



2021 Annual Impact Report

The 2021 Annual Impact Report consolidates the details of the annual business updates and the large-scale impact created by ARTH to empower micro-businesses, under-served hyper-local communities, and those hit hardest by the pandemic by providing access to financial and livelihood-enhancing services.

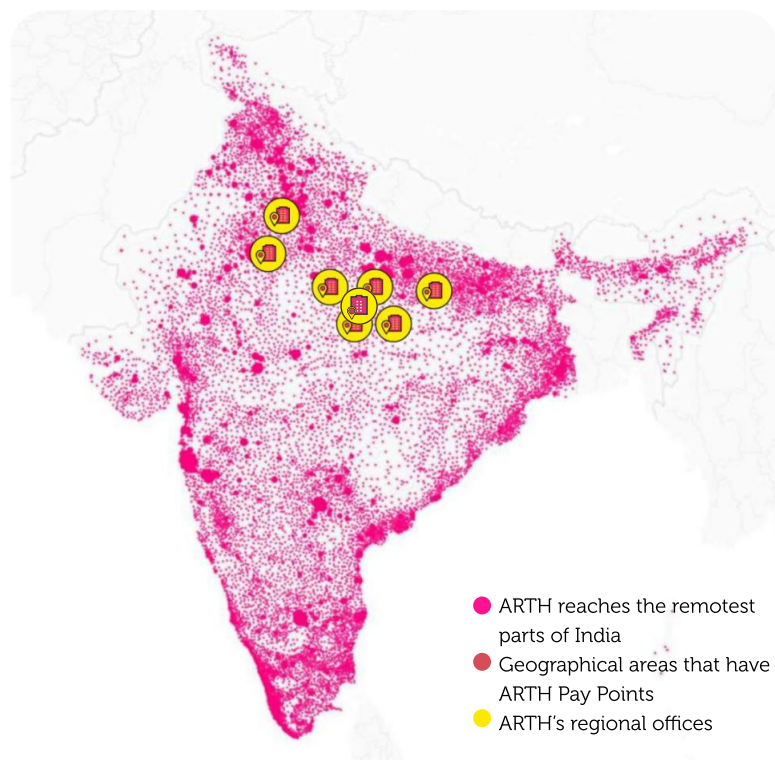
At ARTH, we aim to build a more inclusive world that gives the choice of financial services to micro MSMEs.

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Highlights

YTD Mar 2021



18400+

Pin Codes Serviced

1000+

ARTH Pay point

3.7 Lakh

Customers Serviced

350+

Hyper Local Partners

470 Cr+

Amount of Loans Disbursed

40,000+

People provided insurance protection

55%

New to Credit Customers

40,000+

Women Customers Serviced

About ARTH

ARTH, is an impact-led Micro MSME Fintech Company with the objective of providing access to affordable financial services to millions of under-served micro-entrepreneur's, in India.

Our Vision

Our vision is to become a financial partner to our micro-entrepreneurs, leveraging our rich data, technology and customer connect to address their specific needs.

We seek to achieve three key impact objectives:

- ✓ Micro-enterprise Financing
- ✓ Livelihood Enhancing Services Support
- ✓ Hyper-Local Economy Employment

Team

Board Members



Manish Khera



Ashok Kumar Sarangi



Rachna Dixit



Shweta Aprameya

Management



Shweta Aprameya
Founder & CEO



Amit Kumar Singh
Chief Operating Officer



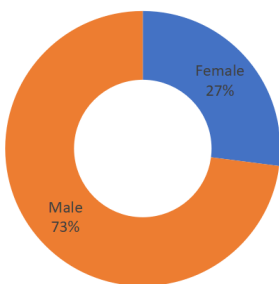
Anil Gupta
Chief Partnership Officer



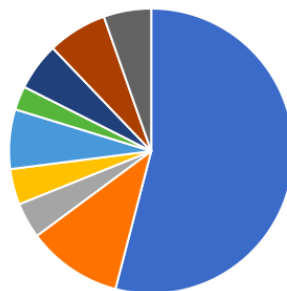
Raman Taneja
Chief Product Officer

People Mix

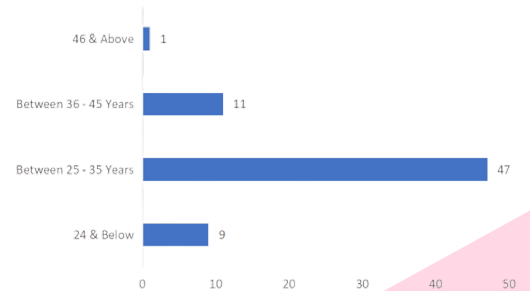
Total = 74



Gender



Function



Age

Market Trend

Coming close on the heels of the Pandemic year of 2020-21 that shook the world and transformed it from a period of peaceful growth to an unprecedented crisis highlighting the fragility of human life, financial year 2022 was a roller coaster year of fear for health, economic recovery, start-up and innovation celebration.

More than anything else, it was also a reality check on the fundamentals of business and a rethink on capitalization of economy. Small and medium size businesses, that seemed to be fading in the background, re-emerged as foundations of societies. Though worldwide, the small businesses / local shops across Indian cities aligned their understanding of customers with available local resources and made lockdowns look easier to manage.

The business acumen combined with empathy for customers helped the MSME segment build a resilient front, that many large firms struggled to build. As per MSME data, an average 11% decline in business volume of Indian MSMEs was recorded because of lockdown in 2021 in comparison to 46% decline during nationwide lockdown in year 2020.

It was only through their own resilience that these MSMEs survived the challenges brought about by the 2nd wave and once again continued their journey onward to recovery, fueling India's V shaped revival.

One other aspect that every business also realized was the importance of digitization- the need to weave in non-physical systems to maintain business continuity and customer convenience. Technology adoption was no longer a choice.

In India, the tough part of building the digital infrastructure was already in advance stages with the JAM trinity built by the Indian Government. Digital transactions and digital payments saw an almost meteoric rise - In the year, India registered a record 25.5 billion real-time payments transactions, leaving second placed China way behind with 15.7 billion, 6 billion in South Korea, 5.2 billion in Thailand and 2.8 billion in the UK.

Life seemed to have come full circle- but is the new normal really acceptable to all? At ARTH we stopped and asked ourselves a few important questions- What happened to the large number of small businesses that failed because of COVID. More than businesses, what happened to those families who lost an earning member? Were Government resources enough to support them in times of crisis? Is the role of impact and CSR capital here?

We may not have all the answers, we certainly do not have the power to change it all. But at ARTH we are thinking through more deeply on the needs of the customers that we serve. Combining our existing expertise - finance - with technology to bring transformative changes in delivering access to affordable finance.

ARTH's Value Creation

We measure our impact through seven key metrics:

1. Number of Customers Serviced

For us, each new customer represents new micro-business. This then has a multiplier effect on new financial journeys we initiated, number of underserved customers we serviced, and geographies that we added. All of this, while staying in control of the cost per acquisition.

3.7 Lakh Customers Serviced

2. Customer Deepening

While onboarding new customers is the key, we also measure the digital service attach rates & deepening of services equally closely. We aim that our customers and their households avail at least 2 or more than 2 services through ARTH (their digital financial inclusion partners).

470 Cr+
Amount of Loans Disbursed

40,000+
People provided insurance protection

2250
People benefited with govt. sponsored welfare schemes

1000+ ARTH Pay Points

3. Retention

Retention and reuse of products/services by our customers help us understand the acceptability and usability of our products and services.

55% Repeat Customers

4. Demand Generation

As part of the demand generation strategy ARTH adopted a new format of hyper local partnerships which helps to suggest and recommend the solutions in the communities, network, and peers. This unique distribution strategy is helping us also drive customer led referral programs.

350 Hyper Local Partners

5. Wealth Creation

The wealth our customer is able to generate through our solutions and/or platforms gives us a nuanced picture of our performance as a sustainable business partner.

Read section: Social Matrix & Detailed Analysis of the ARTH 2021 Annual Impact Report

6. Impact

We ensure we create a positive impact in the lives of our micro MSME, women and households that are drivers of the hyper local economy development, also aligned with the United Nations Sustainable Development Goals, bringing in a better tomorrow

Read section: Social Matrix & Detailed Analysis of the ARTH 2021 Annual Impact Report

7. Cost Income Ratios

It is important for us to keep an eye on our Cost Income Ratio that we ensure through our data & distribution model that is designed to bring finance stability and sustainability of business model for large scale impact.

Social Matrix(2021)

Heath & Education



84%

Of the people attending financial literacy workshops availed insurance for themselves

84

People, in 2021, received free COVID vaccination through community engagement interventions



250

Undernourished family members from rural India have benefited from the nutri-kitchen garden program from the comfort of their homes - since program initiation

159

People, in 2021, attended free health check-up camp under community engagement interventions

Gender Equality



916

People availed gender-inclusive welfare schemes through the awareness & end-to-end support provided by ARTH to facilitate receiving government-sponsored social welfare services and schemes.

54%

Women micro entrepreneurs have reached an average monthly income range of INR 25K - 40K after utilizing credit support received from ARTH

40,000

Women led micro businesses provided access to financial services across products, till date

67%

Women micro -entrepreneurs who started record keeping of their businesses say that they are able to save money from their daily expenses.

Socio-Economic Equality

8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



151

People, in 2021, have availed of socio-economics welfare schemes through ARTH.

2310

People benefited with welfare schemes under the awareness & end-to-end support provided by ARTH to facilitate receiving government-sponsored social welfare services and schemes.

3.7 Lac

Unique customers served cross products till date

55%

New to credit customers served, since inception

416

People attended community engagement interventions in 2021, that are skill-based workshops, social welfare camps & sensitization sessions aimed to influence communities towards sustainable and impact-based change.

Education & Advocacy

4 QUALITY EDUCATION



46%

People who started record keeping after attending financial literacy workshops at ARTH reported substantial growth in businesses.

10

Students who lost their parents or earning member of the family to COVID facilitated with educational assistance

65%

Of micro -entrepreneurs who started record keeping in their businesses are able to save money from their daily expenses.

1805

People attended community financial literacy sessions- since inception

Detailed Analysis

Last two years, marked by the global pandemic, has caused days of stress, uncertainty, and halts. Economic uncertainties & loss of income sources have been tough for all. Though, the impacts were far more evident on the nano, micro-MSME and the low-income groups. The unplanned medical expenses, lack of income, forced many to use their savings that double up as working capital. Thus, the need for better financial planning became more evident than ever before.

In ARTH's post COVID impact survey - '[ARTH Sampark](#)', the study conducted to measure the impact of COVID on micro entrepreneurs, ARTH evaluated the data collected from the survey method and analysed it to provide descriptive statistics that gave the fintech, valuable insights that served as fundamentals to provide actionable measures to the road to resilience.

Today, as we recover from a crisis that has caused hardships for so many, micro-businesses have shown incredible resilience, and we now have built powerful solutions to help them in the journey. The pandemic has given ARTH an opportunity to introduce solutions, like access to flexible & affordable credit, embedded insurance, and payment services, that are required to deepen resilience and create opportunity.

ARTH recently conducted an annual impact survey to measure the impact of the services made accessible to their customers in 2021. In the insights captured through the survey, we saw a noticeable positive change in the wealth, health, financial awareness and the usage of digital services among its customers.

We, at ARTH, are on the path to transform finance for nano & micro-businesses, with a special focus on women-led businesses, to get back on their feet and start accessing - Going Digital.

Methodology

Design

The survey was conducted to assess the impact created by ARTH in focus of micro businesses and their households in the year 2021. The quantitative survey method was adopted as research method using primary and secondary data (company database) collection method.

Key Focus Points

- Increase in family wealth creation after credit utilization
- Gender inclusive financing
- Acceptance & adoption of digital tools
- Livelihood enhancing support

Sampling Approach

ARTH followed the Random Sampling approach for the micro business owner population as given below:

The total sample size of 106 micro business owners was calculated using the population frame (total active customer base of ARTH) based on 95% Confidence Interval and 5% Margin of Error.

Data Sources

The study aimed to assess the impact created by ARTH on the lives of its customers i.e. the micro business owners and their households from the following sources:

- **Primary Source of Data**

Quantitative data: Survey method based on in-person interview method conducted with standard questionnaire as research tool.

- **Secondary Source of Data**

Total ARTH customer database was taken for comparative evaluation.

- **Data Collection**

A touch and tech approach to data collection was conducted with steps as below:

- Conducted by the on-ground team
- Training - virtual & in-person
- Monitoring of the ground-team - virtual and in-person
- Customer Relationship Management CRM-based data collection

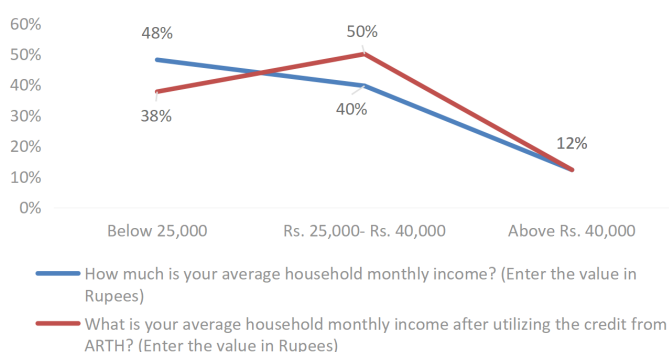
Data analysis, Visualization and Presentation

The Key Insights shared next gives us an overview on what has worked for our customers via building a more inclusive platform for the underserved.

Key Insights

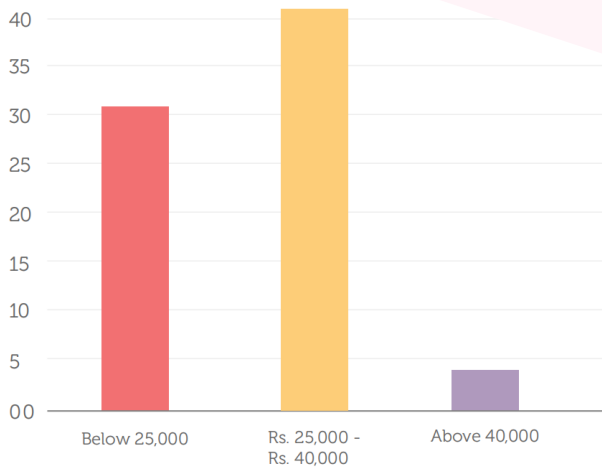
We saw a 10% forward shift in the income brackets of our customers, thus aligning to bringing the 'ARTH' (wealth) to our customers.

10% of the count of the ARTH customers have entered a higher income range bracket of INR 25,000 to 40,000, from their previous income brackets falling under income Below INR 25,000, post complete utilization of credit through ARTH, despite the pandemic.



"Given to ARTH's timely access to business loans and minimal interest in repayments, I could convert our monthly family income of INR 25,000 to INR 45,000."

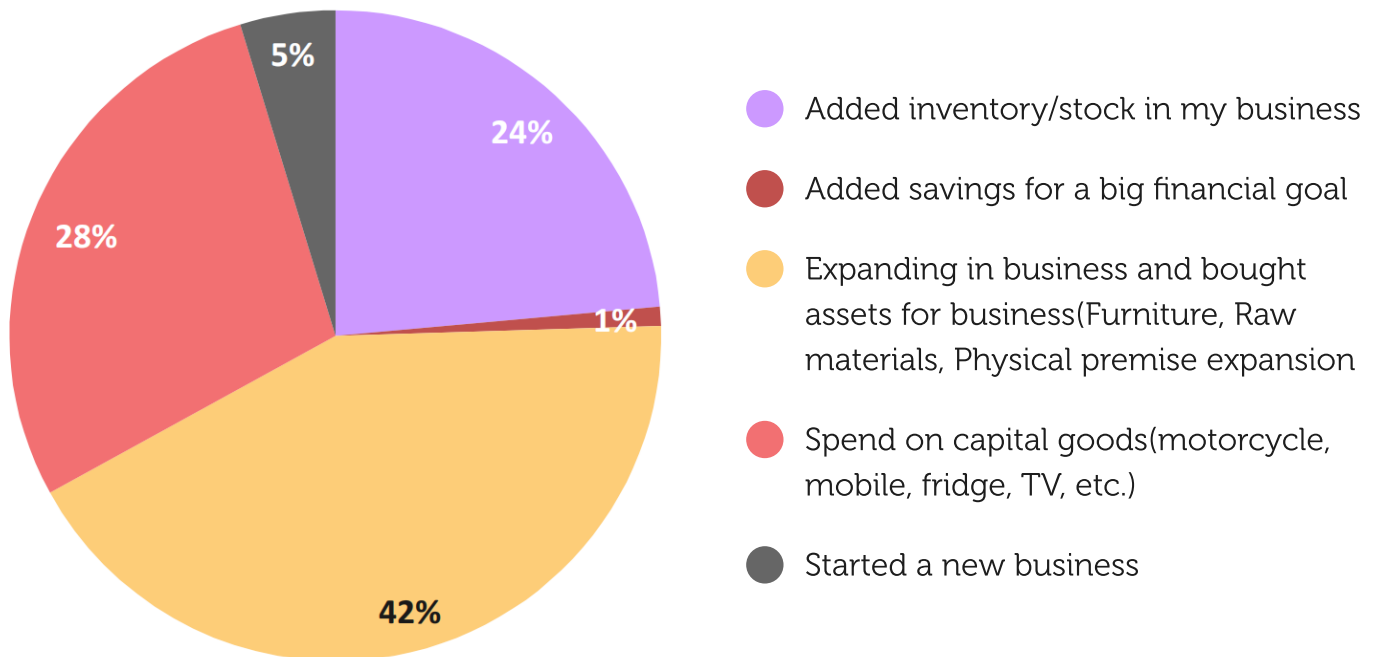
Ramshree, Medical Shop, Raebareli



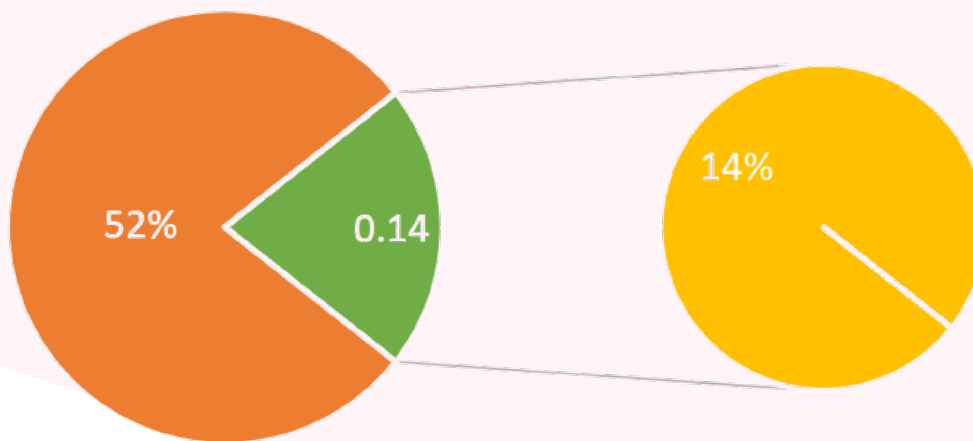
The survey shows that, 59% of the women-led businesses fall under a monthly income bracket of Above INR 25,000, post utilization of credit availed through ARTH.

ARTH contributed to a significant increase in the wealth of its customer households in the year 2021.

42% of the respondents of the survey said that they expanded their businesses and bought assets like furniture, raw materials, etc. while 30% of them spent their income on purchasing capital goods (motorcycle, mobile, fridge, TV, etc.) in the year.

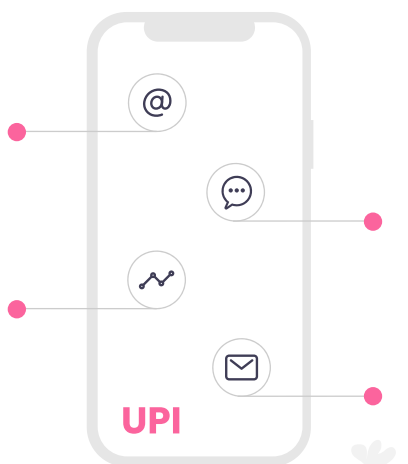


52% of the people made positive changes in their business operations with the credit amount received by ARTH, of which 14% purchased a new fixed asset for their business and/or household.



As per a World Bank Report, women are often excluded from formal banking services because they lack official forms of identification, do not own a mobile phone or other forms of technology and have lower financial capability.

Though, ARTH has been building solutions that uphold sustainable well-being for all, including women, rural communities, and those with little to no access to digital experience and tools.



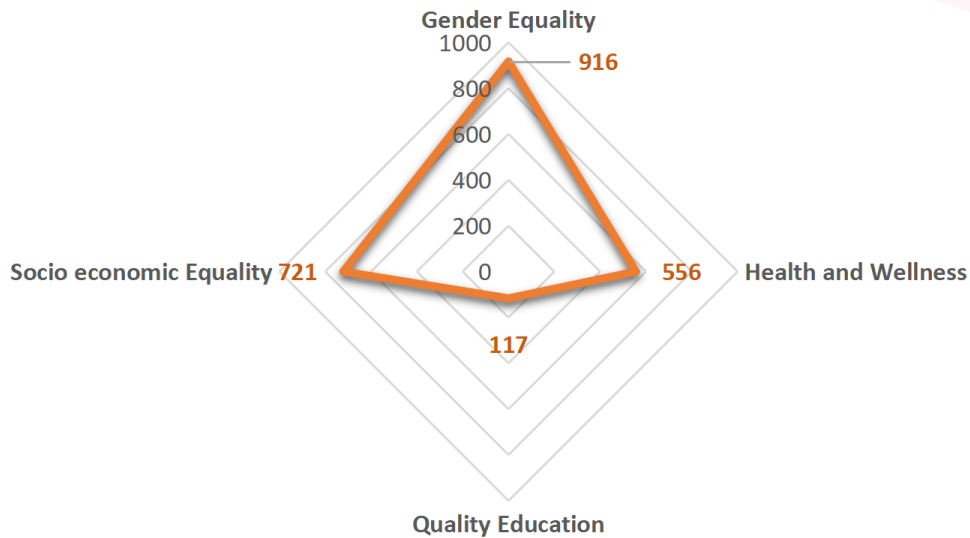
In the survey, 48% of women-led businesses use smart devices to access digital services to function their businesses.

76% of people accept/make digital payments, generally UPI, in their daily business activities.



ARTH's livelihood enhancing impact work is in coherence with the social impact framework of the United Nations-Sustainable Development Goals.

Our current initiatives work towards achieving our social impact matrix (YTD 2021):



The total number of beneficiaries with ARTH Kalpataru, an initiative aiming to reduce social-disparities by providing access to information to the underserved and underprivileged communities of India, providing linkage to government welfare schemes and programs = **2310**



Sapna, Cosmetic Shop Owner, Pataudi

"Mujhe ARTH se judkar bohot acha laga, mai apni EMI time par bharti hu, or apna business khushhali se chala rahi hu, mein har baar ARTH se judi rehna chahti hu aur sabko bhi iski services ke baare me bolti hu"

says Sapna, an enthusiastic cosmetic shop owner hailing from Pataudi, and a two time credit beneficiary of ARTH who now owns a beautifully decorated profitable shop in her local market.

Sapna also benefits from the National Pension Scheme for entrepreneurs and traders under ARTH Kalpataru, and is beyond happy to be associated with ARTH.

ARTH's theory of change and how we aim to achieve it?

ARTH's theory of change is built on the premise that if financial access in the form of fair-priced and timely capital is given to an entrepreneur, it can bring viable returns on business and thereby have a positive impact on the income and economic prosperity of the household and economy as a whole.

Therefore, ARTH focuses on the entrepreneur and the micro-enterprises and looks at the problem from the lens of the customer to address the business needs. We understand that our customers need a financing partner- a partner that understands the business cycles and the volatile needs of capital and is also flexible with the repayment terms. More important, a partner that does not depend only on traditional paper requirements. ARTH is trying to solve the problem for micro-business owners by using reliable verified data, occupation working capital, digital records, and social factors.

In 2021, during the COVID years, ARTH worked to bridge the gap between people and the financial tools required to help them get back on their feet, and build a more sustainable tomorrow. As the pandemic disrupted the supply and demand cycle, closed shops, depleted family income, and consumed savings, there arrived a desperate need for financial services like credit, insurance, and digital payments to start the process of revival through encouraging innovative & customized solutions that meet demand.

ARTH empowered underserved micro-businesses, women, and households by:

- Helping special groups with grants and livelihood programs. For example, ARTH arranged returnable grant money from foundations and agencies as COVID relief for micro-businesses to provide additional support to its customers.

- Redesigned product offering by changing the tenure and repayment frequency to adjust for businesses that had been forced to go under lockdown due to the pandemic.
- Implemented Financial Literacy drives both remotely and across micro-markets to manage money during the slow down. A COVID chatbot was also developed during this time to disseminate information to customers
- Conducted quarterly outreach programs to help customers get insurance claims and co-developed innovative micro-insurance products, especially for health-related repayment delays.
- ARTH introduced partnership-based solutions – micro-insurance products like the daily-cash benefit against hospitalization that can support a family of two children to ease the burden of hospitalization till the policy tenure; and a product based on providing financial support as a lump sum amount in case of detection of airborne diseases against a one-time premium for the period of one year.
- ARTH also introduced new partnerships to co-develop innovative solutions as a bundled proposition with the credit facility to its customers which waives off the sanctioned loan amount in case of accident & disability. The product also gives up to 3 EMI protection facility for the borrower & the co-borrower in case of continuous hospitalization.
- ARTH launched their digital payments services platform for the micro enterprises to earn alternate source of income through providing digital banking solutions in their local markets.
- In addition to that, ARTH supported people through ARTH's welfare services initiatives as one-stop information access to government welfare schemes like Atal Pension Yojana, Suraksha Bima Yojana, etc.

Credit

Our current Financial Inclusion Index stands at 53.9, with 11.7% of adults who still do not have a bank account. At 87%, India had the highest fintech adoption rate in the world in 2021.

ARTH offers affordable micro and nano businesses credit through its first-of-its-kind digital lending platform. Our credit offers unmatched flexibility for our customers on the value of loan, tenure, and repayment channels to meet business needs.

In 2021, ARTH achieved a milestone of disbursing INR 470 Cr to 3.7 lakh unique micro-enterprises, with a focus on women-led businesses. Furthermore, ARTH's financial literacy initiatives imparted significant information and skills to 1805 individuals in rural North India.

In lieu of ARTH's COVID relief measures, ARTH conducted ARTH Sampark, a study of micro-entrepreneurs to gauge the immediate economic sentiments and needs of the people. Based on the survey, it was clear that while most businesses have suffered, 81% are actively seeking loans to restart their business.

This is to respond, ARTH launched Rahat Loans interest-free credit facility for women-focused businesses, These were in collaboration with Collective Good Foundation (CGF), under the REVIVE initiative, a finance facility in a bid to restore livelihoods lost during the COVID-19 Pandemic. The loan size varied from INR 10,000-30,000 and with a repayment tenure of 12 months and was targeted at businesses with earnings less than INR 3 lakhs per annum.

Additionally, ARTH introduced the Pay for Performance (PFP) program. Under the scheme, approx 1500 woman-led-enterprises that had active loans as of February 2022 were provided with up to Rs. 10,000 extra monetary assistance. These entrepreneurs were selected keeping in mind a preference for women-led businesses and banking correspondents to promote gender financing. A combination of micro-entrepreneurs and banking correspondents had been chosen to scale the impact.

570

Micro-businesses availed COVID relief funds under ARTH Rahat program

1522

Beneficiaries from the PFP program received extra monetary assistance

88%

Beneficiaries showed on time repayment behaviour after the commencement of the PFP program

50%

of the micro businesses served credit through ARTH reported an average monthly income of INR 25-40K after utilization of the loan amount

This monetary assistance served as extra income for the beneficiary's business/ personal expenses apart from being seen solely as a reward for good repayment behavior. A total of Rs.62,50,000 (62 lakh 50 thousand) was disbursed as grant money to the beneficiaries.

To inculcate digital adaptation to the segment, ARTH ran a digitization drive with the objective to encourage the usage of digital tools/modes among micro-businesses to operate in and benefit from the digital economy. Through this activity, ARTH leveraged its hybrid approach that combines tech and touch components to reach more rural customers to ensure efficiency and optimize customer experiences for its target set of 380 non digital customers. The initiative resulted in 49% of the cohort enrolling their businesses in switching to digital modes of credit repayments.

As per the Federation of Indian Chambers of Commerce and Industry (FICCI), 53% of companies were impacted by COVID-19. Slow economic activity resulted in cash flow problems eventually impacting repayments, interest, taxes, etc. That time, ARTH took cautious steps to monitor its current portfolio, focus on customer support and continued to disburse credit to select businesses. We focused on the micro enterprises to address their business needs as a financing partner who understands their occupation business cycle, doesn't demand their bureau and income tax records and can still give them flexible micro capital for short term financing needs using reliable verified data, occupation working capital, digital records and social factors.

470 Cr+

Credit Disbursed

90%

Digital Repayments

Over 95%











On Time Portfolio Quality

30+

Occupations Served

Occupation Portfolio in Rural India

Top 10 Business category

-  General Store
-  Mobile & Electronics
-  Cloth Shop
-  Cosmetic shop
-  Vegetable & Grocery Shop
-  Salon
-  Mini Restraunts/Kitchens
-  Banking Agent Points
-  Tailoring/Home Boutique
-  Handicraft

The story of resilience through the hardest times!

The two years of the pandemic brought unprecedented challenging times; micro-enterprises, daily wage earners & dependents bared the hardest times. During this time, ARTH decided to take vigilant steps to focus on customer support and outreach programs to truly understand and develop innovative ways to respond to their financial service needs. ARTH Khushhali Offer was our first COVID relief program where nano-business owners (women-led businesses as a preference) who couldn't pay their EMIs due to COVID-19, or other exigencies, were considered for financial assistance..



Sarika Agrehari, General Store Owner, Lucknow, Uttar Pradesh, India

Sarika Agreheri (Gupta), a 43-year-old general store owner in Lucknow, lives with her three-member family- comprising her, her husband, and her son.

Sarika had been singlehandedly successfully running her shop for over ten years before Covid.

However, restrictions on movements and lack of supply of goods during the lockdowns brought her business earning down from INR 25,000 to a meagre INR 3000 per month.

The family had to dip into their savings to manage their expenses. To add to their woes, the family contracted the virus and were forced to quarantine for 14 days.

When things opened up, Sarika slowly started rebuilding her business, she restocked her store and opened the shop 6 AM in the morning every day. As she worked hard to re-establish her shop, ARTH decided to honour her resilience.

Sarika received INR 5,000 under ARTH's revival program, which felt like a bonus to her for sustaining the tough times. Customers like Sarika appreciate the true meaning of entrepreneurship!

Payments

In 2021, to further extend its support to the revival of micro-retail businesses, ARTH introduced ARTH Pay, as an extra source of livelihood for its customers. ARTH Pay is a device-led service to enable digital payments at the shops of micro MSMEs. Each of these acts as a capacity enhancer for the shop owner and also provides a multiplier effect for digital financial.

Services at the grass-root level. All the eligible ARTH Pay points are offered access to credit from ARTH to develop and grow their business multifold with both payments and linked linkage. A win-win model for all, with the Micro MSME, getting access to affordable credit and additional income through payments.

**AePS, Bill Payment,
mATM, Money
Transfer, Recharge &
PAN Card**

Payment services linked with credit capital

8

Districts have been outreached with payments & lending services

1000+

ARTH Pay points opened in 2021 as an alternate source of income for micro entrepreneurs, till date

INR 1.5 CR

GMV achieved within 3 months of ARTH Pay launch.

Insurance

In response to the quarterly outreach programs conducted by ARTH during the pandemic, ARTH helped customers get insurance claims and co-developed innovative micro-insurance products, especially for health-related repayment delays.

We enabled insurance protection to our customers & their households in partnership with like-minded insurance providers driven to support the underserved.

369

People secured against air-borne disease related health insurance benefits, till date

52

People have availed of insurance-based welfare schemes through awareness & end-to-end support provided by ARTH to facilitate receiving of government-sponsored social welfare services, in 2021

232

People availed insurance against hospitalization

INR 572000

Amount released to beneficiary accounts as claim settlement in 2021

40,000+

people provided insurance protection

Making the ends meet by securing protection against medical emergencies!



**Phool Jahan, Tailor,
Raebareli, Uttar
Pradesh, India**

Phool Jahan, a tailor from Raebareli (a small city in UP), earns her living by running a boutique which she started in 2014. Being the only earning member of the family, Phool availed her first business loan of INR 15,000 from ARTH to grow her business so that she can meet the increasing expenses of her daughter's education.

She used the loan amount to rent a new boutique store on the city-main road and moved from the small room of her house she worked in before. The home boutique used to bring her an income of INR 5,000 per month which was not able to fulfil the household expenses and the needs of her growing daughter. However, after moving to the new bigger store, she has more customers visiting her store and has been able to increase her household income to INR 15,000 per month.

Phool keeps an active association with ARTH & visits every community engagement session organized in the city. Thanks to one such session, she came to know about ARTH Swasth, the health insurance policy that covers hospitalization due to air-borne diseases such as Malaria, Dengue, Chikungunya, Lymphatic Filariasis, Typhoid, Japanese Encephalitis, Bird Flu, Pulmonary Tuberculosis, and Swine flu. She immediately applied and took up the policy. In January 2022, Phool was unfortunately diagnosed with Dengue and had to get admitted to the nearest government hospital for six long days. Due to her illness, her store remained closed, and the family faced a lot of financial stress to meet the expenses. However, the policy that Phool had taken up came to her rescue. Soon after her discharge from the hospital, Phool quickly applied for a claim against her health insurance with ARTH. To her relief, she received a claim settlement of INR 3000 to cover her six-day treatment expenditure. Phool and her daughter have recovered from the loss caused by the closure of their store. "We feel protected and taken care of" says Phool and her daughter.

Partnerships

During the year 2021-22, ARTH built and expanded partnerships with local and corporate partners who aligned with ARTHs' mission to empower the underserved micro businesses. Some of our most supportive partners are:

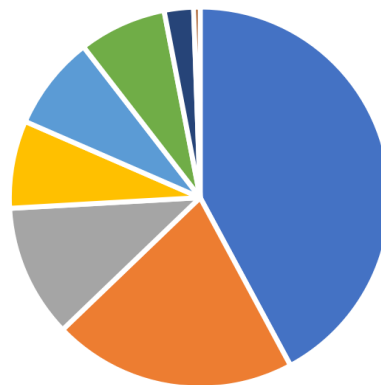
National



Community led

ARTH has followed a two-pronged approach for delivering access to affordable financial services to millions of Micro MSMEs - one, by partnering with national players with retail and merchant MSME networks that are already digitized, and second by creating hyper-local distributor networks to onboard micro-enterprises who are semi or non-digitized in smaller towns.

Under the ARTH's Hyper local partnership model, it partners with larger product distributors, Local NGOs, individuals, as channel partners. The information and understanding shared by the distributor about the retailers act as an important element for underwriting a loan to the shop owners.



- Raebareli ■ Lucknow ■ Alwar
- Sultanpur ■ Gurugram ■ Ayodhya
- Barabanki ■ Rewari

Hyper local partner presence

This is ARTH's unique approach to taking Digital Financial Inclusion deeper into the small towns and cities in India. We have 350+ Channel partners onboarded in less than 6 months after the launch of the initiative. Cumulatively, it gives us access to over 4000 retail and micro establishments to address Micro MSMEs in India.

Engagements

Industry



Media

Micro MSME Fintech ARTH raises \$2.5 Mn from the KfW arm, MIT Alumni, and others



ARTH has secured \$2.5 million in funding led by DEG – Deutsche Entwicklungs- und Investitionsgesellschaft / subsidiary of KfW, MIT Alumni, and top-notch impact-driven US & Canadian angel investors. This takes the total funding raised by ARTH to \$3.5 Million with the initial personal investment made by the founder, friends & family.

NABARD with ARTH to create a 9-step Micro-Enterprise Development Program for Women



The project's goal is to build nano firms in micro markets with various sorts of occupations in India by offering skills, market connections, and integrated financial credit and insurance.

Stakeholders

Shweta Aprameya (Founder & CEO|ARTH) has been conferred with the 'Elite BW Businessworld 40 under 40 Club of Achiever's 2021.'



ARTH got featured in Business World BWDISRUPT - Our Founder Shweta is part of this year's 40 under 40 Disruptor by the BW Business World Magazine.

Future Road Map

We aim to become a financial partner of our underserved micro businesses in their sustainable livelihood!

Now, post-COVID, there is a greater and bigger need for our work than ever.

Impact 1 million Underserved Micro Businesses

ARTH is on a mission to engage, support, and service 1 million capital-starved nano & micro-businesses entrepreneurs through a well-balanced data-driven 'phydigital' model that works for the segment. We are one of the first movers in the market who have been able to build an integrated credit & payment solution for the micro-MSME. Our tech and touch-based distribution model enables access to affordable financial services & livelihood support for the last-mile unbanked & underserved micro-entrepreneurs.

We need the collaboration and support of like-minded people who are ready to drive the next phase of digital financial inclusion – an approach to bringing customers to the forefront and reimaging processes & technology to meet the financial requirements of millions of underserved micro MSMEs.

With visionary individuals and innovative global, national, and regional partnerships, we can together enable and amplify resources, tools, and processes to make sustainable solutions - where every micro business, self-employed entrepreneur, women-led business, and household has the power to choose financial services they need to build resilience, the opportunities, and self-sustenance for themselves.

To learn more about our partnership opportunities, contact us at partnerships@arthdigital.net

Client Protection Certification

ARTH is a socially-responsible company working in creating a positive impact on the underserved community and hyper-local economy as a whole. Our future road map envisions getting the client protection certification to demonstrate commitment towards the customers & their well being. This will encourage and enhance our social performance as an impact-driven enterprise, with scale.

Founder's Message

Dear Readers,

Let me start with a simple true story.

Anjani, one of ARTH's customer runs a boutique where most of her customers pay her in cash. Since her order sizes were small, she also paid her suppliers in cash. This did not hinder her business initially up until the time she had to apply for a loan to expand her store. Her loan application was not successful due to lack of formal business income information and collateral to offer.

At this point, ARTH stepped in and helped her with her first collateral free business loan after reviewing her aspiration, business understanding and estimating her daily income and expenses.

Her story, for us, is representative of both the problem of access and availability of financial services especially business credit and use of lack of digital financial services in India.

Digital Financial rails of India- UPI, E-KYC, Account Aggregators – have undoubtedly created new avenues for the financial service providers for reaching the underbanked and underserved population. As per a joint report by TransUnion CIBIL and Google, in 2020, 71% of the first-time borrowers were from non-metro locations and 24% were women. However, our on-ground experience suggests that we have only scratched the surface when we consider the limited use of financial services by individuals and even lower access to services when we consider the nano-macro businesses.

As per the MSME ministry's latest report, India has more than 60 million micro-enterprises, impacting more than 300.0 mn lives in India. Within the micro MSME segment, there are 1.23 crore women MSMEs, 90% of whom rely on informal sources of financing.

At ARTH we have set our objectives towards making fair-priced, customized financial services available for the nano-enterprises. We firmly believe, timely and planned financial services hold the key to their success. We use a combination of technology, business knowledge and a lot of empathy to offer services that our customers can truly benefit from.

It is particularly encouraging to see that 60% of our women borrowers are new-to-credit. The study also indicated a 10% forward shift in the income bracket of our customers. A huge achievement for the year marked by Covid woes.

Looking back, there are two aspects that sets us apart- our emphasis on customer education and extreme emphasis on deep understanding of each business. For instance, the underwriting parameters for a Chikankari business vs a general store are treated differently in our systems. This approach also compels us to continue operating in a 'phygital model' for direct access to customers.

We are convinced that once the technology barrier is broken and the customer experiences the benefits of formal financial services, they rarely go back to using the old methods. In the study, customers who adopted regular book keeping have shown higher saving matrix. The resultant economic growth of formal financial services has a long-term impact on the individual customers as well as the financial firm offering those services. 52% of our customers made positive additions to their businesses.

Together, with the help of innovative digital financial solutions, we can open the doors of growth for the promising nano & micro entrepreneurs of India, ARTH with its tech & touch-based model is on a mission of powering micro-businesses, one livelihood at a time!



~ Shweta A., Founder & CEO, ARTH at BW40U40, 2021

Gallery





Arthimpact Digital Loans Private Limited



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