

## **Arohan SFB: Transforming lives in Bhubaneswar through entrepreneurship**

**Bhubaneswar, November XX, 2019:** Prabhasini Sahu is a resident of Ganjam district, a small village in Odisha. Her story portrays a life transforming experience of becoming a dignified individual in her family as well as in the village. Prabhasini’s family of 4, comprising of her husband and two children was struggling through a rough financial condition. The income contribution from her husband was also falling short to even suffice the most basic requirements of her family.

Prabhasini always had the zeal to start some business of her own in order to become financially independent but due to the lack of any savings, she could not initiate anything. Despite all odds, she did not lose hope and was determined to support her family in their time of need.

To supplement her family's income, Prabhasini took her first loan of Rs.20,000 from Arohan Financial Services where she was already a customer. After receiving her first loan amount, Prabhasini’s life took a transformational turn. She utilized her loan in establishing a small grocery shop at her house. With her consistent efforts, her business started gaining popularity and her monetary condition improved gradually with which she was not only able to fund her children’s education but also supported her husband in the household expenditures.

Her good credit profile made her eligible for a higher loan amount of Rs. 40,000. From her second loan cycle, Prabhasini was able to add more products to her shop which further increased her sales and her family’s income considerably.

Prabhasini is very grateful to Arohan Financial services for their support. Having benefitted from the timely intervention by Arohan Financial services, Prabhasini actively advocates and educates her neighbours about the value of being self-employed and being an equal bread-earner to the family.

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**About Arohan:** Established in 2006 in Kolkata, Arohan Financial Services Limited, part of the Aavishkaar-Intellicap Group is eastern India's largest NBFC MFI. As on March 31, 2019, the organisation is operational in thirteen states of which ten are low-income states across the central, east and north-east, offering financial inclusion products to nearly 1.9 million under-served clients, through 593 branches with a loan portfolio of over to INR 4045 Cr in microfinance and MSME lending. It has a bank loan rating of A- and MFI grading of MF1 from CARE Ratings. Arohan is one of the few NBFC-MFIs in India to offer loans ranging from INR 10000 to as high as INR 100 lakh.

The Indian microfinance sector has come a long way. Early estimates show that the industry / sector would have closed Mar'19 with a credit portfolio outstanding of nearly Rs 2,00,000 crore serving over 50

million end clients (of which 99% plus are women and for most of whom this would be the first credit facility in their life) across 30 states through an employee strength of over 1 Lakh. For an industry almost written off in mid-2011 after the Andhra Pradesh (AP) crisis, this is no mean feat indeed.

NBFC-MFIs are the only regulated financial institutions in the country which give unsecured loans to the borrowers from low income households. These institutions fill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort. The aim of NBFC-MFIs is to build sustainable livelihoods. Through providing last mile financial services even to clients in remote rural areas, these institutions promote the Government's financial inclusion agenda.

NBFC-MFIs are an important partner for Prime Minister MUDRA Yojana and almost 50% of the loan disbursements under this programme have been done through microfinance companies. NBFC MFIs are registered with the Reserve Bank of India and are stringently regulated right from the size of loan, the tenure, the rate of interest and a Fair Practices Code (FPC) and an Industry Code of Conduct (CoC) which governs their functioning. The Reserve Bank conducts regular supervision of all NBFC MFIs.

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