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Press Release

Micro Finance Industry Network (MFIN) releases 51st edition of Micrometer for Q2 FY 24-25.

Micro Finance Industry Network (MFIN) is an industry association of Banks, NBFC-MFIs, SFBs and NBFCs providing microfinance and an RBI-recognized self-regulatory organization.

Micrometer is the flagship publication of MFIN which covers progress of Indian Microfinance industry on a quarterly frequency, this is the **51st Issue**.

Speaking on the release of 51st Issue of Micrometer for Q2 FY 24-25, Dr Alok Misra - CEO & Director, MFIN said, “considering the ongoing challenges, the industry decided to moderate the disbursement growth, focus on strengthening underwriting as per MFIN guardrails and repayment collections. Consequently, the growth in the portfolio slowed down to 8.5% on a YoY basis. The credit quality is expected to stabilise in next few months post stronger underwriting, bumper kharif crop and ongoing strong trends in Rabi sowing”

Report insights

As on 30th Sep’24, microfinance operations are spread across 36 states/UTs and 722 districts providing financial services to around 8.1 crore unique clients. The data for Q2 FY 24-25 shows that on a YoY basis the portfolio growth has moderated to 8.5% amounting to Rs 4,08,049 Cr. Among the regulated entities active in microfinance space, portfolio of all entity types grew except SFBs which has degrown by 5.6%.

On a YoY basis, the loan amount disbursed has reduced by 10.1% and number of new loan disbursed, has degrown by 19.6%. In terms of geographical coverage, East and North-East and South comprise 63% of the total microfinance portfolio. Portfolio quality as measured by PAR 31-180 was 4.4% as compared to 2.0% at the end of Q2 FY 23-24.