

24 February 2025

### **Press Release**

Micro Finance Industry Network (MFIN) releases 52<sup>nd</sup> edition of Micrometer for Q3 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 52<sup>nd</sup> Issue.

Speaking on the release of 52<sup>nd</sup> Issue of Micrometer for Q3 FY 24-25, Dr Alok Misra - CEO & Director, MFIN said, “industry is going through a period of curtailed funding and stricter credit underwriting based on MFIN guardrails which has led to lower disbursements leading to a fall in GLP (gross loan portfolio). The GLP of the sector as on 31 December 2024 was Rs 3,85,348 Cr. The credit quality continued to be under close watch with slippages expected to have peaked by 31 December. MFIN expects that the situation on both liquidity and credit quality will improve in Q4.”

### **Report insights**

As on 31<sup>st</sup> Dec’24, microfinance operations are spread across 36 states/UTs and 722 districts providing financial services to around 7.88 crore unique clients. The data for Q3 FY 24-25 shows that on a YoY basis the portfolio has degrown by 3.53% amounting to Rs 3,85,348 Cr. Among the regulated entities active in microfinance space, portfolio of all entity types degrow except NBFCs which has grown by 22.2%.

On a YoY basis, the loan amount disbursed has reduced by 20.02% and the number of new loan disbursed, has degrown by 29.02%. 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 6.4% as compared to 2.0% at the end of Q3 FY 23-24.