



Arohan helps the underprivileged women in rural India in being financially independent

Odisha, 6th January 2023: Microfinance institutions not only help their customers financially but also educate them in starting/expanding their business which in turn help them in actively participating in the elevation of the nation's economy. Over the years, these institutions have built credit culture amongst the marginalized groups in the remotest parts of India. Gradually, they are building a huge data of credit credibility for people who did not have access to formal banking services previously.

One such inspiring story is of Tambala Palei, a resident of Saktinagar Pada, a small village in the Kalahandi district of Odisha. She is a third cycle customer of Arohan Financial Services and lives with her husband and two sons. Earlier, her family was dependent on the meagre income of her small bakery farm which made it difficult for them to make ends meet. It was then that Tambala decided to scale her business and was introduced to Arohan. Although, she was unsure of how microfinance can help her grow, after speaking to the officials of Arohan her doubts were cleared. She successfully availed her first microfinance loan of INR 30,000 from Arohan in a short span of 2-3 days.

Her business was impacted severely during the COVID-19 pandemic, resulting in financial losses, and making it difficult for her to cater to her clients' demands. Despite the difficulties, she continued to repay her loan from the first cycle and maintained a good credit record. This credit behavior earned her the second and third loan from Arohan which further helped her successfully overcome the impact of the pandemic on her business.

Now, her family members are confident that Tambala can financially help them run their family, to the extent that her husband, as well as her two sons, have joined the business to support her. **Expressing her gratitude towards Arohan Tambala, she said,** *"Arohan has helped me become financially strong, and I am very thankful to the entire team for it. Now, we have not only improved but also expanded our business."*

The microfinance industry aims to provide easy access to formal credit to customers that need it the most and would not typically be eligible for bank credit, thus providing inclusion for a large rural and urban population of the country. Through the years, it has emerged as one of the most important tools in promoting financial inclusivity by making credit available at the last mile.

Background Note:

Arohan Financial Services Limited is a leading NBFC-MFI with operations in financially under-penetrated Low-Income States of India. Arohan provides income generating loans and other financial inclusion related products to customers who have limited or no access to financial services.

Microfinance Industry: As on September 30, 2022, the microfinance industry served 6.2 crore unique borrowers, through 12.0 crore loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of INR 3,00,974 Cr. GLP as on September 30, 2022, showed an increase of 23.5 per cent YoY over INR 2,43,737 Cr as on September 30, 2021. The sector comprises RBI-regulated microcredit providers including NBFC-MFIs, Banks, Small Finance Banks, Business Correspondents, and others.



MFIN (Microfinance Institutions Network): MFIN is a premier industry association comprising 56 NBFC-MFIs and 44 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. By virtue of bringing all microfinance entities under one common umbrella, MFIN acts as a bridge between them and the regulators to build a dialogue for greater transparency, better policy frameworks and stronger client protection standards for responsible lending, thus enabling the microfinance industry to partake in meeting the larger financial inclusion goals.