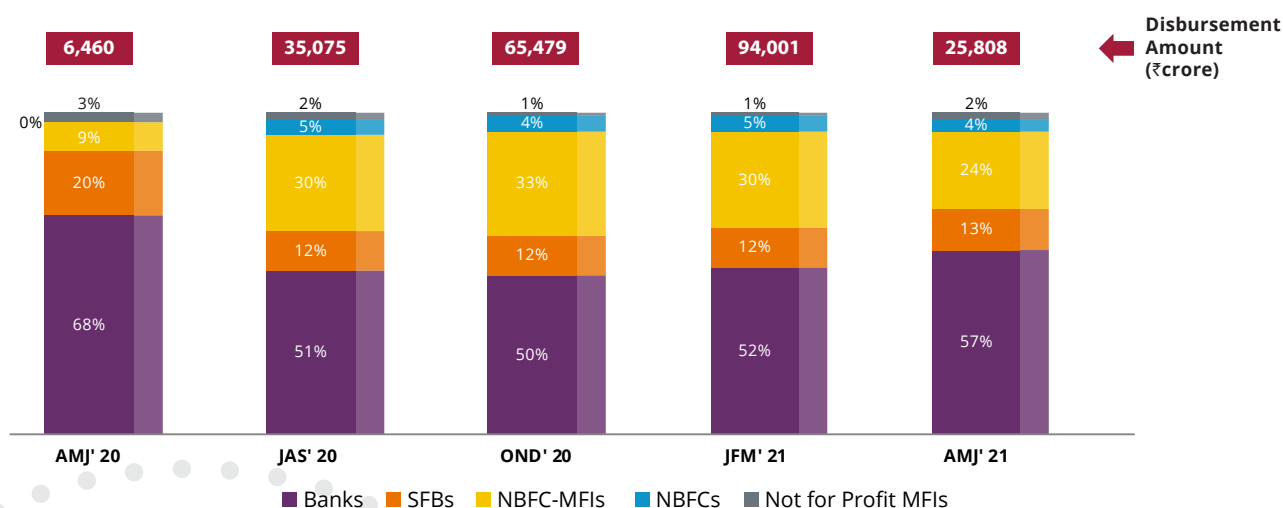
**DISBURSEMENT
TRENDS**

Disbursement Trends – Institution wise

No. of Loans Disbursed (in lakh)

Lender Type	AMJ'20	JAS'20	OND'20	JFM'21	AMJ'21
Banks	14	47	102	113	41
SFBs	5	12	20	31	9
NBFC-MFIs	2	33	65	80	17
NBFC	-	5	8	11	3
Not for profit MFIs	2	2	2	3	1
Total industry	23	99	197	238	71

Market Share Trends by Lender type

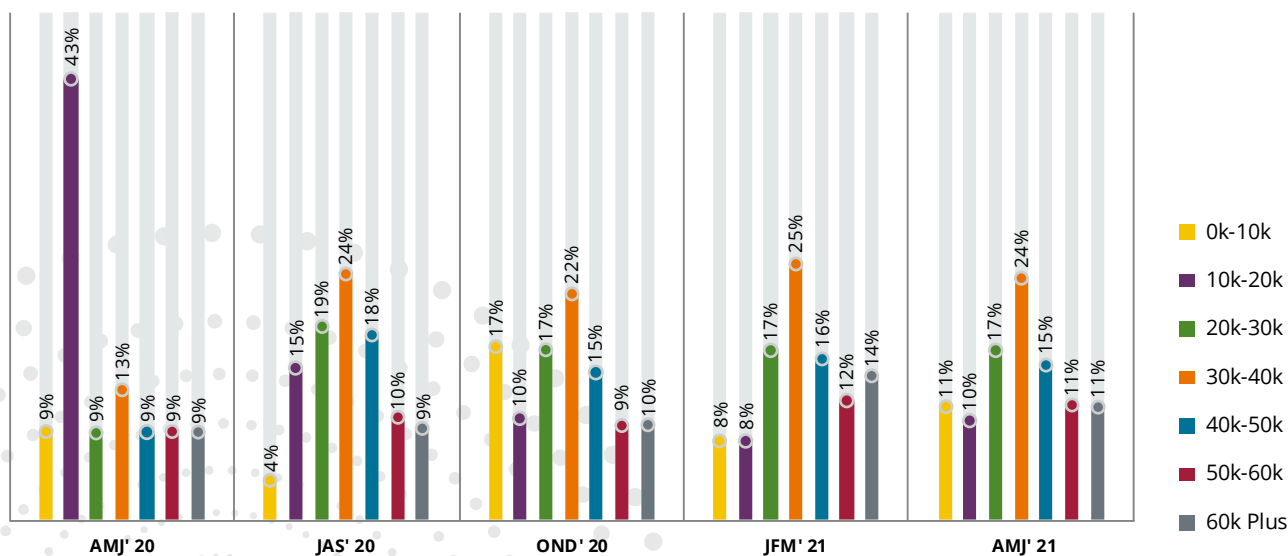


- Disbursements during AMJ'21 stood at ₹25,808 crore with Y-o-Y growth of 300% by value and 209% by volume in AMJ'21 from AMJ'20.
- Disbursements during AMJ'21 have been impacted due to second wave of the pandemic, however, the impact is not as severe as was in AMJ'20
- Highest contribution towards disbursed amount is coming in from Banks followed by NBFC-MFIs

Industry Ticket Size Trends

No. of Loans Disbursed (in lakh)

Ticket Size	AMJ'20	JAS'20	OND'20	JFM'21	AMJ'21	Y-o-Y Growth Rate %
0K - 10K	2	4	34	19	8	300%
10K - 20K	10	15	20	19	7	-30%
20K - 30K	2	19	33	40	12	500%
30K - 40K	3	24	44	60	17	467%
40K - 50K	2	18	29	38	11	450%
50K - 60K	2	10	18	28	8	300%
60K	2	9	19	34	8	300%
Total	23	99	197	238	71	209%
Q-O-Q loan disbursal growth	-	330%	99%	21%	-70%	-
All india ATS (₹)	28,578	35,501	33,193	39,556	36,112	-
Q-O-Q loan ATS growth rate %	-	24%	-7%	19%	-9%	-



- Highest number of loans are issued under 30k-40k ticket size category
- Second wave of COVID had hit the industry during AMJ' 21. The loans sourced during AMJ'21 are 30% to the loans sourced during JFM'21
- ATS too has dropped to ₹36,112 in AMJ'21 from ₹39,556 in JFM' 21



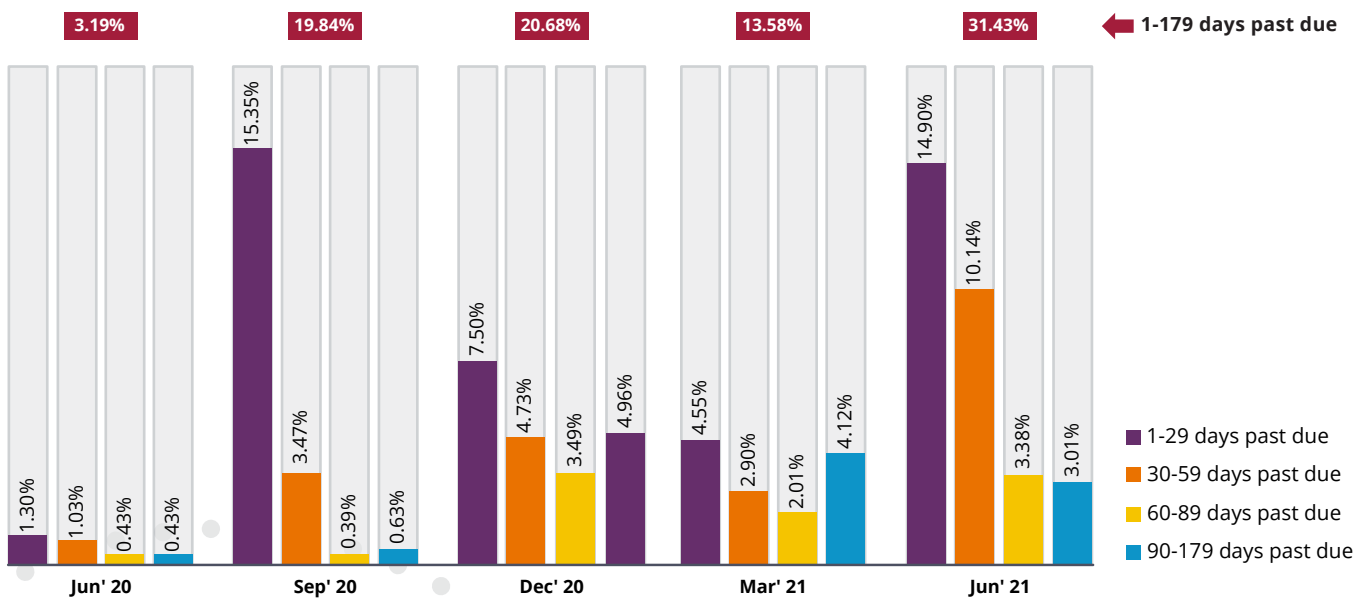
**INDUSTRY
RISK
PROFILE**

Delinquency Trends

Delinquency by Day 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
Jun'20	1.30%	1.03%	0.43%	0.43%	3.19%
Sep'20	15.35%	3.47%	0.39%	0.63%	19.84%
Dec'20	7.50%	4.73%	3.49%	4.96%	20.68%
Mar'21	4.55%	2.90%	2.01%	4.12%	13.58%
Jun'21	14.90%	10.14%	3.38%	3.01%	31.43%

Delinquency by Days Past Due

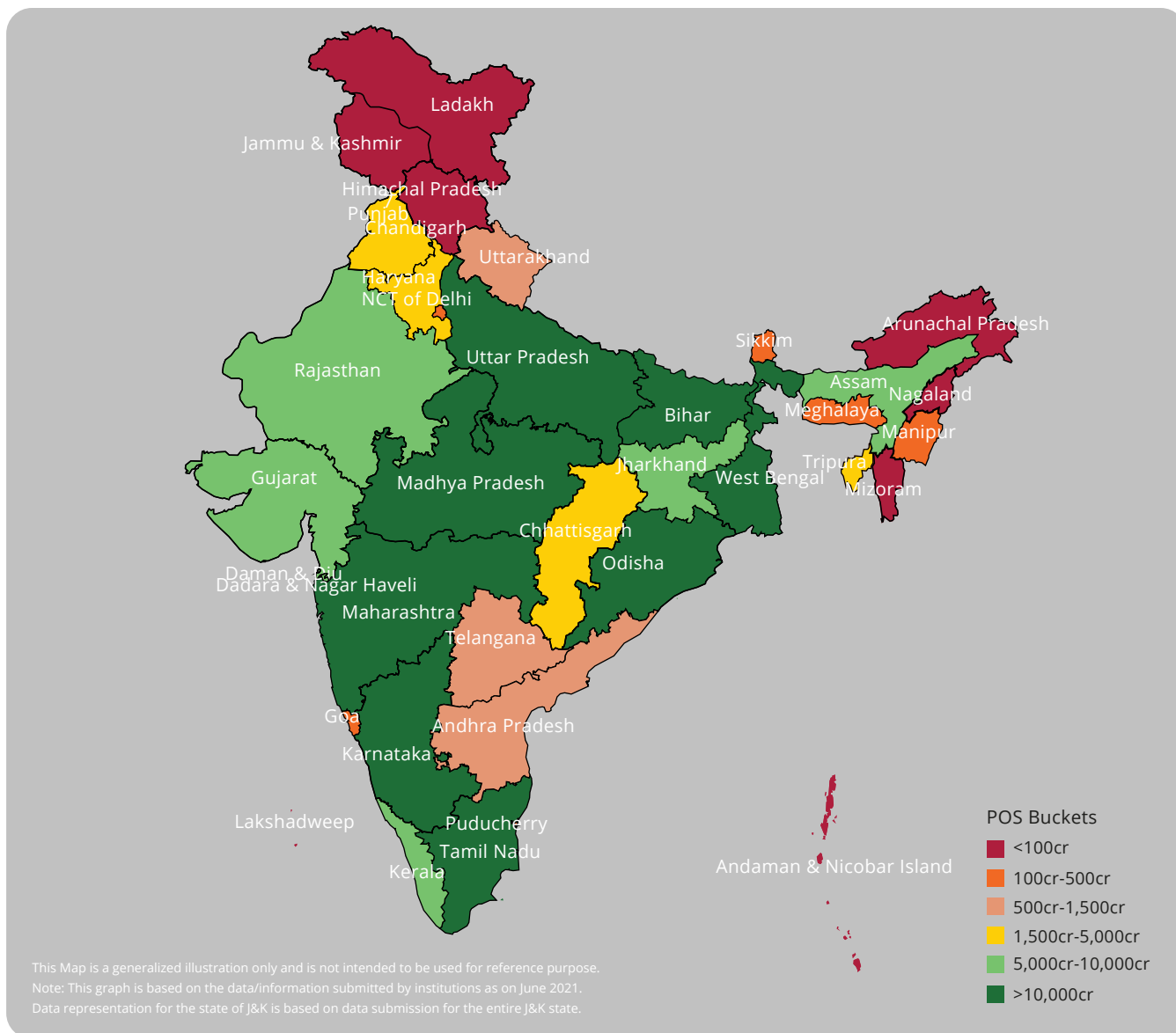


- 1-179 days past due delinquency has increased in June 2021 to 31.44% from 13.59% in March 2021
- Except 90-179 days past due delinquency bucket all the delinquency buckets have increased in June 2021 from March 2021



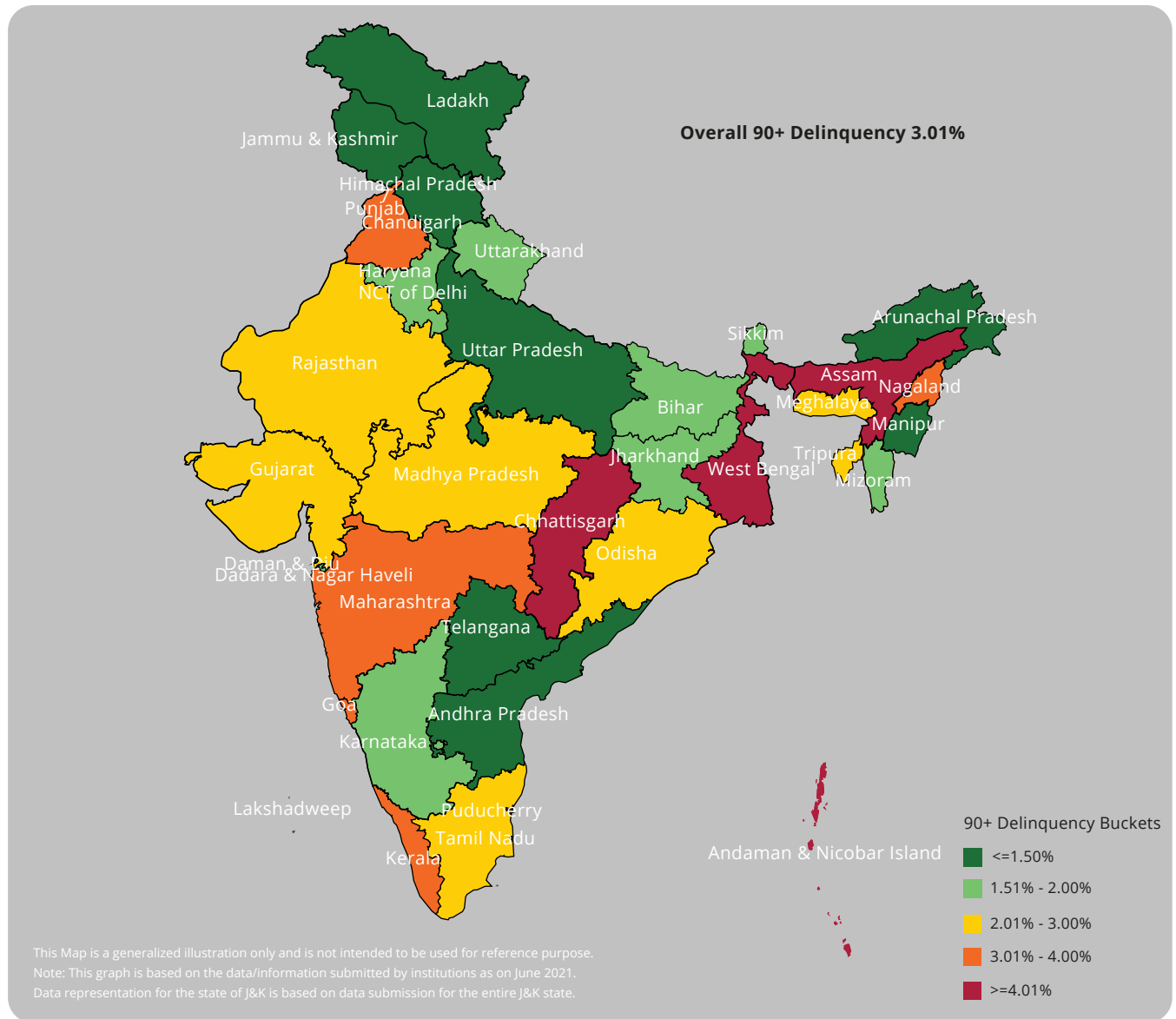
**GEOGRAPHICAL
EXPOSURE**

State/UT wise Portfolio Outstanding as on 30th June 2021



- West Bengal is leading with portfolio outstanding of ₹31,024 crore and contributes 14% towards portfolio outstanding as on 30th June 2021
- Top 10 states contribute more than 80% towards portfolio outstanding
- West Bengal, Tamil Nadu, Bihar, Karnataka and Uttar Pradesh are top 5 states as on 30th June 2021

State/UT wise 90+ Delinquency as on 30th June 2021



- As on June 2021, 90+ delinquency of West Bengal is 5.15% which is higher than the industry delinquency
- 90+ delinquency as on June 2021 for remainder top 4 states is lower than the industry and it is as mentioned below:
 - Tamil Nadu – 2.62%
 - Bihar – 1.76%
 - Karnataka – 1.83%
 - Uttar Pradesh – 1.08%



BORROWER DISTRIBUTION



Borrower Distribution by Number of Loans

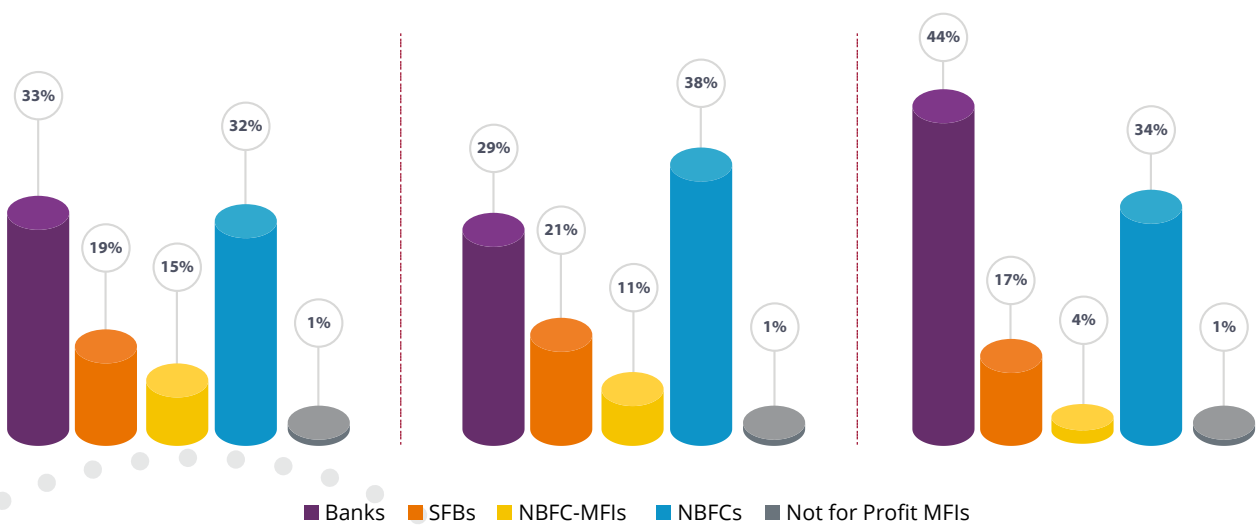
Live Borrower Distribution by Number of Loans

Lender Type	Customer with 1 Loan (in '000)	Customer with 2 Loans (in '000)	Customers with 3 or more loans (in '000)
Banks	8,533	3,921	12,794
SFBs	4,992	2,842	4,796
NBFC-MFIs	3,889	1,579	1,136
NBFCs	8,458	5,245	9,763
Not for Profit MFIs	316	153	324
Total	26,188	13,740	28,813

Customer with 1 Loan

Customer with 2 Loans

Customers with 3 or more loans

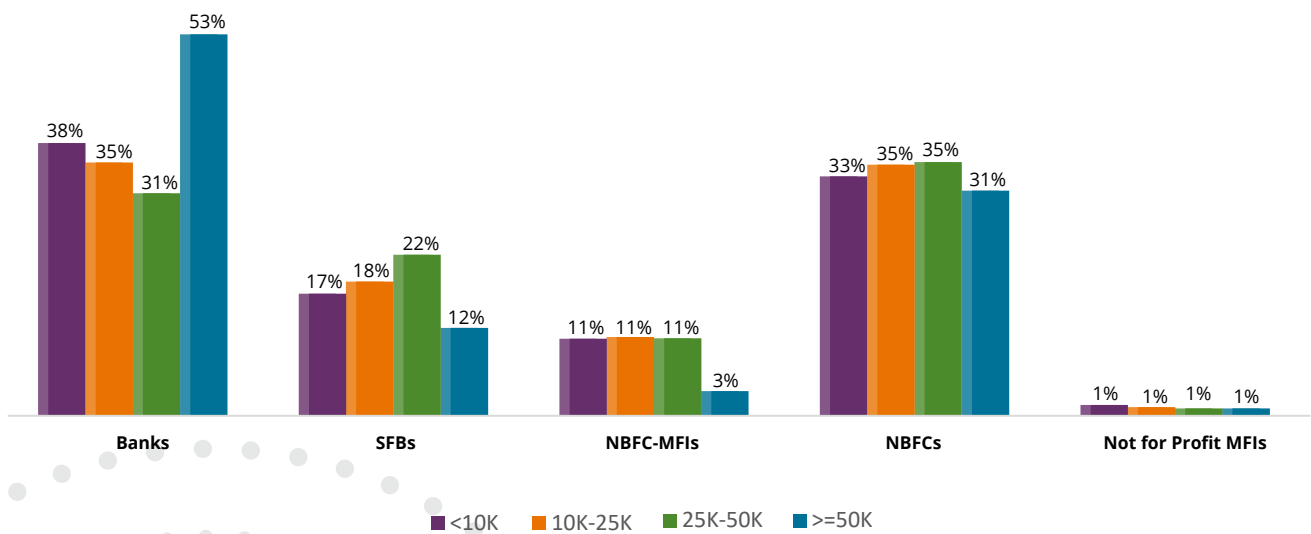


- 42% of the customers have 3 or more loans
- Highest number of borrowers are covered by Banks and NBFCs

Borrower Distribution by Portfolio Outstanding

Live Borrower Distribution by Portfolio Outstanding

Lender Type	<10K	10K-25K	25K-50K	>=50K
BANKS	4,889	8,185	6,714	5,460
SFBs	2,184	4,338	4,855	1,254
NBFC-MFIs	1,379	2,540	2,337	348
NBFCs	4,355	8,115	7,778	3,218
Not for profit MFIs	192	280	220	100
Total	12,999	23,458	21,904	10,380



- 66% of borrowers are falling under 10K-50K portfolio outstanding bucket
- 15% of the borrowers have portfolio outstanding more than ₹50,000



**COMPREHENSIVE
STATE PROFILE
ODHISA**

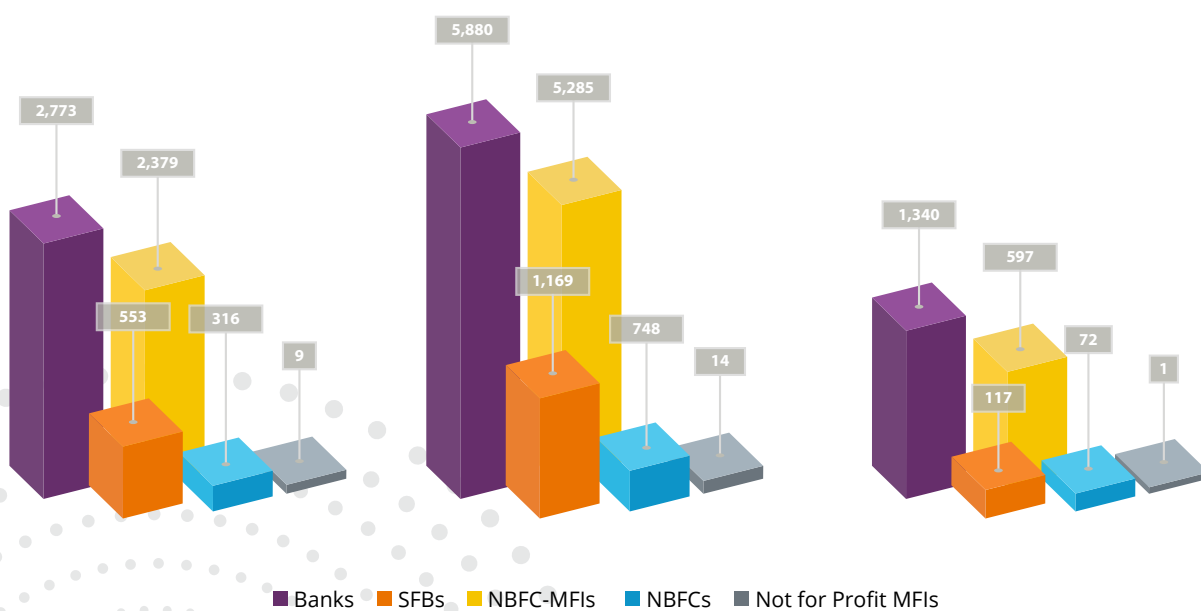
Odisha: State View

Odisha view as on 30 th June 2021	Banks	SFBs	NBFC MFIs	NBFCs	Not for Profit MFIs	Industry
Active Loans ('000)	2,773	553	2,379	316	9	6,030
Portfolio Outstanding (₹crore)	5,880	1,169	5,285	748	14	13,096
Market Share in Portfolio Outstanding	45%	9%	40%	6%	0%	-
Disbursed Amount (₹crore) - AMJ'21	1,340	117	597	72	1	2,127
Average Ticket Size (₹) - AMJ'21	31,360	31,846	37,340	43,021	35,000	33,188
30+ Delinquency (POS)	9.65%	10.10%	12.33%	5.69%	5.25%	10.54%
90+ Delinquency (POS)	2.06%	2.73%	2.83%	1.54%	1.91%	2.40%

Active Loans ('000)

Portfolio (₹crore)

Disbursed Amount (₹crore) AMJ' 21

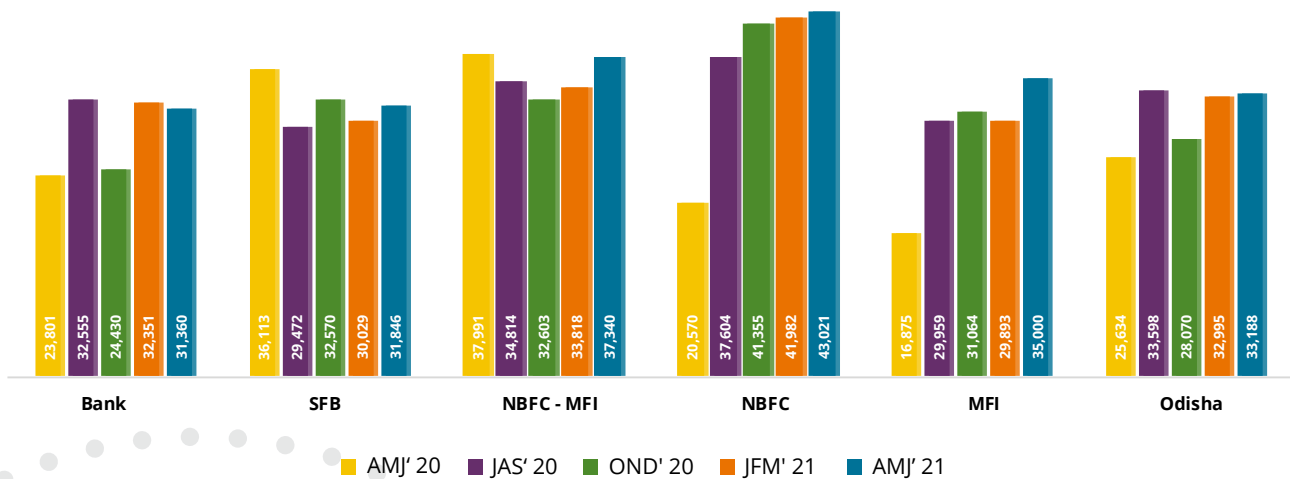


- Portfolio outstanding of Odisha as on 30th June 2021 is ₹13,096 crore
- 85% of market share towards portfolio outstanding is from Banks and NBFC-MFIs
- Disbursement amount of Odisha during AMJ' 21 is ₹2,127 crore with the highest contribution from Banks
- 30+ and 90+ delinquency in Odisha is lower than the overall industry delinquency
- 90+ delinquency of NBFCs is lowest amongst all the lenders and it is lower compared to the overall 90+ delinquency of Odisha

Odisha: Average Ticket Size Trends

Average Ticket Size Trends						
Ticket size	AMJ'20	JAS'20	OND'20	JFM'21	AMJ'21	Y-o-Y growth rate
BANKS	23,801	32,555	24,430	32,351	31,360	32%
SFBs	36,113	29,472	32,570	30,029	31,846	-12%
NBFC-MFIs	37,991	34,814	32,603	33,818	37,340	-2%
NBFCs	20,570	37,604	41,355	41,982	43,021	109%
Not for profit MFIs	16,875	29,959	31,064	29,893	35,000	107%
Odisha	25,634	33,598	28,070	32,995	33,188	29%

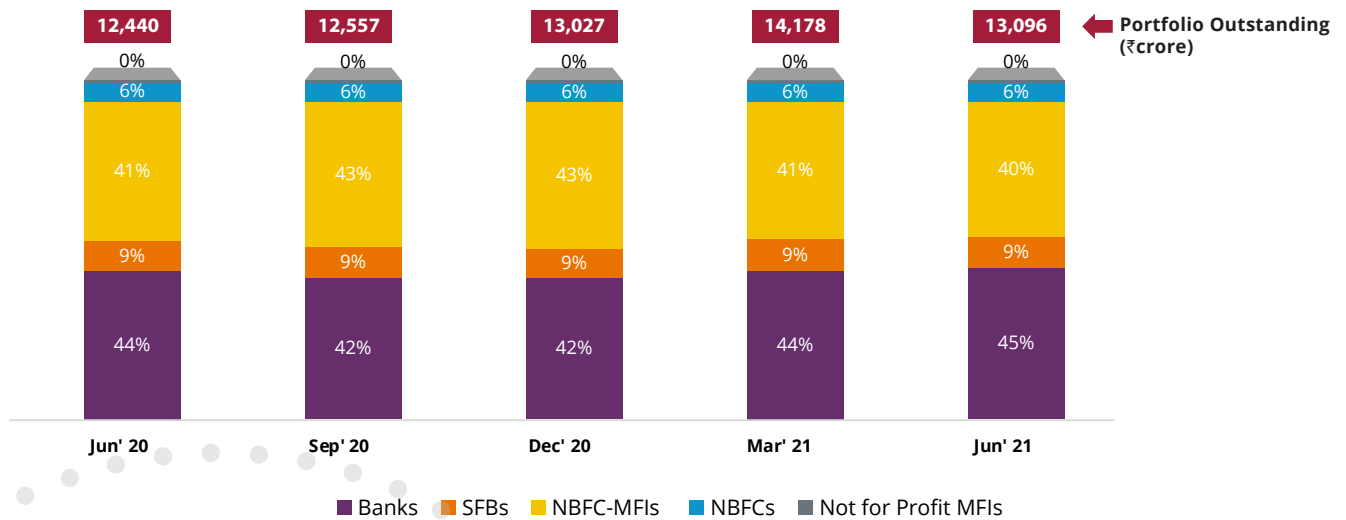
Odisha: Average Ticket Size Trends



- Overall average ticket size of Odisha witnessed Y-o-Y growth of 29% from AMJ'20 to AMJ'21
- ATS of NBFCs is highest in Odisha followed by NBFC-MFIs
- NBFCs witnessed highest Y-o-Y growth of 109% from AMJ'20 to AMJ'21, followed by Not for Profit MFIs with 107%

Odisha: Portfolio Trends

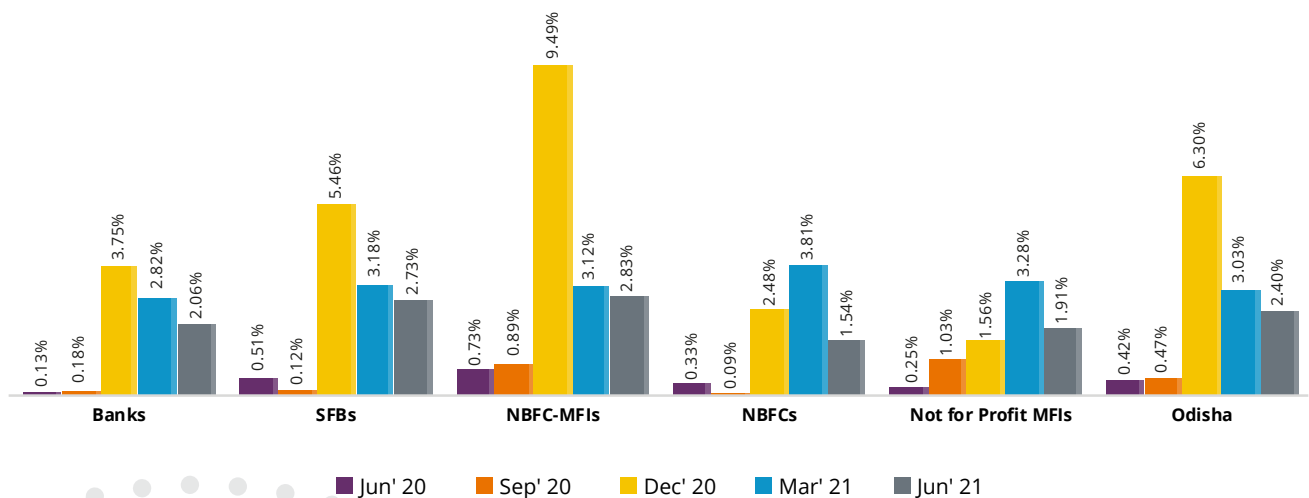
Particulars	Jun'20	Sep'20	Dec'20	Mar'21	Jun'21
BANKS	5,433	5,280	5,403	6,242	5,880
SFBs	1,120	1,153	1,179	1,283	1,169
NBFC-MFIs	5,125	5,342	5,617	5,793	5,285
NBFCs	752	771	801	840	748
Not for profit MFIs	16	11	28	20	14
Odisha	12,446	12,557	13,028	14,178	13,096
Q-o-Q Growth rate %	-	1%	4%	9%	-8%



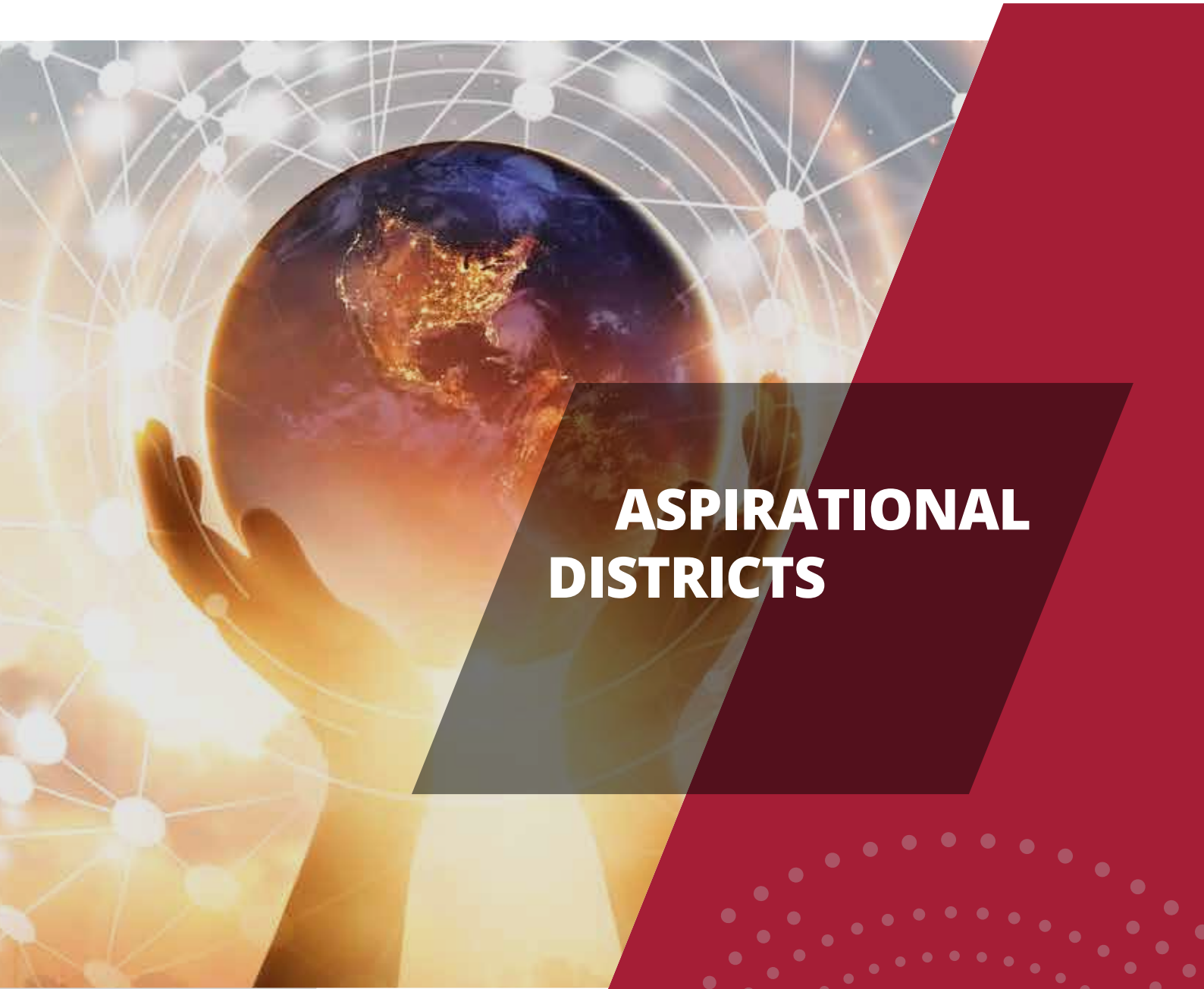
- Portfolio outstanding of Odisha grew by 5% from June 2020 to June 2021
- Banks are leading by contributing more than 40% towards portfolio outstanding across all the quarters

Odisha: 90+ Delinquency Trends

Lender Type	Jun'20	Sep'20	Dec'20	Mar'21	Jun'21
BANKS	0.13%	0.18%	3.75%	2.82%	2.06%
SFBs	0.51%	0.12%	5.46%	3.18%	2.73%
NBFC-MFIs	0.73%	0.89%	9.49%	3.12%	2.83%
NBFCS	0.33%	0.09%	2.48%	3.81%	1.54%
Not for profit MFIs	0.25%	1.03%	1.56%	3.28%	1.91%
Odisha	0.42%	0.47%	6.30%	3.03%	2.40%



- Overall 90+ delinquency of Odisha has declined to 2.40% in June 2021 from 3.03% in March 2021
- 90+ delinquency has declined across all the lender categories in June 2021 from March 2021
- Banks, NBFCS and Not for Profit MFIs have managed their delinquencies very well. Their 90+ delinquency is lower than the Odisha delinquency

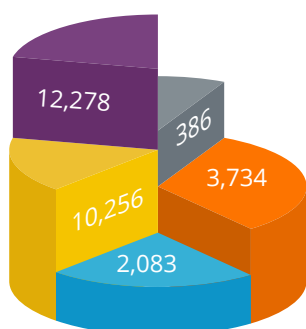


ASPIRATIONAL DISTRICTS

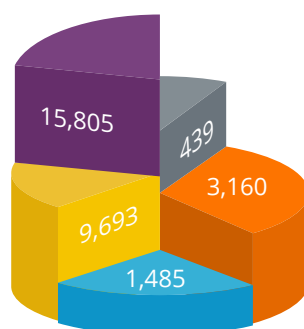
Aspirational Districts – June 2021 Overview

Aspirational Districts GrowthParticulars	December 2017	June 2021	Growth
Active Customer Penetration ('000)	4,155	8,143	96%
Disbursement Amount (₹crore)	14,374*	30,582**	113%
Active Loans ('000)	6,925	12,730	84%
Portfolio Outstanding (₹crore)	11,175	28,737	157%
30+ Delinquency	1.54%	11.80%	-
90+ Delinquency	0.75%	2.36%	-

Portfolio (₹crore)

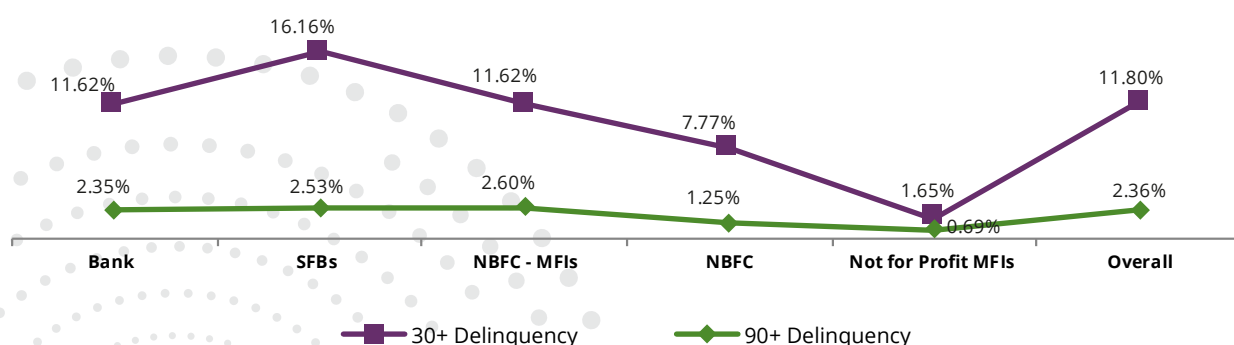


Disbursed Amount (₹crore) - Jul'20 to Jun'21



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

30+ and 90+ POS Delinquency lender category wise



- As on 30th June 2021 portfolio outstanding of Aspirational District is ₹28,737 crore, with 43% of share of Banks followed by 36% share of NBFC-MFIs
- 90+ delinquency of NBFC-MFI is highest followed by SFBs and Banks
- POS grew by 157% and disbursement amount by 113% from December 2017 to June 2021

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 the Bank's microfinance initiatives up to March 31, 2021 aggregate to ₹20,568 crore, which benefitted around 4 crore entities. 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.

About Equifax

Equifax is a global information solutions company that uses trusted unique data, innovative analytics, technology and industry expertise to power organizations and individuals around the world by transforming knowledge into insights that help make more informed business and personal decisions.

Headquartered in Atlanta, Ga., Equifax operates or has investments in 24 countries in North America, Central and South America, Europe and the Asia Pacific region. It is a member of Standard & Poor's (S&P) 500® index and its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX. Equifax employs 11,000 employees worldwide. With a global legacy of over 120 years in the credit industry, in 2010, Equifax established a presence in India market and was licensed by RBI to operate as a CIC. Over the last 9 years, the credit bureau has grown to 4000+ members including Banks, NBFCs, MFIs and insurers. These members provide data on demographic and repayment information on millions of Indian consumers. In 2014, Equifax further grew its footprint in India through acquisition of an analytics firm. Equifax Analytics Pvt. Ltd is Equifax's fully owned analytics entity in India, which delivers unparalleled customized analytics solutions that enrich both the performance of businesses and the lives of consumers.

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