

Arohan Financial Services Ltd: A Partner of Women Entrepreneurs in Challenging Times

Bihar: The Covid-19 pandemic has impacted the lives of many in various ways, and in these challenging times, unwavering support from anywhere can make a lot of difference. The story of Nuresha Khatun, a small cloth merchandiser living in Bihar is no different. During the pandemic, she received constant support from Arohan Financial Services, which helped her sail through the turbulent period.

Nuresha started her entrepreneurial journey in 2018 when she availed her first loan amount from Arohan to start a small cloth merchandising business. Over time with constant hard work and support from Arohan her business grew significantly.

With timely repayments, she qualified to receive high-value loans and is currently going through her third loan cycle, to support her business. With the cloth merchandising business, Nuresha was able to generate moderate income and support her family. However with the national lockdown being implemented by the Government due to the Corona Virus outbreak, her business came to a standstill.

Like many enterprises across the country, the lockdown severely impacted her business, and her income came to a halt. She found it challenging to repay her loan. It is then the regional officer approached and informed her about the aspects of availing the moratorium facility being offered by Arohan Financial Services as per RBI guidelines. She immediately opted for the moratorium facility.

The short break helped her stabilise her business, and she resumed repaying her instalments as soon as the moratorium ended in September 2020.

By getting apt support at the right time, Nuresha successfully overcame the difficulties during the lockdown phase.

Expressing her gratitude towards Arohan Financial Services Ltd, Nuresha said “Arohan has supported me during the pandemic period. I feel relieved, thanks to the help provided by Arohan during this tough period. I am looking forward to a long and fruitful association with Arohan Financial Services Ltd.”.



Established in 2006 in Kolkata, **Arohan Financial Services Limited**, part of the Aavishkaar-Intellectap 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.

The Indian microfinance sector has come a long way. As per industry data, the overall Microfinance loan portfolio stands at INR 2,31,778 crores as on September 30, 2020 serving 5.71 crore unique borrowers (of which 99% plus are women and for most of whom this would be the first credit facility in their life) with 10.50 crore loan accounts. The microfinance industry operates across 28 states and 4 Union Territories with the network of **14,080** branches with **1,09,521** employees. 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.

For further information please connect with:

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