



Arohan Financial Services: A pillar of support for women entrepreneur in Assam

Assam, 11th April 2022; Microfinance has been playing a very important role in making underserved population financially independent and self-sufficient. The remarkable support system of microfinance institutions and the self-regulatory organisation for the industry have helped the women entrepreneurs sail through the pandemic and overcome its impact on their business and other challenges.

The COVID 19 pandemic severely impacted the business activities of especially the low-income group segment, resulting in significant reduction in regular income and in some leading to business loss. The story of Malaya Shil is no different. Owner of a dairy business, Malaya has been a borrower of Arohan’s Bongaigaon Branch of Assam for the last six years. She had started a dairy business to meet the financial need of her family by taking a microfinance loan from Arohan. Her business was running well till the pandemic hit the globe. She had to face the harsh reality and could not manage to pay the EMIs for the third cycle loan of INR 45,000 she had taken to scale up her business. Her credit score started declining.

This is when, the Assam State Government in partnership with 39 MFI lenders, announced the Assam Micro Finance Incentive & Relief Scheme 2021(AMFIRS'21) for microfinance customers like Malaya. Under this initiative, the Assam Government rewarded customers who were regular with repayment of their microfinance loans and enabled others who are in difficult circumstances to become regular and be a part of the mainstream.

Malaya was eligible for one-time incentive of INR 25,000 under AMFIRS (Assam Micro Finance Incentive and Relief Scheme), which helped her repay EMIs. Thereafter she resurrected her business with that critical financial relief. Today, Malaya is an inspiration for many in her locality, as she has not only made the right use of the one-time opportunity to repay her EMIs and maintain a healthy Credit Bureau record but also has restored normalcy in her livelihood activities, thus supporting her family. She now plans to expand her business and provide for a better living for her family.

A thankful Malaya expressed her gratitude by saying, ‘I am grateful to Arohan. I have built my business with the help of the collateral free loans from this company, and I expanded it with the second cycle loan and got immense support from the loan officers at every stage. Arohan stood beside me even when my business was challenged by the pandemic and helped me rebuilt my business. I would never forget this support from Arohan in my life.’



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 30, 2020, the organisation is operational in seventeen states of which ten are low-income states across the central, east and north-east, offering financial inclusion products to nearly 22.1 lakh under-served clients, through 721 branches with a loan portfolio of over to INR 4854 Cr in microfinance and MSME lending. It has a bank loan rating of A- and MFI grading of MF1 from CARE Ratings. Driven by its mission to empower the underserved through a range of financial services, in a manner sustainable for all stakeholders, Arohan plans to extend its operations and aims to become one of India's 10 best places to work in.

As per industry data, Microfinance loan portfolio stands at INR 2,56,058 Crores as on December 31, 2021, serving 5.57 crore unique borrowers with 10.58 crore loan accounts.

NBFC-MFIs are the only regulated financial institutions in the country that 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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