



MICROFINANCE PULSE

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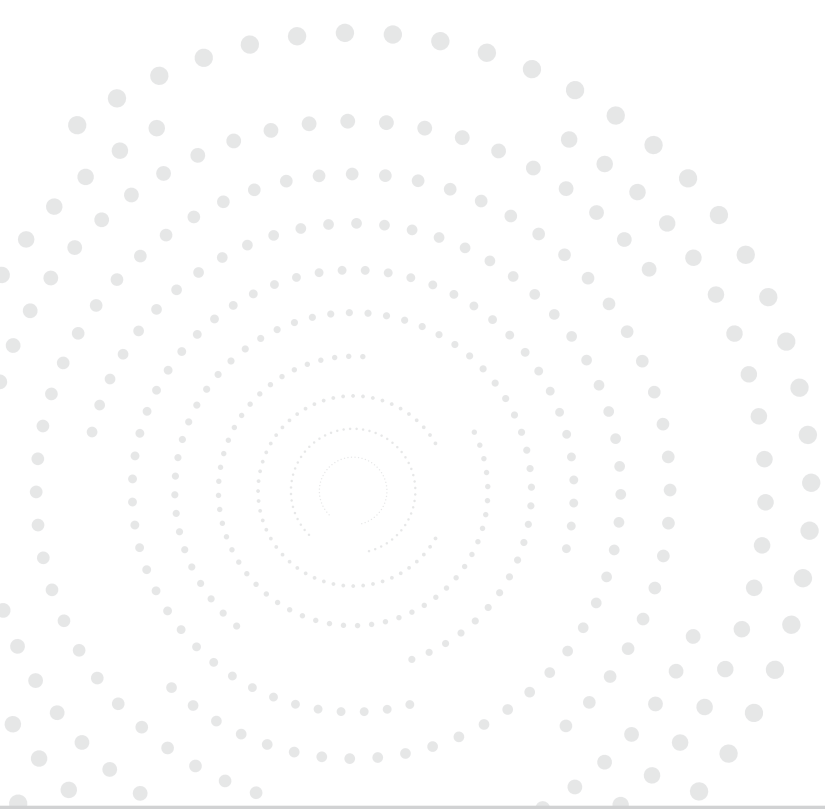
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Executive Summary

11th edition of MFI Pulse Report presents the snapshot of the data submitted for the period up to September 2021 and developments in the Microfinance industry during this period.

Book size of MFI Industry as on 30th September 2021 is ₹ 2,26,123 crore. Banks, SFBs & NBFC-MFIs contribute more than 90% towards portfolio outstanding and 95% of disbursed amount. Microfinance industry witnessed Q-o-Q growth of 2% from June 2021 to September 2021. NBFC-MFIs witnessed highest Y-o-Y growth of 14% from September 2020 to September 2021 and Q-o-Q growth of 10% from June 2021 to September 2021. Banks portfolio outstanding has declined by 3% from June 2021 to September 2021.

Number of loan disbursed grew by 94% from JAS' 20 to JAS' 21 and disbursement amount grew by 96% for the same period. Highest number of loans are disbursed under 30k-40k ticket size category across all the quarters. Average ticket size grew by 1% from JAS' 20 to JAS' 21.

All the delinquency buckets have declined in September 2021 from June 2021. 60-89 days past due delinquency bucket has the lowest delinquency across all the quarters except June 2021.

Tamil Nadu is leading with portfolio outstanding ₹ 29,335 crore and contributes 13% towards the total portfolio outstanding. As on 30th September 2021 Tamil Nadu, West Bengal, Bihar, Karnataka and Uttar Pradesh are top 5 states. Among top 5 states, 90+ delinquency of only West Bengal is higher than the industry delinquency.

Madhya Pradesh is covered as comprehensive state profile. Portfolio outstanding of Madhya Pradesh as on 30th September 2021 is ₹ 13,920 crore. Highest contribution towards portfolio outstanding is from NBFC-MFIs followed by Banks. Loans worth ₹ 4,340 crore were disbursed in Madhya Pradesh during JAS' 21. Average ticket size of NBFCs and Banks is higher compared to the state's average ticket size. 90+ delinquency of Madhya Pradesh is higher than the delinquency levels of overall Microfinance Industry.

In this edition we have assessed Y-o-Y growth of microfinance industry. Microfinance industry witnessed the slowdown due to the nationwide lockdown from March 2020. Loan sourcing contracted in October 2019 to September 2020 period by 28% and 24% in terms of volume and value respectively from October 2018 to September 2019. However, microfinance industry is back to expansion mode and it grew by 35% and 37% by volume and value respectively during October 2020 to September 2021 period.

Abbreviations & Glossary

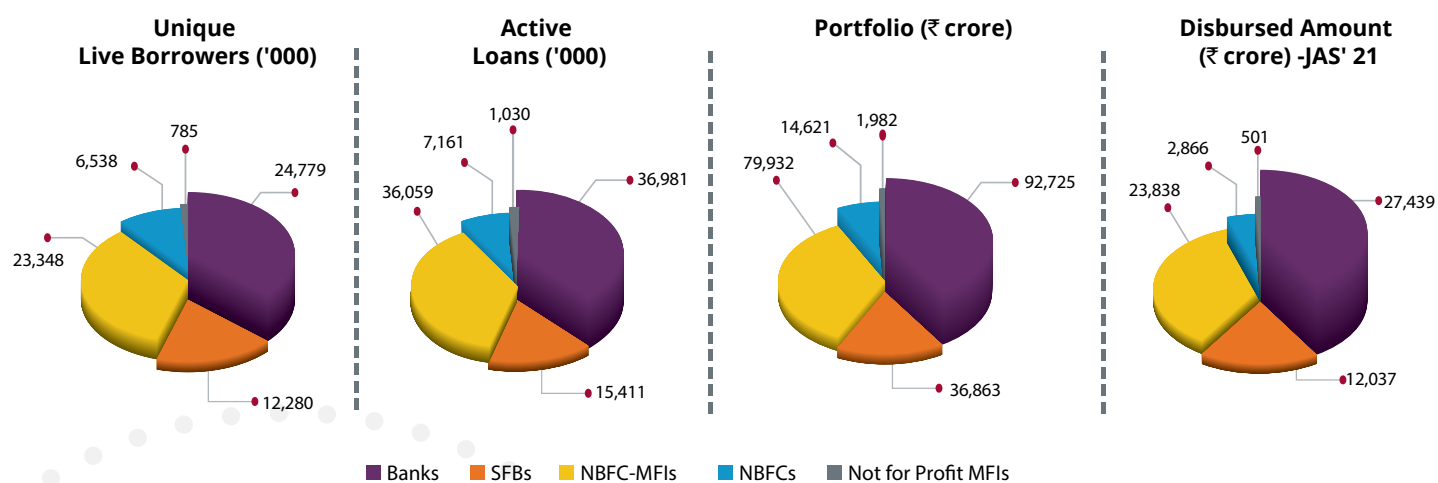
- ATS (Average Ticket Size) = Disbursed Amount/Number of Loans
 - DPD = Days Past Due
 - Live POS or Borrowers or Active loans = 0 to 179 DPD + New Accounts + Current Accounts
 - MFI = Microfinance Institution
 - POS = Portfolio Outstanding
 - UT = Union Territory
 - Aspirational Districts (AD) - Districts (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
-
- 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
 - JAS'21 = July 2021 to September 2021



MICROFINANCE INDUSTRY OVERVIEW

Microfinance Industry Snapshot as on 30th September 2021

Snapshot as on 30 th September 2021	BANKS	SFBs	NBFC-MFIs	NBFCs	Not for profit MFIs	Total Industry
Unique Live Borrowers ('000)	24,779	12,280	23,348	6,538	785	67,730
Active Loans ('000)	36,981	15,411	36,059	7,161	1,030	96,642
Portfolio (₹ crore)	92,725	36,863	79,932	14,621	1,982	226,123
Disbursed Amount (₹ crore) JAS'21	27,439	12,037	23,838	2,866	501	66,681
Average Ticket Size (₹) JAS'21	35,609	34,023	34,617	41,027	28,285	35,085
30+ Delinquency (POS)	12.96%	10.59%	7.51%	6.51%	2.60%	10.14%
90+ Delinquency (POS)	3.48%	3.02%	2.51%	2.04%	1.23%	2.95%



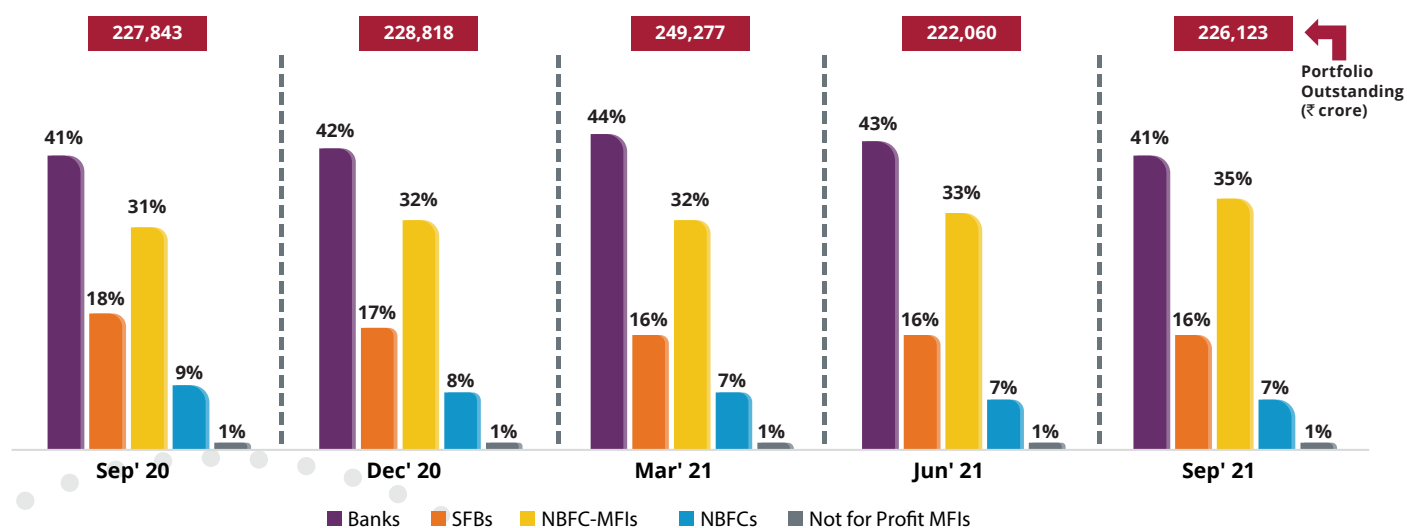
- ❑ Book size of MFI Industry as on 30th September 2021 is ₹ 2,26,123 crore
- ❑ Banks, SFBs & NBFC-MFIs contribute more than 90% towards portfolio outstanding and 95% of disbursed amount in JAS' 21 quarter
- ❑ Average ticket size of Banks and NBFCs is higher than the industry ticket size
- ❑ 30+ and 90+ delinquency of NBFC-MFIs, NBFCs and Not for Profit MFIs is lower than the industry delinquency

Note: In MFI segment there are ~6 crore unique live borrowers. 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

Particulars	Portfolio Outstanding (₹ crore)				
	Sep' 20	Dec' 20	Mar' 21	Jun' 21	Sep' 21
Banks	93,409	96,683	109,867	95,674	92,725
SFBs	42,682	38,109	38,903	35,345	36,863
NBFC-MFIs	70,142	73,166	79,420	72,856	79,932
NBFCs	19,838	18,988	18,992	16,140	14,621
Not for Profit MFIs	1,772	1,872	2,095	2,045	1,982
Total Industry	227,843	228,818	249,277	222,060	226,123
Q-o-Q growth rate %	-	0%	9%	-11%	2%

Market Share Trends by Lender Type



- Microfinance industry witnessed Q-o-Q growth of 2% from June 2021 to September 2021
- NBFC-MFIs witnessed highest Y-o-Y growth of 14% from September 2020 to September 2021 and Q-o-Q growth of 10% from June 2021 to September 2021
- Banks portfolio outstanding declined by 3% from June 2021 to September 2021

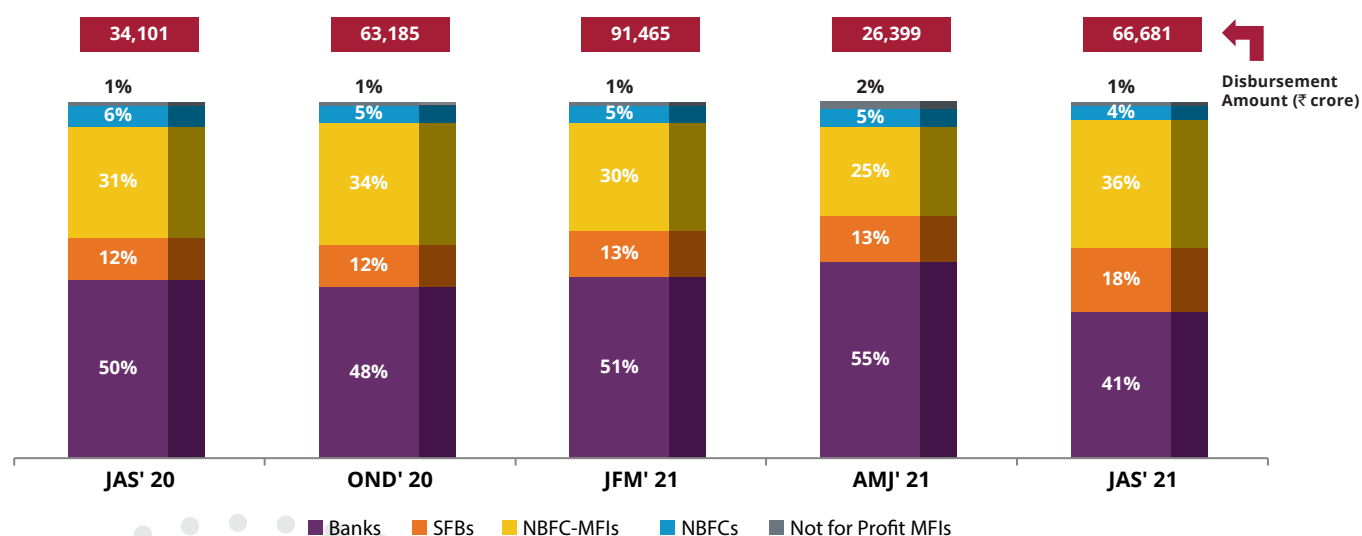


DISBURSEMENT TRENDS

Disbursement Trends – Institution wise

Lender Type	No. of Loans Disbursed (in lakh)				
	JAS' 20	OND' 20	JFM' 21	AMJ' 21	JAS'21
Banks	46	101	111	42	77
SFBs	12	20	31	9	35
NBFC-MFIs	32	65	78	19	69
NBFCs	6	8	13	3	7
Not for Profit MFIs	2	2	3	1	2
Total Industry	98	196	236	74	190

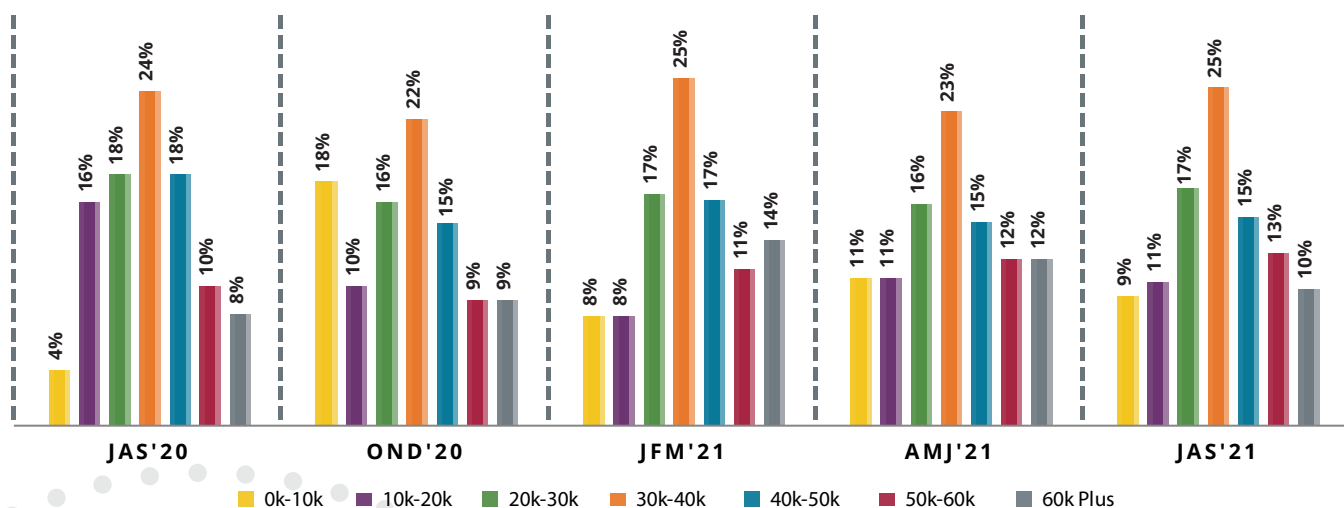
Market Share Trends by Lender Type



- Number of loan disbursed during JAS'21 grew by 94% and the amount disbursed grew by 96% as compared to JAS'20
- Highest number of loans are disbursed by Banks and NBFC-MFIs across all the quarters
- SFB's witnessed highest growth in terms of loan disbursal by volume and value from JAS' 20 to JAS' 21

Industry Ticket Size Trends

Ticket Size	No. of Loans Disbursed (in lakh)					Y-o-Y Growth Rate %
	JAS' 20	OND' 20	JFM' 21	AMJ' 21	JAS' 21	
0k-10k	4	35	19	8	18	350%
10k-20k	16	20	19	8	20	25%
20k-30k	18	32	40	12	33	83%
30k-40k	24	44	60	17	47	96%
40k-50k	18	29	39	11	29	61%
50k-60k	10	18	27	9	24	140%
60k Plus	8	18	32	9	19	138%
Total	98	196	236	74	190	94%
Q-o-Q loan disbursal growth rate %	-	100%	20%	-69%	157%	-
All India ATS (₹)	34,724	32,174	38,792	35,781	35,085	-
Q-o-Q ATS growth rate %	-	-7%	21%	-8%	-2%	-



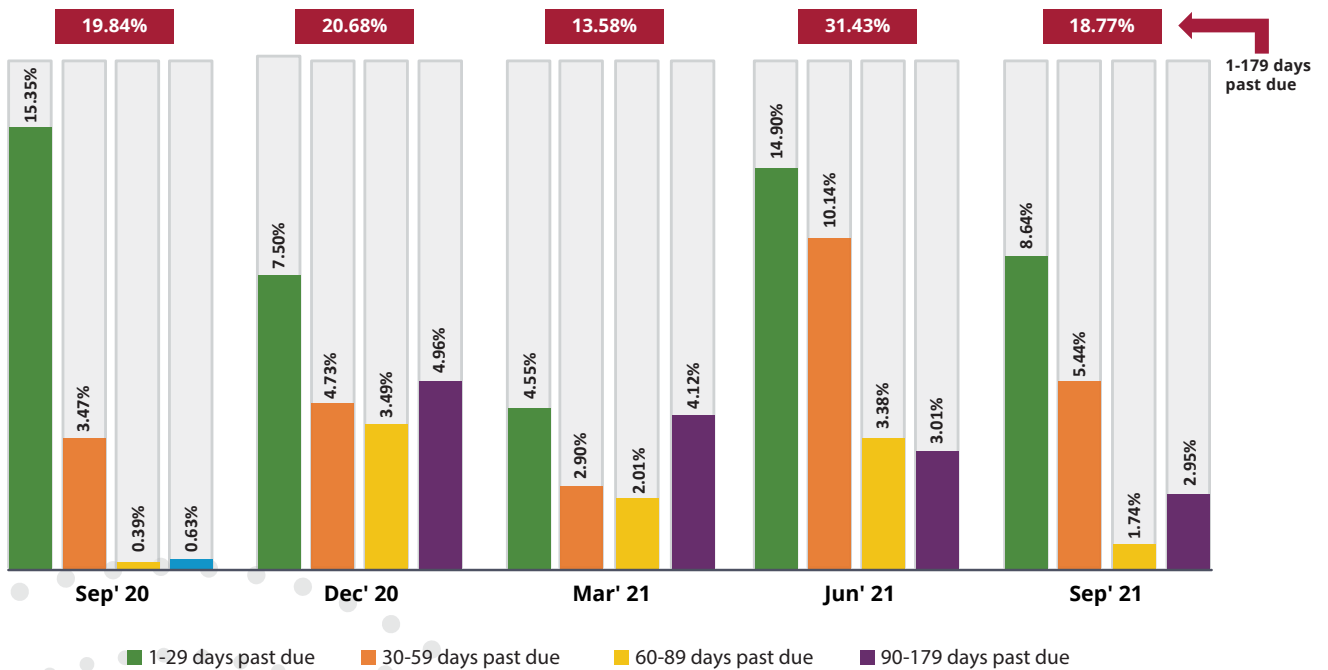
- ❑ Highest number of loans are issued under 30k-40k ticket size category across all the quarters
- ❑ 40% of loans are issued under 30k-50k ticket size category
- ❑ Average ticket size grew by 1% from JAS' 20 to JAS' 21



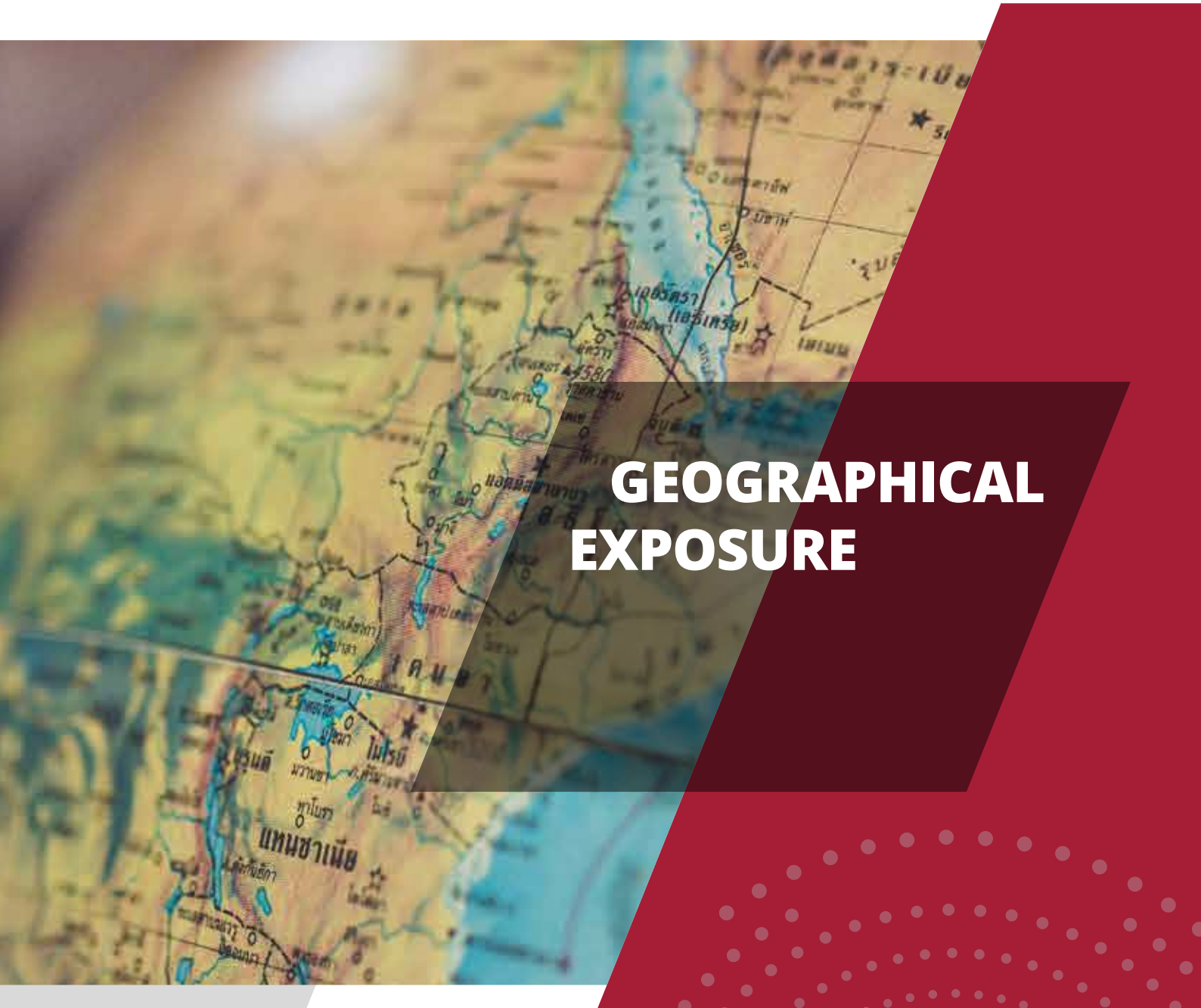
**INDUSTRY
RISK
PROFILE**

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' 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%
Sep' 21	8.64%	5.44%	1.74%	2.95%	18.77%



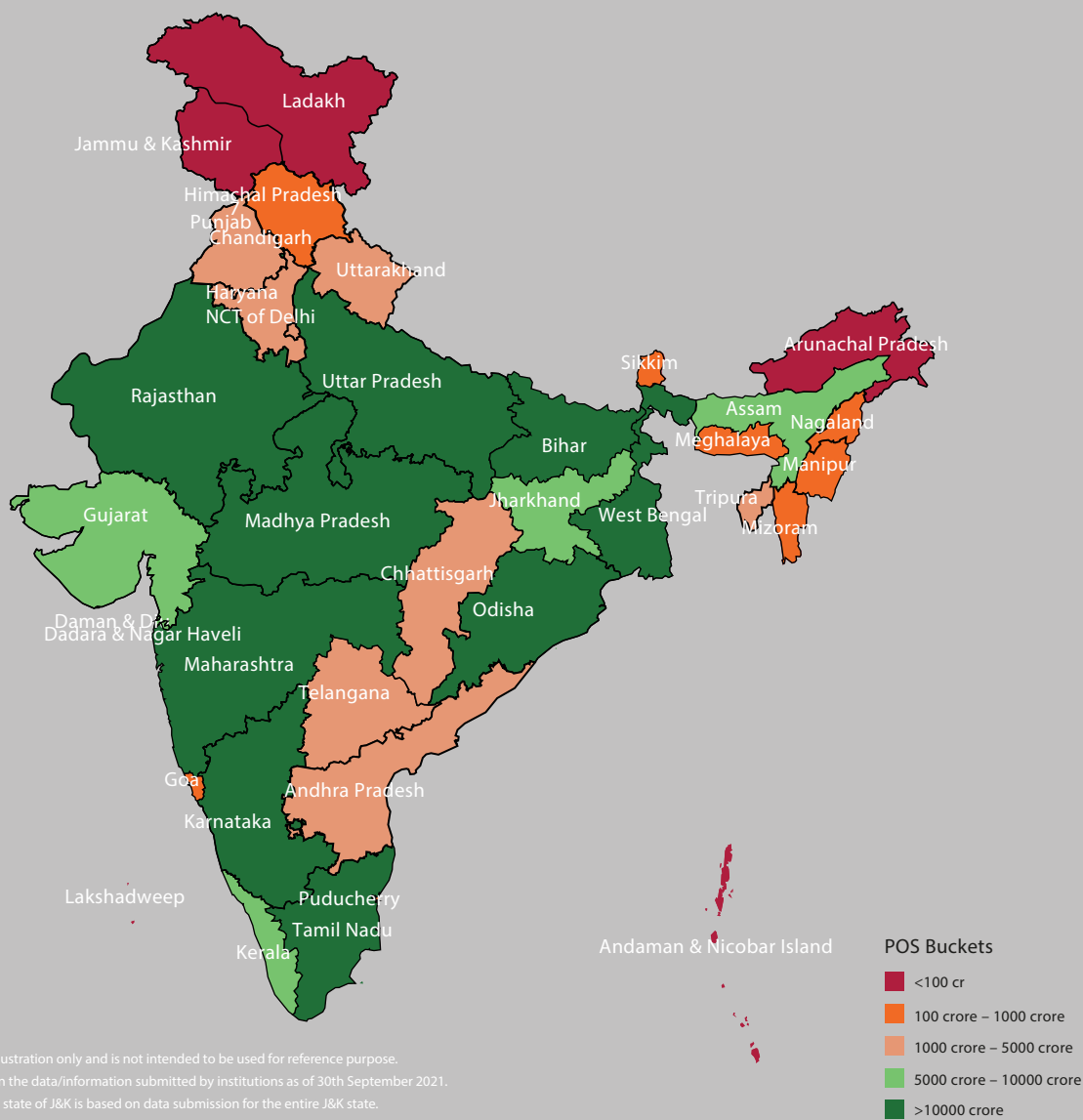
- ❑ All the delinquency buckets have declined in September 2021 from June 2021
- ❑ 60-89 days past due delinquency bucket has the lowest delinquency across all the quarters except June 2021



GEOGRAPHICAL EXPOSURE

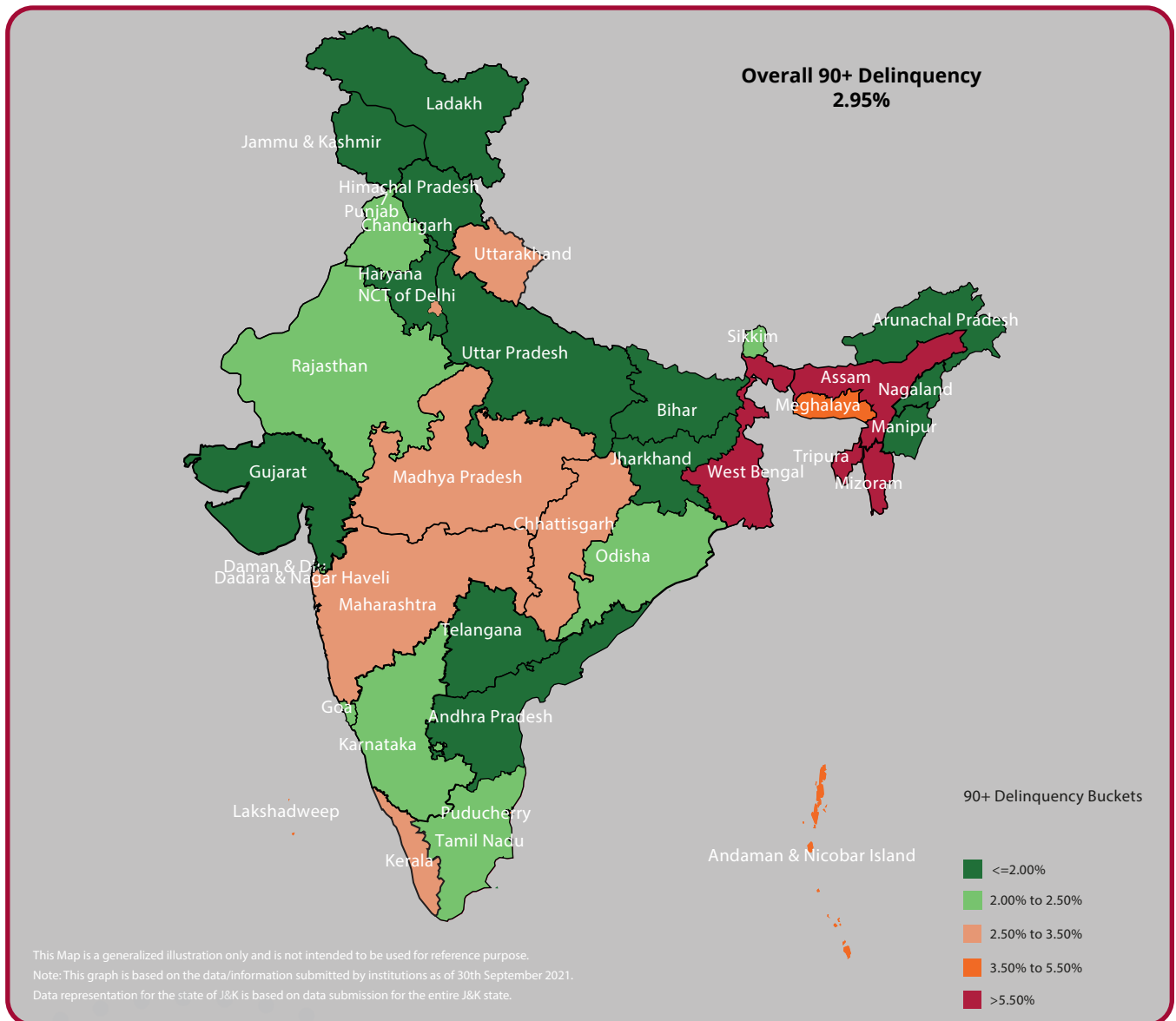


State/UT wise Portfolio Outstanding as on 30th September 2021

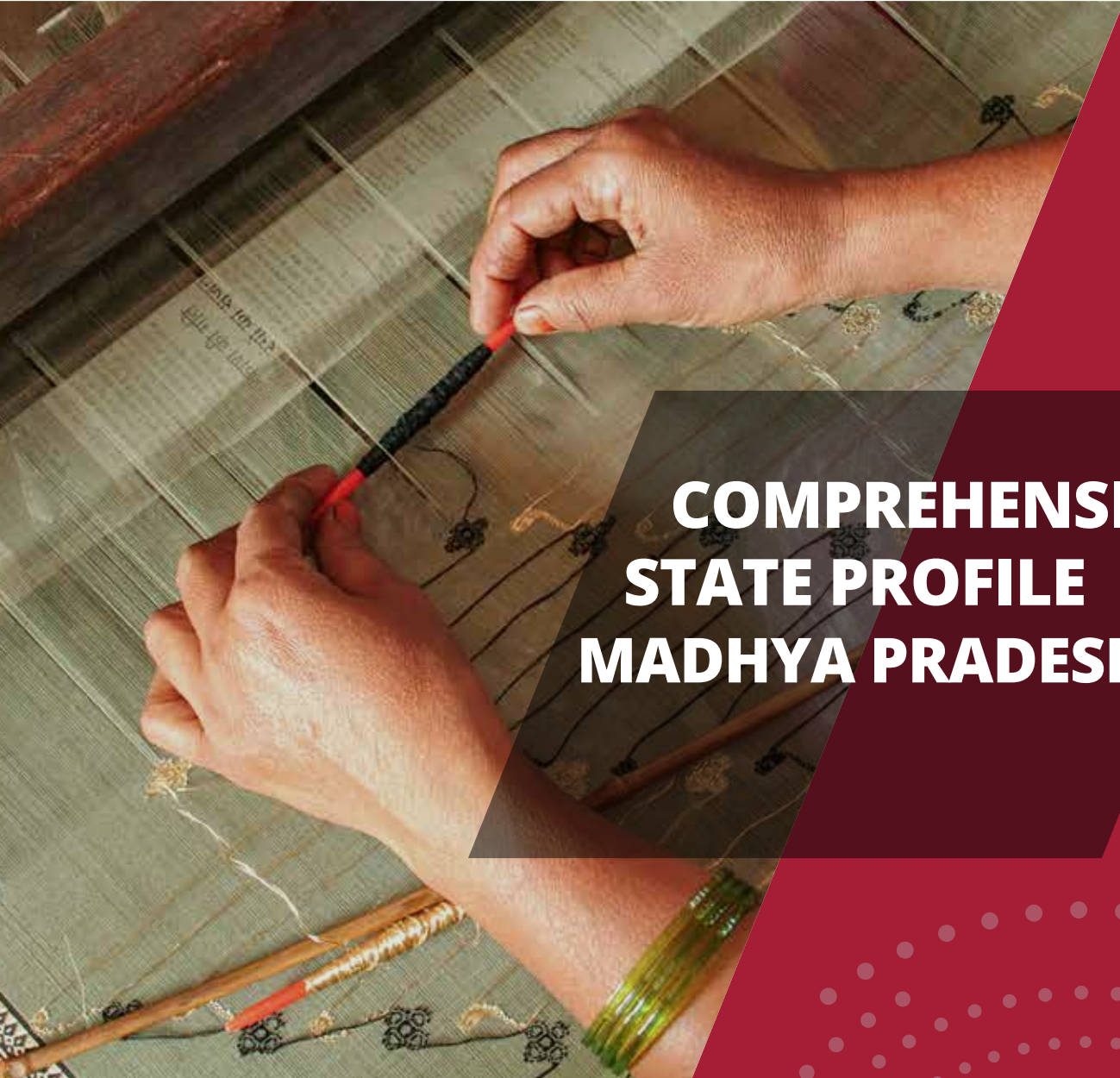


- ❑ Top 10 states contribute 82% towards portfolio outstanding
- ❑ Tamil Nadu is leading with portfolio outstanding ₹ 29,335 crore and contributes 13% towards the total portfolio outstanding
- ❑ As on 30th September 2021 Tamil Nadu, West Bengal, Bihar, Karnataka and Uttar Pradesh are top 5 states

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



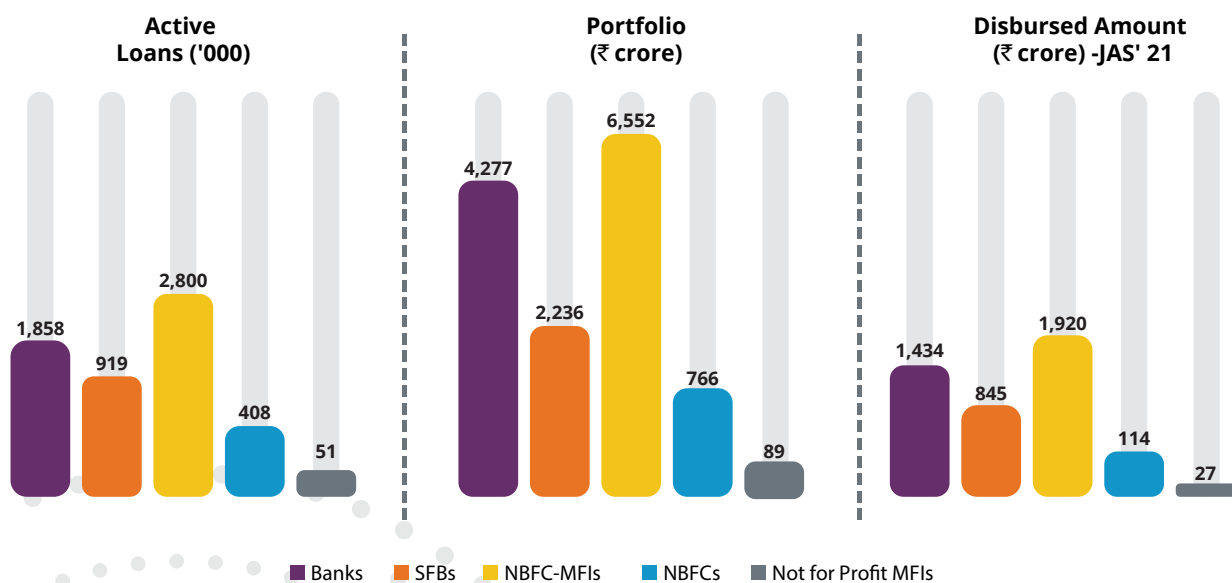
- ❑ 90+ delinquency of West Bengal is higher than the industry delinquency
- ❑ 90+ delinquency of Tamil Nadu, Bihar, Karnataka and Uttar Pradesh is lower than the industry delinquency



**COMPREHENSIVE
STATE PROFILE
MADHYA PRADESH**

Madhya Pradesh: State View

Madhya Pradesh view as on 30 th September 2021	Banks	SFBs	NBFC - MFIs	NBFCs	Not for Profit MFIs	Industry
Active Loans ('000)	1,858	919	2,800	408	51	6,036
Portfolio Outstanding (₹ crore)	4,277	2,236	6,552	766	89	13,920
Market Share in Portfolio Outstanding	31%	16%	47%	6%	1%	-
Disbursed Amount (₹ crore) – JAS'21	1,434	845	1,920	114	27	4,340
Average Ticket Size (₹) – JAS'21	36,006	33,629	34,638	41,499	24,795	34,938
30+ Delinquency (POS)	12.34%	9.27%	8.38%	11.70%	2.15%	9.88%
90+ Delinquency (POS)	3.92%	3.56%	2.53%	4.44%	0.78%	3.22%

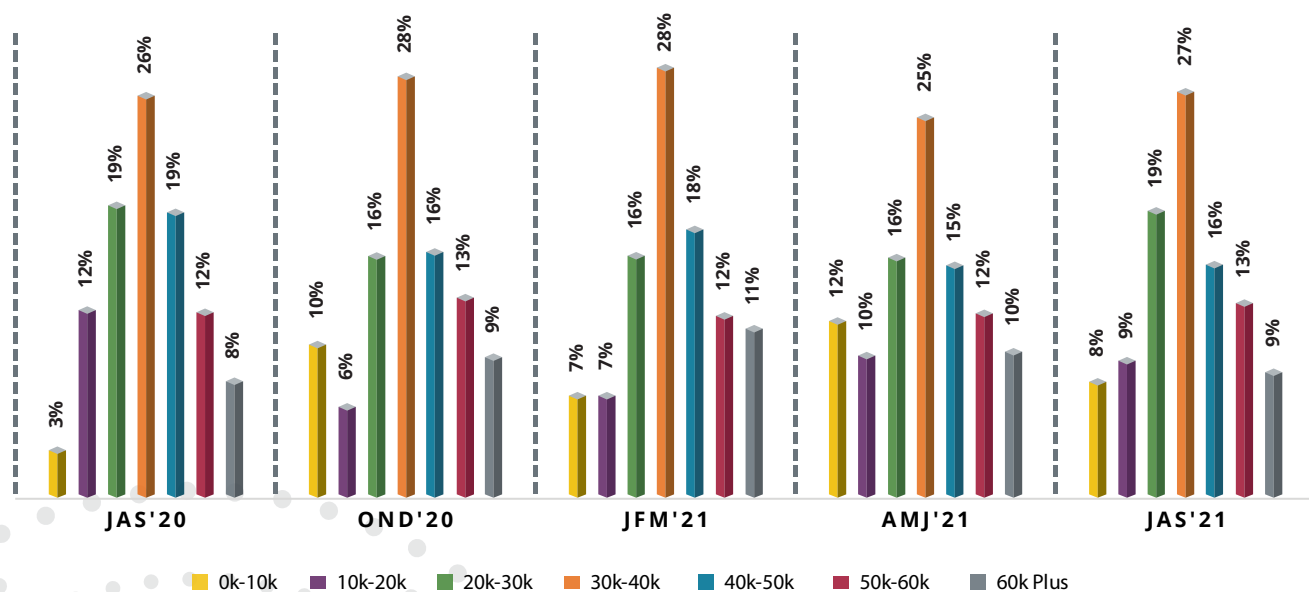


- Portfolio outstanding of Madhya Pradesh as on 30th September 2021 is ₹ 13,920 crore
- Highest contribution towards portfolio outstanding is from NBFC-MFIs followed by Banks
- Loans worth ₹ 4,340 crore were disbursed in Madhya Pradesh during JAS'21
- Average ticket size of NBFCs and Banks is higher compared to the state average ticket size
- 90+ delinquency of Madhya Pradesh is higher than the overall delinquency of Microfinance Industry
- 90+ delinquency of Not for Profit MFIs and NBFC-MFIs is the lowest amongst all the lenders in Madhya Pradesh

Madhya Pradesh - Industry Ticket Size Trends

No. of Loans Disbursed (in '000)

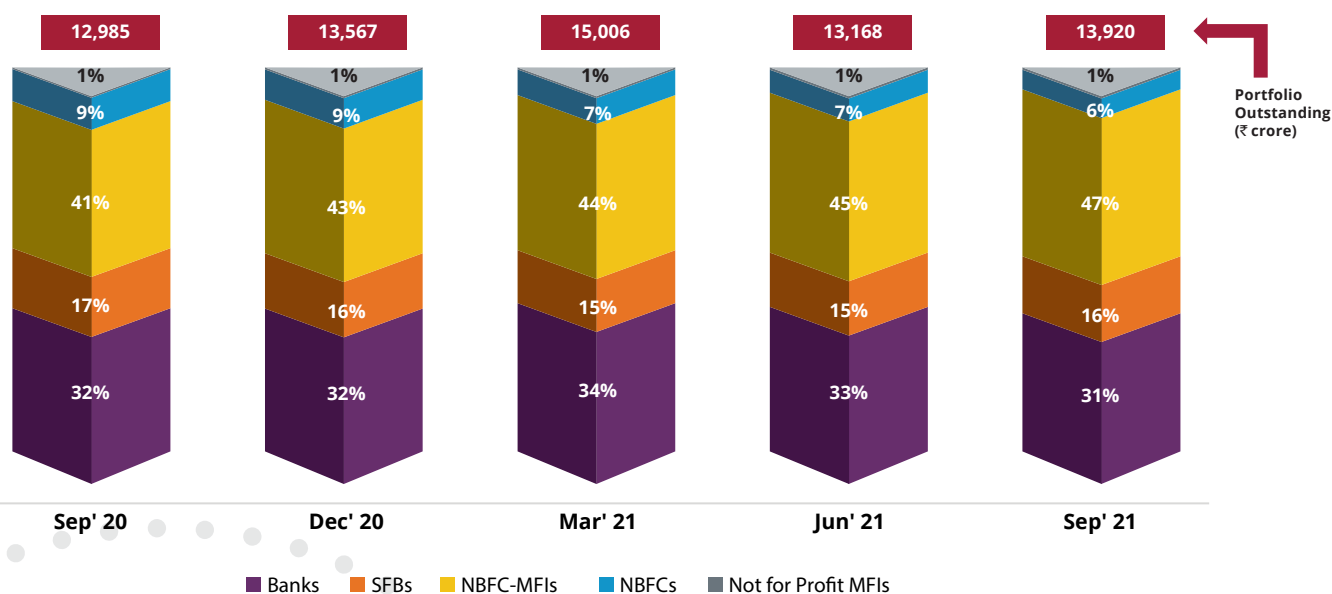
Ticket Size	JAS' 20	OND' 20	JFM' 21	AMJ' 21	JAS' 21	Y-o-Y Growth Rate %
0k-10k	22	124	106	39	99	350%
10k-20k	81	77	108	32	113	40%
20k-30k	125	192	245	52	234	87%
30k-40k	171	328	427	83	332	94%
40k-50k	122	196	270	51	193	58%
50k-60k	80	160	185	41	162	103%
60k Plus	51	113	171	33	107	110%
Total	652	1,190	1,512	331	1,240	90%
Q-o-Q loan disbursal growth rate %	-	83%	27%	-78%	275%	-
Madhya Pradesh ATS (₹)	35,123	35,410	37,498	34,747	34,938	-
Q-o-Q ATS growth rate %	-	1%	6%	-7%	1%	-



- ❑ Madhya Pradesh witnessed 90% of Y-o-Y growth in terms of number of loans disbursed from JAS'20 to JAS'21
- ❑ More than 60% of loans are disbursed in 20k-50k ticket size category
- ❑ ATS of Madhya Pradesh grew by 1% from AMJ'21 to JAS'21

Madhya Pradesh: Portfolio Trends

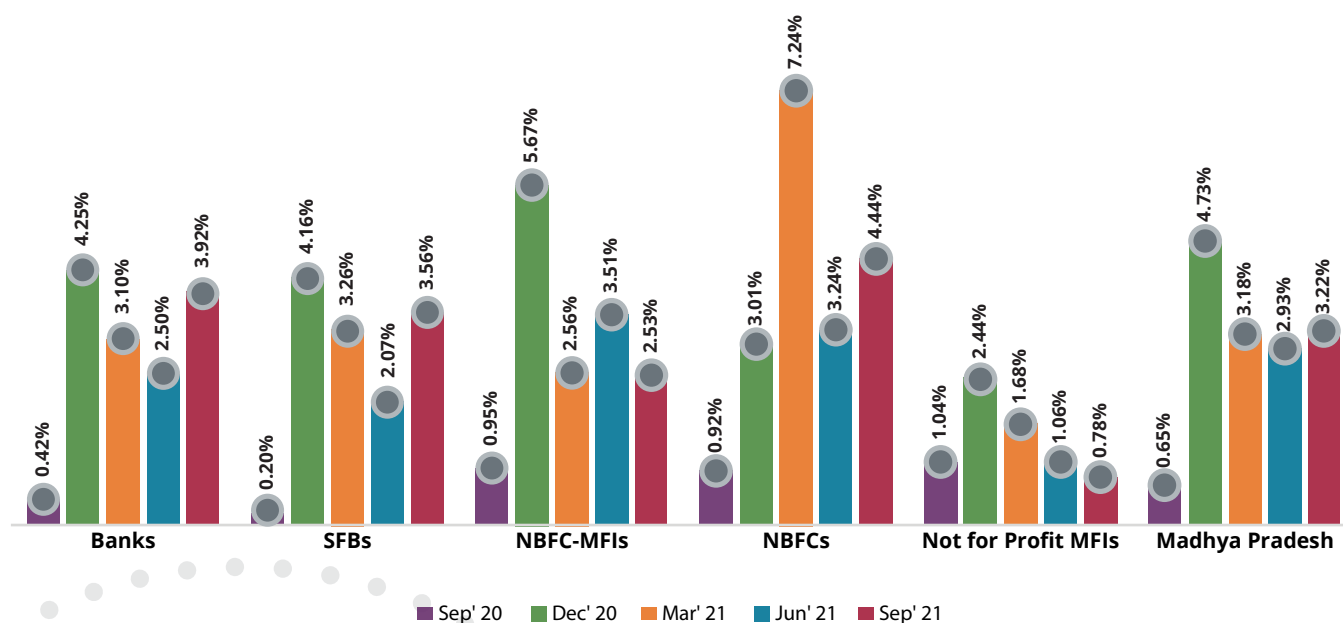
Particulars	Sep' 20	Dec' 20	Mar' 21	Jun' 21	Sep' 21
Banks	4,181	4,358	5,052	4,291	4,277
SFBs	2,193	2,115	2,226	2,012	2,236
NBFC-MFIs	5,381	5,853	6,552	5,920	6,552
NBFCs	1,164	1,167	1,093	861	766
Not for Profit MFIs	66	74	83	84	89
Madhya Pradesh	12,985	13,567	15,006	13,168	13,920
Q-o-Q Growth Rate %	-	4%	11%	-12%	6%



- Madhya Pradesh witnessed Y-o-Y growth of 7% in terms of portfolio outstanding from September 2020 to September 2021
- In all the quarters more than 70% of the contribution towards portfolio outstanding is by NBFC-MFIs and Banks

Madhya Pradesh: 90+ Delinquency Trends

Lender Type	Sep' 20	Dec' 20	Mar' 21	Jun' 21	Sep' 21
Banks	0.42%	4.25%	3.10%	2.50%	3.92%
SFBs	0.20%	4.16%	3.26%	2.07%	3.56%
NBFC-MFIs	0.95%	5.67%	2.56%	3.51%	2.53%
NBFCs	0.92%	3.01%	7.24%	3.24%	4.44%
Not for Profit MFIs	1.04%	2.44%	1.68%	1.06%	0.78%
Madhya Pradesh	0.65%	4.73%	3.18%	2.93%	3.22%

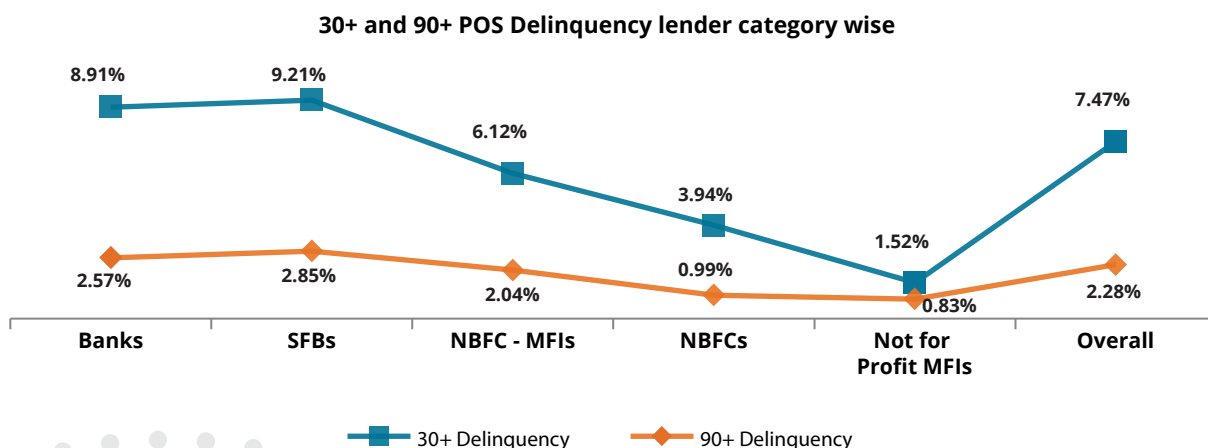
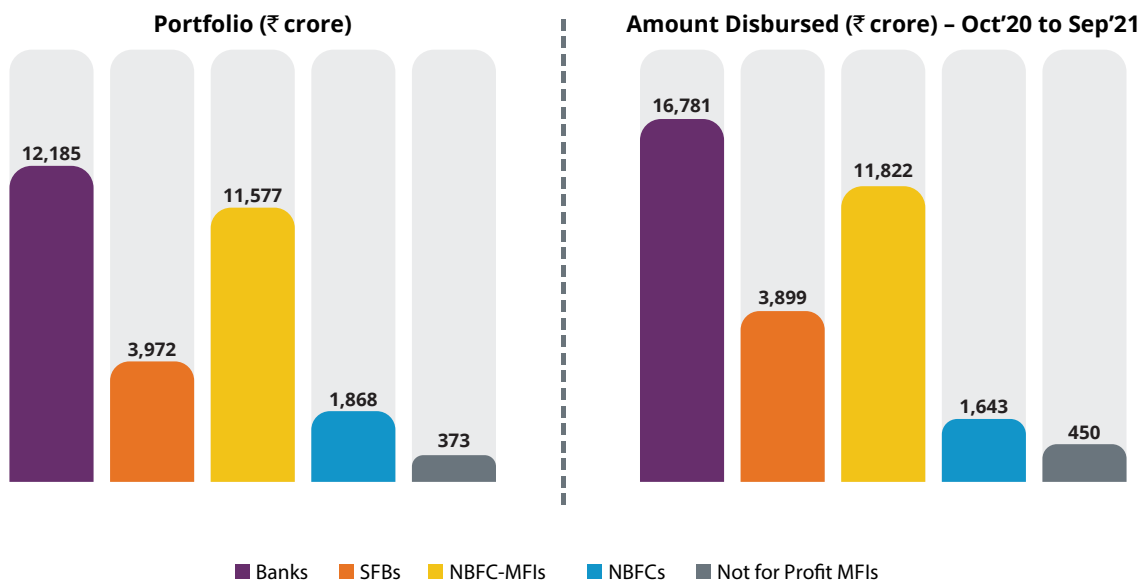


- 90+ delinquency of Madhya Pradesh has increased to 3.22% in September 2021 from 2.93% in June 2021
- Not for Profit MFIs have witnessed a decreasing trend in 90+ delinquency from March 2021 till September 2021



ASPIRATIONAL DISTRICTS

Aspirational Districts September 2021 Overview



Aspirational Districts Growth Particulars	December 2017	September 2021	Growth %
Active Customer Penetration ('000)	4,155	8,440	103%
Disbursement Amount (₹ crore)	14,374 *	34,595**	141%
Active Loans ('000)	6,925	13,203	91%
Portfolio Outstanding (₹ crore)	11,175	29,975	168%
30+ Delinquency	1.54%	7.47%	-
90+ Delinquency	0.75%	2.28%	-

- Portfolio outstanding as on 30th September for Aspirational Districts is ₹ 29,975 crore and it grew by 168% from December 2017 to September 2021
- Loans worth ₹ 34,595 crore were disbursed in Aspirational Districts from October 2020 to September 2021
- 30+ and 90+ delinquency of Banks & SFBS is higher than the overall 30+ and 90+ delinquency of Aspirational Districts

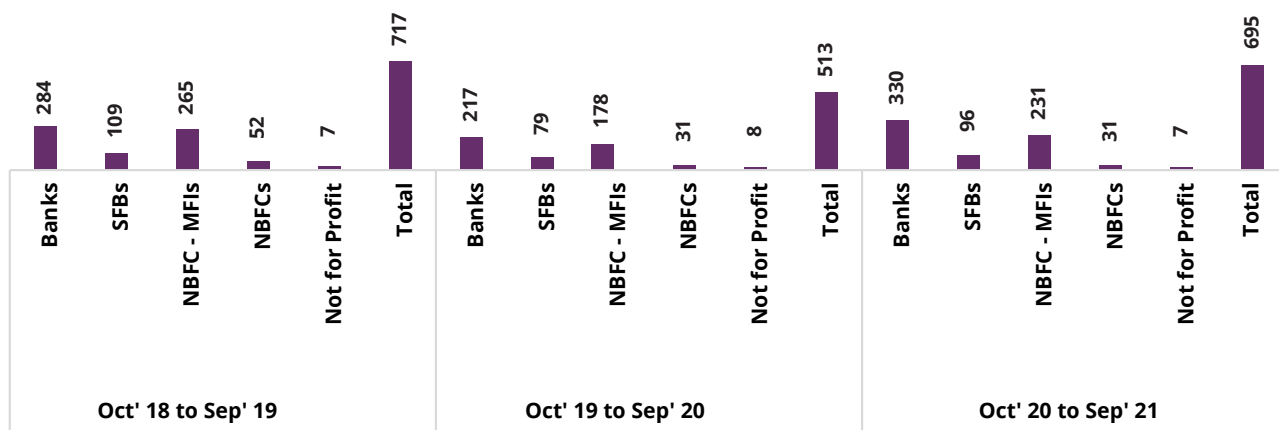
2021

**Y-O-Y GROWTH OF
MICROFINANCE
INDUSTRY**

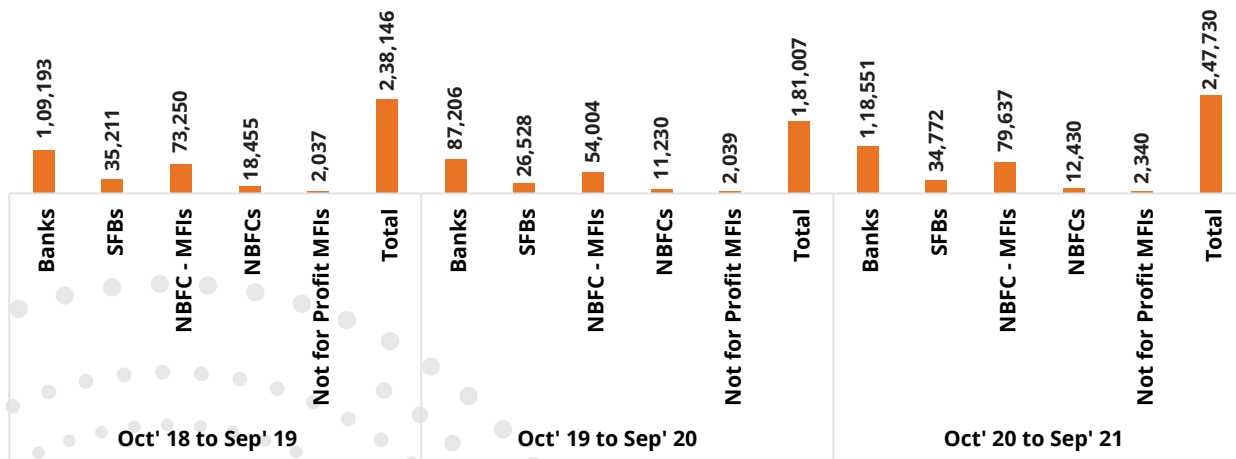
Year on Year Disbursement Growth

The COVID pandemic and mobility restrictions have adversely affected the Microfinance Industry. To analyse the impact of COVID-19 on the microfinance industry last 3 years lender wise and state wise trends were analysed in terms of sourcing, portfolio outstanding and delinquency.

No of Loans Disbursed (in lakh)



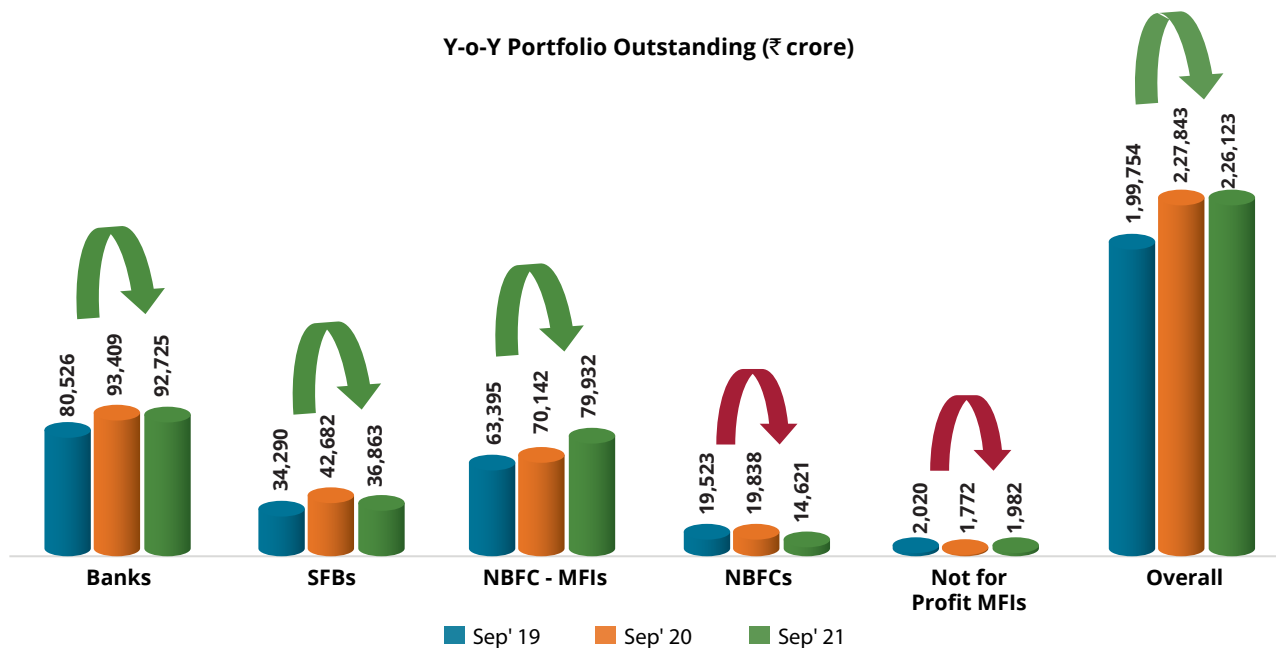
Disbursed Amount (₹ crore)



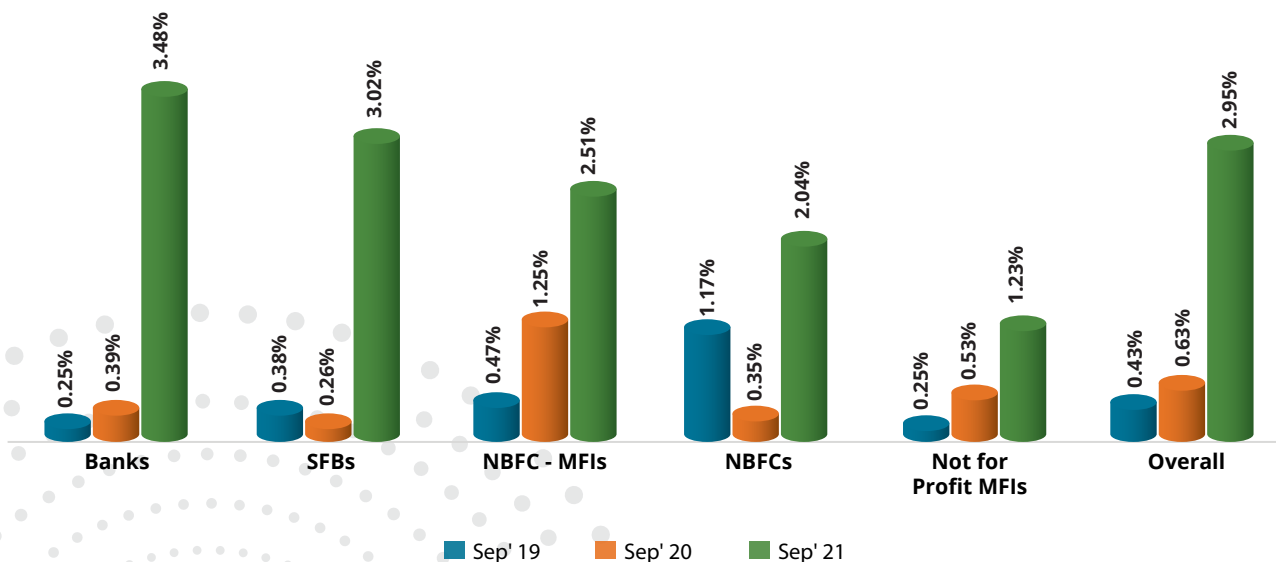
- Microfinance industry witnessed the slowdown due to the nationwide lockdown from March 2020. Loan sourcing contracted in October 2019 to September 2020 by 28% and 24% in terms of volume and value respectively from October 2018 to September 2019. However, microfinance industry is back to expansion mode and it grew by 35% and 37% by volume and value respectively in October 2020 to September 2021
- Amongst all the lenders NBFCs were hit badly during pandemic and their loan disbursal came down to 40% by volume and 39% in terms of disbursement value in October 2019 to September 2020 from October 2018 to September 2019

Year on Year Portfolio Outstanding Growth and 90+ Delinquency Movement

Y-o-Y Portfolio Outstanding (₹ crore)



Y-o-Y 90+ Delinquency

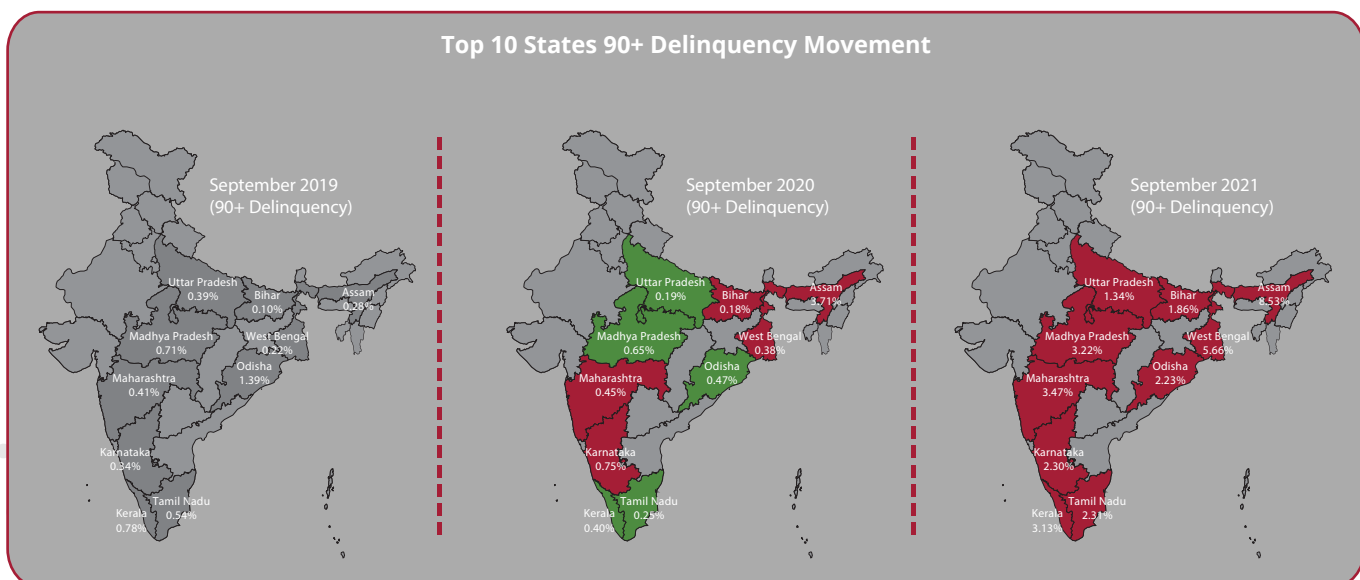


- ❑ Except NBFCs and Not for Profit MFIs, all lender categories have witnessed positive growth from September 2019 to September 2021
- ❑ Only NBFC-MFIs witnessed positive Y-o-Y growth in September 2020 and September 2021
- ❑ Banks had the lowest 90+ delinquency in September 2019 whereas in September 2021 it is highest amongst all the lenders
- ❑ 90+ delinquency of all the lenders has increase in September 2021 compared to September 2019 and September 2020

Year on Year Top 10 States Portfolio Outstanding Growth

Top 10 States	Sep' 19 (POS ₹ crore)	Position 2019	Sep' 20 (POS ₹ crore)	Position 2020	Sep' 21 (POS ₹ crore)	Position 2021
Tamil Nadu	29,383	1	33,708	1	29,335	1
West Bengal	28,661	2	33,560	2	27,932	2
Bihar	20,938	3	24,838	3	26,791	3
Karnataka	17,244	4	17,982	4	19,566	4
Maharashtra	13,742	5	16,717	5	16,276	6 ↓
Assam	12,508	6	11,805	9 ↓	7,007	10 ↓
Uttar Pradesh	12,334	7	14,397	6 ↑	17,898	5 ↑
Odisha	11,213	8	12,557	8	13,882	8
Madhya Pradesh	11,213	9	12,985	7 ↑	13,920	7 ↑
Kerala	8,042	10	9,271	10	9,302	9 ↑

Top 10 States 90+ Delinquency Movement



- ❑ Tamil Nadu, West Bengal, Bihar, Karnataka and Odisha have managed to be on the same position
- ❑ Assam moved to 9th position in September 2020 and 10th position in September 2021 from 6th position in September 2019
- ❑ Madhya Pradesh moved up to 7th position in September 2020 from September 2019 and is still on the same position in the year September 2021
- ❑ 90+ delinquency of all the top states has increased from September 2019 to September 2021

Note: Top 10 States identified basis September 2019 POS
 90+ delinquency for September 2020 and September 2021 is compared with September 2019.
 If 90+ delinquency is higher than the September 2019 then the state is colored in Red otherwise Green.

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 imbuing 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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