

Microfinance loan portfolio stands at INR 4,33,697 Crores as on Mar 31, 2024, serving 7.8 crore unique borrowers with 14.9 crore loan accounts: MFIN Micrometer Q4 FY 23-24

Microfinance loan disbursements during FY 23-24 progressed to INR 3,35,473 crores as compared to INR 2,96,423 crores in the last financial year. 7.26 Cr loans were disbursed during FY 23-24 as against 7.17 Cr in FY 22-23.

Performance Overview:

Microfinance Universe (based on loans originated after February 2017)

- As on Mar 31, 2024, the microfinance industry served **7.8 crore** unique borrowers, through **14.9 crore** loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of **INR 4,33,697 crores**.
- GLP as on Mar 31, 2024, showed an increase of **24.5 per cent** YoY over **INR 3,48,339 crores** as on Mar 31, 2023.
- **87 NBFC-MFIs** are the largest provider of micro-credit with a loan amount outstanding of **Rs 1,70,903 Cr**, accounting for **39.4%** of total industry portfolio. **14 Banks** hold the second largest share of portfolio in micro-credit with total loan outstanding of **Rs 1,44,022 Cr**, which is **33.2%** of total micro-credit universe. **SFBs** have a total loan amount outstanding of **Rs 74,278 Cr** with total share of **17.1%**. NBFCs account for another **9.3%** and Other MFIs account for **0.9%** of the universe.
- The microfinance active loan accounts increased by **15.4%** during the past 12 months from **13.0 crores** as on Mar 31, 2023.
- In terms of regional distribution of GLP, East & Northeast and South account for **62%** per cent of the total portfolio. Bihar remains the largest state in terms of portfolio outstanding followed by Tamil Nadu and Uttar Pradesh.

MFIN NBFC-MFIs Members

- AUM of NBFC-MFIs stood at **INR 1,56,884 crores** as on Mar 31, 2024, a **29.5 percent** YoY rise as compared to **INR 1,21,102 crores** as on Mar 31, 2023.
- The AUM includes owned portfolio **INR 1,26,243 Cr** and managed portfolio (off BS) of **INR 30,641 Cr**.
- As on **Mar 31, 2024**, NBFC-MFIs, on an aggregated basis, have a network of **20,348** branches with **1,83,842** employees.
- Loan amount of **INR 1,38,297 crores** was disbursed in **FY 23-24** through **3.1 Cr** accounts, as compared to **INR 1,11,161 crores** disbursed in **FY 22-23** through **2.7 Cr** accounts.
- Average loan amount disbursed per account during FY 23-24 was **Rs 45,024** which is **9.9%** higher in comparison to the last financial year.
- During FY 23-24, NBFC-MFIs received a total of **Rs 89,308 Cr** in debt funding, which is **29.1%** higher than FY 22-23.
- Total equity of the NBFC-MFIs grew by **39.0 per cent** YoY to **INR 34,435 crores** as of Mar 2024.

New Delhi, June 07, 2024: Microfinance Industry Network (MFIN), the microfinance industry association and an RBI recognized self-regulatory organization, today released the 49th issue of its Micrometer report for quarter ending March 31, 2024 i.e., Q4 FY 23-24.

Speaking on the 49th Issue of Micrometer for Q4 FY 23-24, Dr Alok Misra - CEO & Director, MFIN said,

Consistent growth of microfinance sector continued for this year as well. The portfolio of sector grew by 25.4% on YoY basis. Banks which reported sluggish growth of 4.5% in portfolio last year have reported a much healthier growth of 20.9% this year. NBFC-MFIs on the other hand reported a relatively lower growth of 23.6% in portfolio this year as compared to 37.7% last year.

Regional distribution of portfolio has changed substantially in the last year. South has almost caught up with East and North-East. As on 31 March 2023, East and North-East contributed 35% of portfolio and South contributed 28% whereas as on 31 March 2024, East and North-East contributes 32% of portfolio closely followed by South at 31%.

Another important development noticed in the last financial year is the considerable increase of 39% in equity of MFIN member NBFC-MFIs. This additional equity has brought Debt to Equity ratio for this set of NBFC-MFIs down from 3.6 as on March 31, 2023 to 3.2 as on March 31, 2024. This will allow the entities to leverage and expand their operations in the coming years.