

2024

Annual Impact Report

ARTH's Growth Ecosystem for
Delivering Financial Services to MSMEs





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Executive Summary

Every year, ARTH publishes its Impact Report to showcase the positive impact of its services on the lives of MSME borrowers. The report features heartwarming and inspiring MSME stories, detailing their business journeys, aspirations, and the transformative effects of ARTH's financial support. The ARTH Impact Report 2023-24 embodies our commitment to social impact and our efforts to strengthen operational frameworks to help small businesses improve their lives and livelihoods.

This year's report delves deeply into the financial landscape of micro-businesses, revealing trends, challenges, and opportunities. Through rigorous data analysis, we have identified key indicators of financial health, highlighting areas poised for growth and enhancement. ARTH's interventions have significantly fortified the financial resilience and stability of these enterprises, fostering an environment conducive to sustainable economic growth.

Going beyond mere monetary metrics, our report scrutinizes the socio-economic dynamics within the communities we serve. By exploring factors such as access to resources, education, and healthcare, we paint a holistic picture of the well-being of micro-entrepreneurs and their households.

Central to our mission is the promotion of business sustainability and innovation among micro-enterprises. Our findings underscore the pivotal role of innovation in propelling growth and competitiveness within local economies. Through tailored mechanisms and capacity-building initiatives, ARTH empowers entrepreneurs to embrace sustainable practices and leverage innovative solutions to thrive in dynamic market environments.

Lastly, our report evaluates the overarching impact of ARTH on the communities we engage with. Beyond the purview of individual businesses, our interventions trigger positive ripple effects, nurturing community cohesion, resilience, and prosperity. By fostering collaborative partnerships and grassroots initiatives, ARTH contributes to the cultivation of vibrant, self-reliant communities poised for enduring growth.

Challenges Faced by Small Businesses in India

MSMEs play a crucial role in the Indian economy, contributing to employment generation, exports, and overall economic growth. These small businesses account for a substantial share of the total industrial output and manufacturing employment. As per the India Brand Equity Foundation (IBEF) Report, there are 633.9 lakh MSMEs in India, with over 99% qualifying as micro-enterprises, accounting for up to 630.5 lakh businesses.

- Despite their wide presence and immense contribution, MSMEs often face challenges such as limited access to finance, lack of technological advancements, inadequate infrastructure, and limited market reach.
- Despite the centre stage occupied by MSMEs in India's economy, these businesses encounter significant challenges that impede their progress. Acquiring funds is a major hurdle as small businesses often struggle to borrow money from banks due to a lack of assets or a solid credit history. Complex regulations, excessive paperwork, and a lag in adopting recent technologies slacken these businesses, acting as substantial barriers to their success.

*Data source: India Brand Equity Foundation (IBEF) Report, 2023



About ARTH

ARTH is an impact-focused Inclusive MSME Fintech with the objective of providing access to affordable financial services to millions of under-served small businesses in India. As a financial growth partner, we aim to uplift the lives of small businesses that need working capital and other micro-financial services to improve their livelihoods and eventually enhance their financial well-being.

With a mission to democratize access to finance, ARTH offers a range of financial services considering the unique needs and aspirations of small businesses.



ARTH's Growth Ecosystem for Delivering Financial Services to MSMEs

ARTH's wholesome approach to delivering financial services to MSME customers is rooted in its deep understanding of the diverse needs and challenges faced by micro and small business owners.

Here's how this approach can be described:



	
Business Loan	360* Insurance Cover
	
Housing Loans	Micro Investments
	
Payments	



Saroj's Journey from Home Tailor to Entrepreneurial Success with ARTH

Meet Saroj, a determined entrepreneur who transformed her life with perseverance and support from ARTH. Originally, Saroj was engaged in simple stitching work at home, but her ambition was to establish her own business. After discussing her aspirations with her husband, Saroj encountered a hurdle when accessing finance. This is where ARTH stepped in.

In 2019, ARTH provided Saroj with a loan of ₹30,000, enabling her to kickstart a tailoring business from a modest shop. However, just as her business was gaining traction, the COVID-19 pandemic struck, presenting Saroj with unforeseen challenges. Despite the adversity, ARTH stood by her side, offering support through their COVID Relief Policy. With determination and resilience, Saroj managed to navigate through the tough times, repaying her EMI while sustaining her tailoring business for three years.

With aspirations to grow her business, Saroj noticed a growing demand for cosmetic items among her clientele. Recognizing this opportunity, she decided to pivot her business towards wholesaling. To materialize this, Saroj required additional financial assistance. Once again, she turned to ARTH, securing a second loan for ₹75,000. With fresh capital, Saroj diversified her inventory, purchasing cosmetic items and expanding her shop.

Beyond financial aid, ARTH also provided Saroj with invaluable support in providing insurance coverage for her business and health, and by offering welfare assistance through its subsidiary ARTH Foundation. Today, Saroj's annual income ranges between 2.5 to 3 lakh rupees, a testament to her hard work. Grateful for ARTH's assistance at every juncture, Saroj looks forward to continuing her entrepreneurial journey with confidence and optimism.

Our Theory of Change

Intervention Area



Credit Linkages

Establishing connections to credit facilities with the aim of increasing overall income levels



Access to Information & Learning

Conducting skill training sessions for customers and business aspirants, especially women



Digitalization

Transitioning businesses into the digital realm by offering payment solutions



Financial Literacy

Conducting financial literacy workshops for small businesses, both physical and virtual, to promote informed decision-making



Government Scheme Linkage

Enhancing awareness and facilitating access to government schemes to support income generation



Measuring Impact

Linked with United Nations Sustainable Development Goals



Economic Prosperity

- Asset creation
- Growth in income levels



Social Upliftment

- Confidence building
- Perception of social status and self-esteem evaluated



Financial Health

- Frequency and types of loans accessed analysed
- Reduction in debt levels



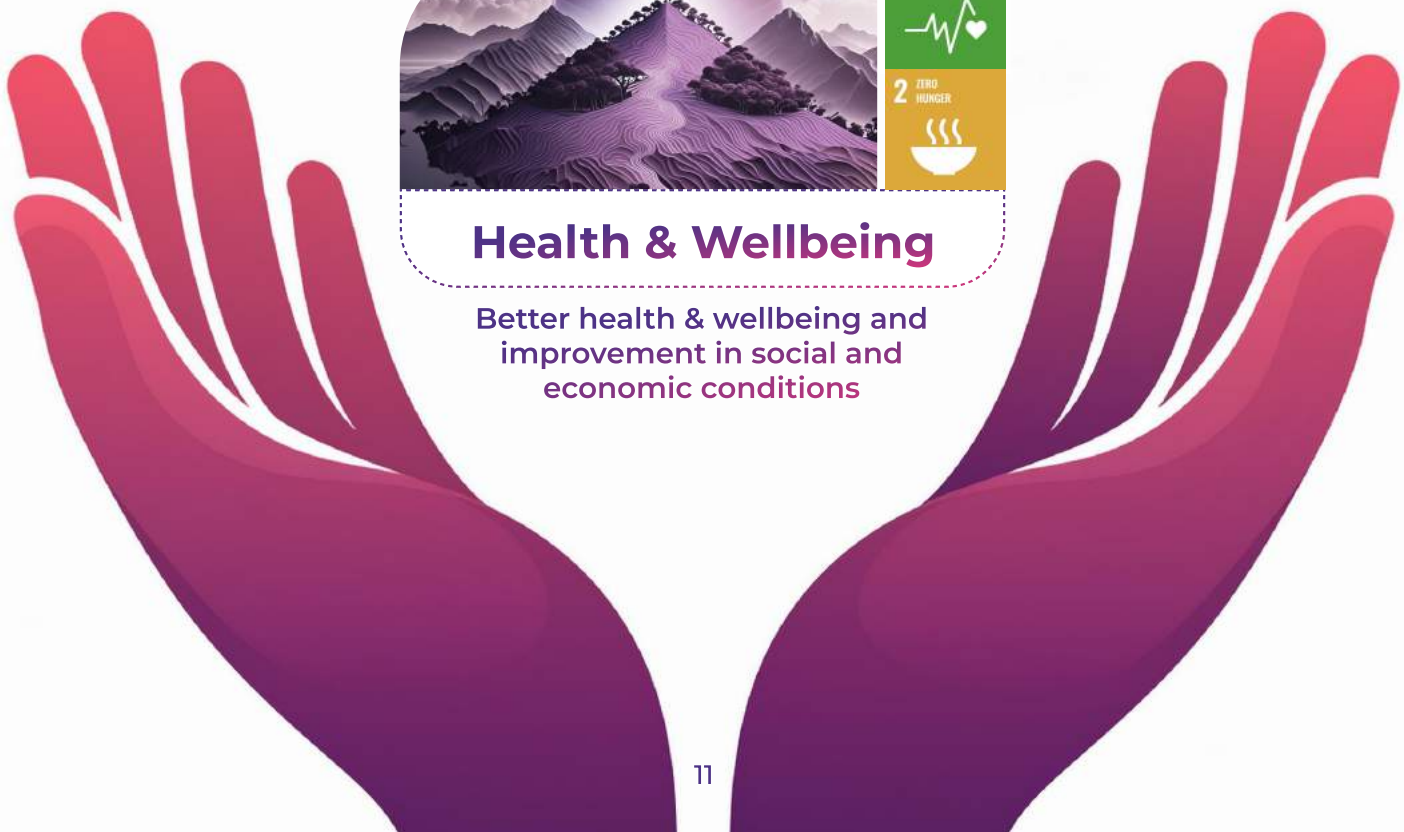
Sustainability

Profitability and financial sustainability



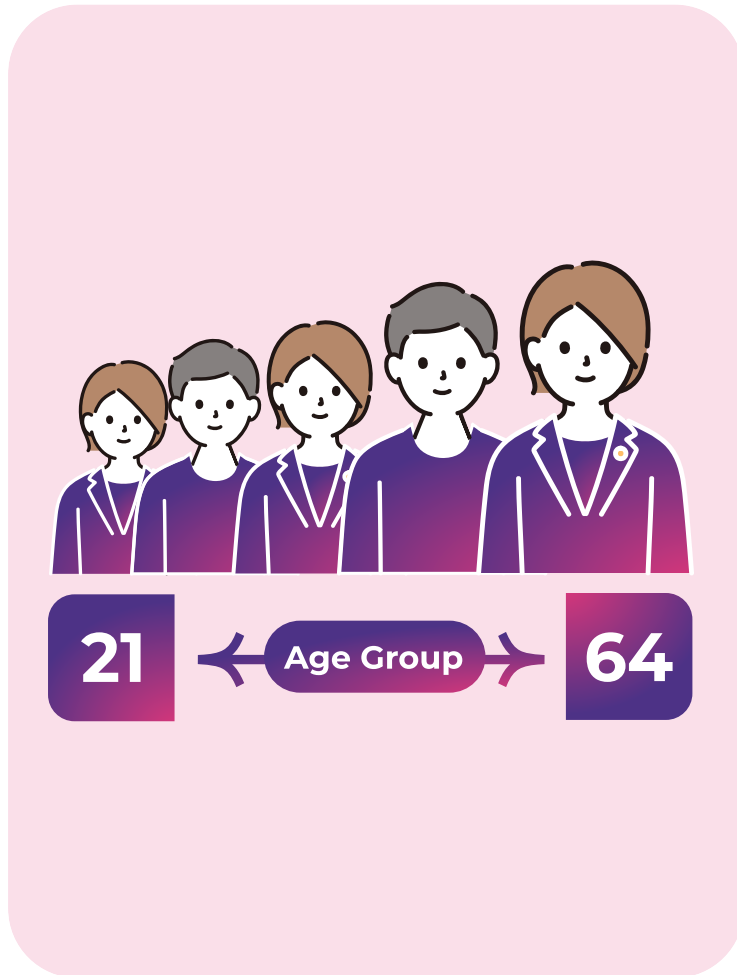
Health & Wellbeing

Better health & wellbeing and improvement in social and economic conditions



Our Journey So Far

This table represents lifetime data pertaining to ARTH's customers



4,00,000+
Total Customers Served



30,000+
Customers Linked with insurance



₹555+Cr
Total Amount of Loans Disbursed



1,00,000+
Women Customers Serviced



From Employee to Entrepreneur

Pinky has successfully run her beauty salon for the past two years. Previously, she worked as an assistant in another beauty parlor but found that her earnings were insufficient despite dedicating her entire time to the job. Determined to pursue her dream of owning a salon, Pinky faced financial challenges initially. However, her fortunes changed when she contacted ARTH and successfully applied for a hassle-free loan of ₹50,000. With this economic boost, she invested in her salon's materials, products, and equipment. Securing a rented shop, Pinky launched her venture named Tamanna Beauty Parlour.

Today, her salon generates a daily income ranging between ₹4,000 to ₹5,000. She manages her loan repayments online and takes pride in the successful operation of her business.

Impact Analysis

Impact Analysis

ARTH is committed to generating a positive impact through its financial services catering to the needs of small businesses within the MSME sector. Recently, ARTH conducted a survey with **150 customers** to capture data and analyze the social impact resulting from its services and welfare initiatives.

A graphic consisting of a purple circle on the left containing a white crosshair icon, and a purple arrow pointing to the right containing the text "Key Objectives of Impact Survey".

Key Objectives of Impact Survey



Understanding

The Financial Condition



Understanding

The Socio-Economic Condition



Understanding

The Business Sustainability and Innovation



Understanding

Overall Community Impact

Design of Survey

The survey aims to evaluate the impact of ARTH on its customer base (small businesses) and their households in 2023-24. The research utilized a quantitative survey methodology, incorporating both primary and secondary data collection methods, including the company's database.

Data Sources

The study was designed to evaluate the impact of ARTH on the lives of its customers, specifically small business owners and their households. The data was sourced from the following:



Primary Source of Data

Quantitative data: Utilizing a survey method conducted through on-site and telephonic interviews employing a standardized questionnaire as the primary research tool.



Secondary Source of Data

Analysis of data provided by industry experts and financial institutions including government entities

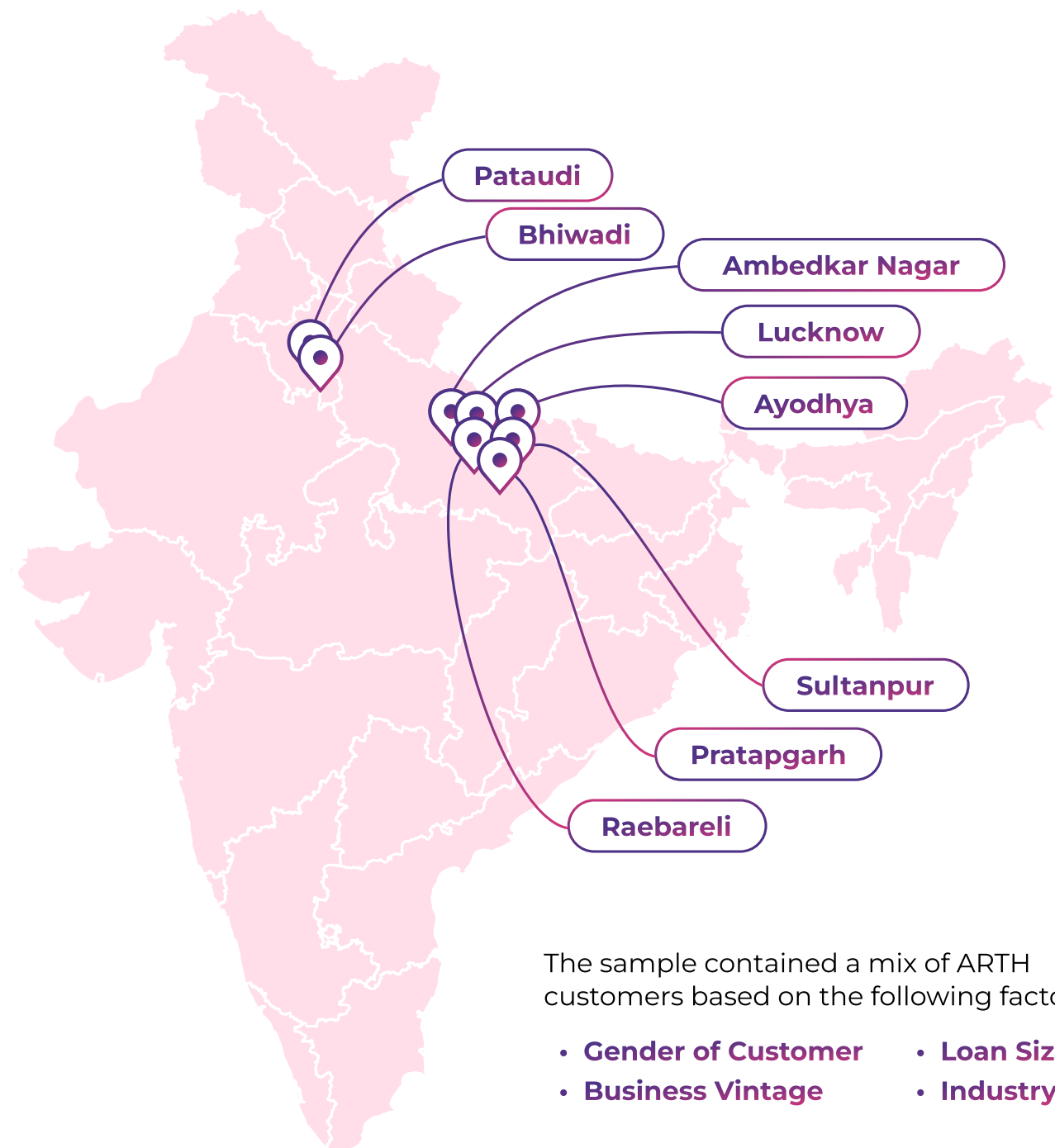
Methodology

A survey questionnaire was developed for ARTH's customers based on predefined parameters. The Impact Assessment team conducted interviews with over 150 customers across 8 cities, respecting their consent, availability, and convenience. These interviews were conducted both on-site and via telephone.

Survey Sample Collection

The survey targeted three specific states chosen to ensure comprehensive geographical representation. Across these states, 8 cities were chosen basis the distribution of ARTH's business centers, as outlined in the Sampling Methodology section of this report.

Geography Covered



The sample contained a mix of ARTH customers based on the following factors:

- **Gender of Customer**
- **Loan Size**
- **Business Vintage**
- **Industry**

ARTH Customers Interviewed Categories



Grocery and General Store



Mobile and Electronics



Garments and Apparels



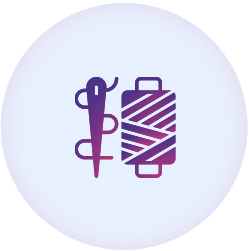
Chemist and Pharmacy



Restaurants



Salon and Beauty Parlors



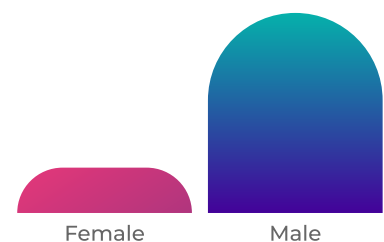
Boutique

Gender Wise Distribution of Participants

- As per the recent data from the Ministry of Micro, Small & Medium Enterprises, women constitute just 14% of entrepreneurs. Data revealed that the lack of strong mentorship and networking opportunities leads to under-representation of women in India - leaving many women without the necessary guidance and support to navigate the business landscape effectively.
- Despite these obstacles, ARTH remains committed to empowering women entrepreneurs through our financial services tailored to their needs. Supporting over **1,00,000 women entrepreneurs** makes us optimistic about the future of women business owners. A comprehensive analysis of our customer base reveals that out of 150 survey respondents, 19% were women, highlighting ARTH's efforts towards supporting women through access to credit, mentorship, and promoting awareness of the economic influence of women-led businesses.

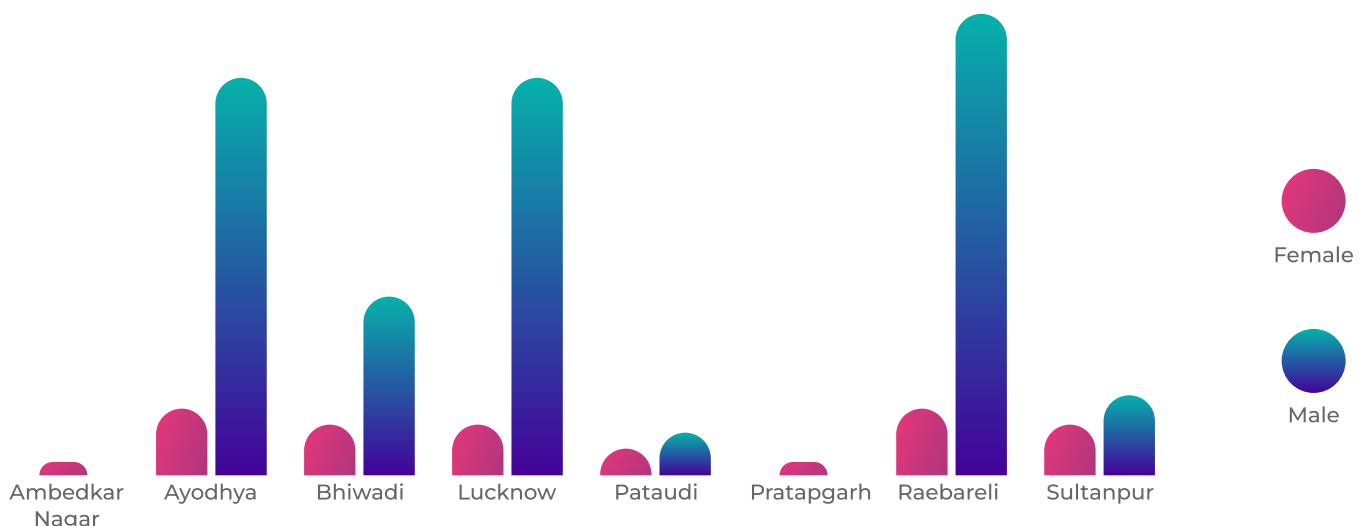
Gender Distribution Overview

A comprehensive analysis of our customer base reveals a notable gender disparity. The majority, constituting 81% participants, identify as male, while female participants make up the remaining 19%.



State-wise Gender Dynamics

Lucknow district of Uttar Pradesh emerges with the highest proportion of female participants, showcasing a unique trend within our customer base.



Age-wise Distribution of Participants

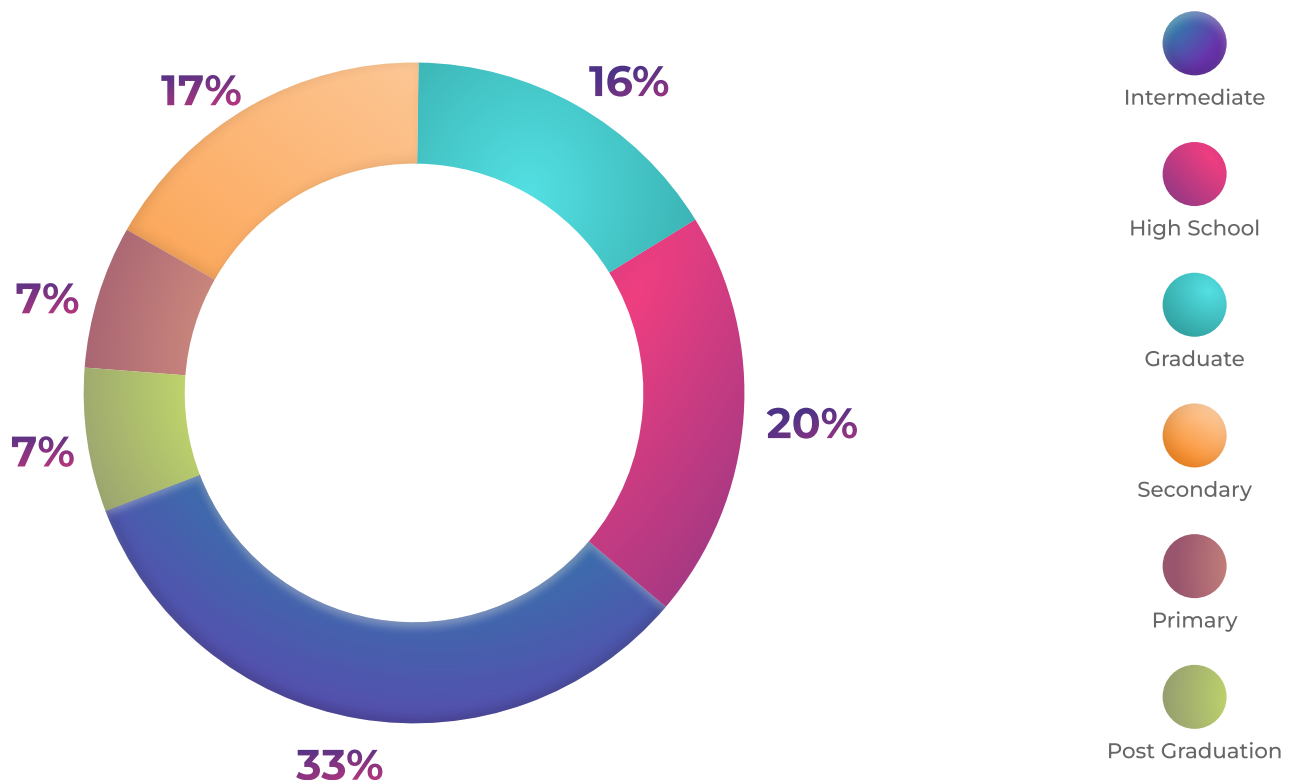
The age distribution of our customers provides valuable insights into the demographics of our clientele. Customers' ages were meticulously recorded and subsequently categorized for analysis.

The age distribution spans from 21 to 56 years, encompassing a diverse range of age groups within our customer base. Age groups such as 24, 26, 30, 33, and 36 demonstrate relatively higher counts, suggesting significant representation within our customer base.

While most age groups have multiple participants, there are a few towards the higher end of the age spectrum (e.g., 49, 55, 56) with lower counts, indicating potential opportunities for targeted outreach or engagement strategies.

Education-wise Distribution of Customers

Understanding the educational background of our customers is crucial for designing targeted programs and services. The impact report provides insights into the educational status of our customers, categorized as follows



ARTH provides credit to customers across all educational backgrounds, ensuring inclusive access to financial services regardless of education level. This approach supports our commitment to empowering small business owners from diverse educational backgrounds understanding their unique needs and aspirations.

Understanding the Financial Condition of Customers

ARTH's commitment to empowering MSME customers through financial access is evident in our comprehensive impact analysis. Through tailored financial solutions, we enable MSMEs to realize their full potential, driving economic growth and social development.

Our approach begins with understanding the unique needs and challenges faced by MSMEs, allowing us to customize our offerings accordingly. By providing accessible and flexible loans, we empower MSMEs to invest in their businesses, expand operations, and seize new opportunities.

As a Non-Banking Financial Company (NBFC) dedicated to providing tailored financial services to Micro, Small, and Medium Enterprises (MSMEs) in India, we have facilitated the disbursement of loans of more than **₹555+Cr**, benefiting over **4,00,000** customers since our establishment in 2019.

Furthermore, our collaboration with partners to offer micro-insurance policies has significantly impacted the lives of numerous customers. We are also committed to advancing gender equality in entrepreneurship by providing specialized financing solutions and skilled training to women entrepreneurs. Our support extends to over 1 lakh women entrepreneurs, illustrating our dedication to fostering progress in this domain and the tangible impact we consistently achieve on the ground, year after year.

Business Profile of Customers

Years in Business

Understanding the longevity of businesses provides valuable insights into the stability and maturity of our customer base. The impact report outlines the distribution of businesses based on the number of years they've been in operation.

Key Observations:

Concentration in Mid-range Years

Around **76%** of businesses in our customer base have operated for 5 to 12 years, showcasing established enterprises.

Varied Longevity

Businesses span from 3 to 33 years, indicating diverse developmental stages and maturity.

Significant Representation at 5 and 12 Years

Notably, businesses at 5 and 12 years exhibit significant presence, likely marking crucial growth periods.

Type of Business

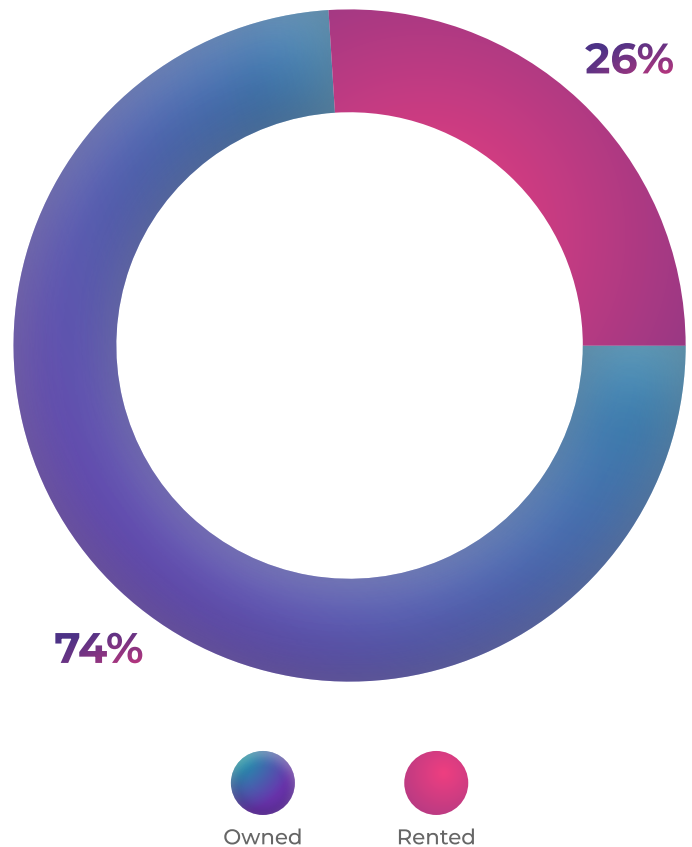
- The survey reveals a diverse range of businesses among ARTH's customers.
- General and grocery stores have the highest representation, indicating a significant presence in the customer base.
- Other prominent businesses include Mobile & Electronics, Garments, and Cosmetics, reflecting the varied economic activities supported by ARTH.

Ownership of Business:

The ownership status of the business place sheds light on the level of financial investment and stability within our customer base.

The majority of business shops/stores/offices (**74%**) are owned by the entrepreneurs themselves, highlighting the prevalence of small-scale entrepreneurship.

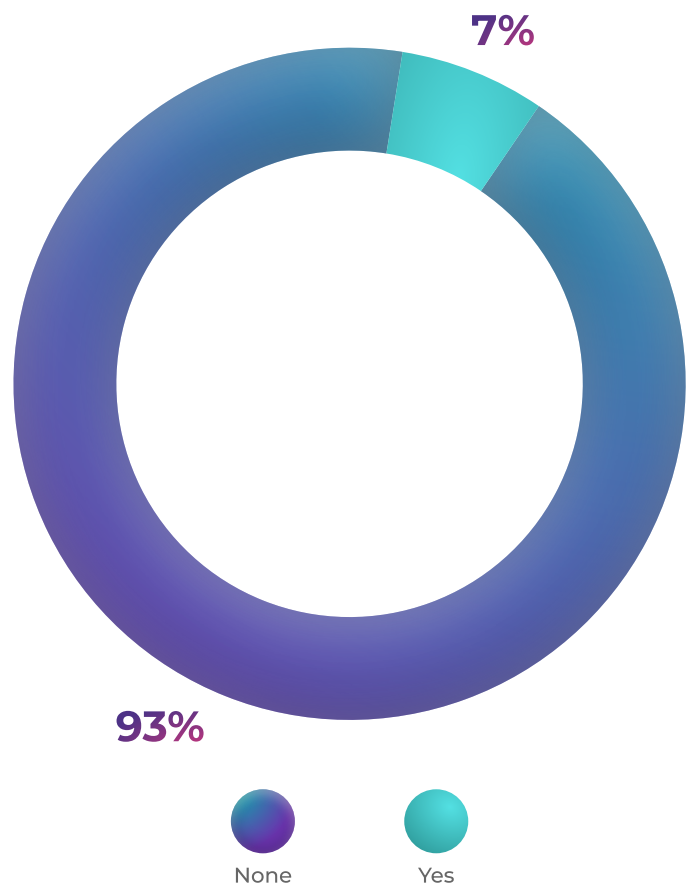
A notable portion of businesses (**26%**) operate from rented premises, indicating flexibility in their business models and the ability to adapt to changing circumstances.



Employees Engaged in the Business

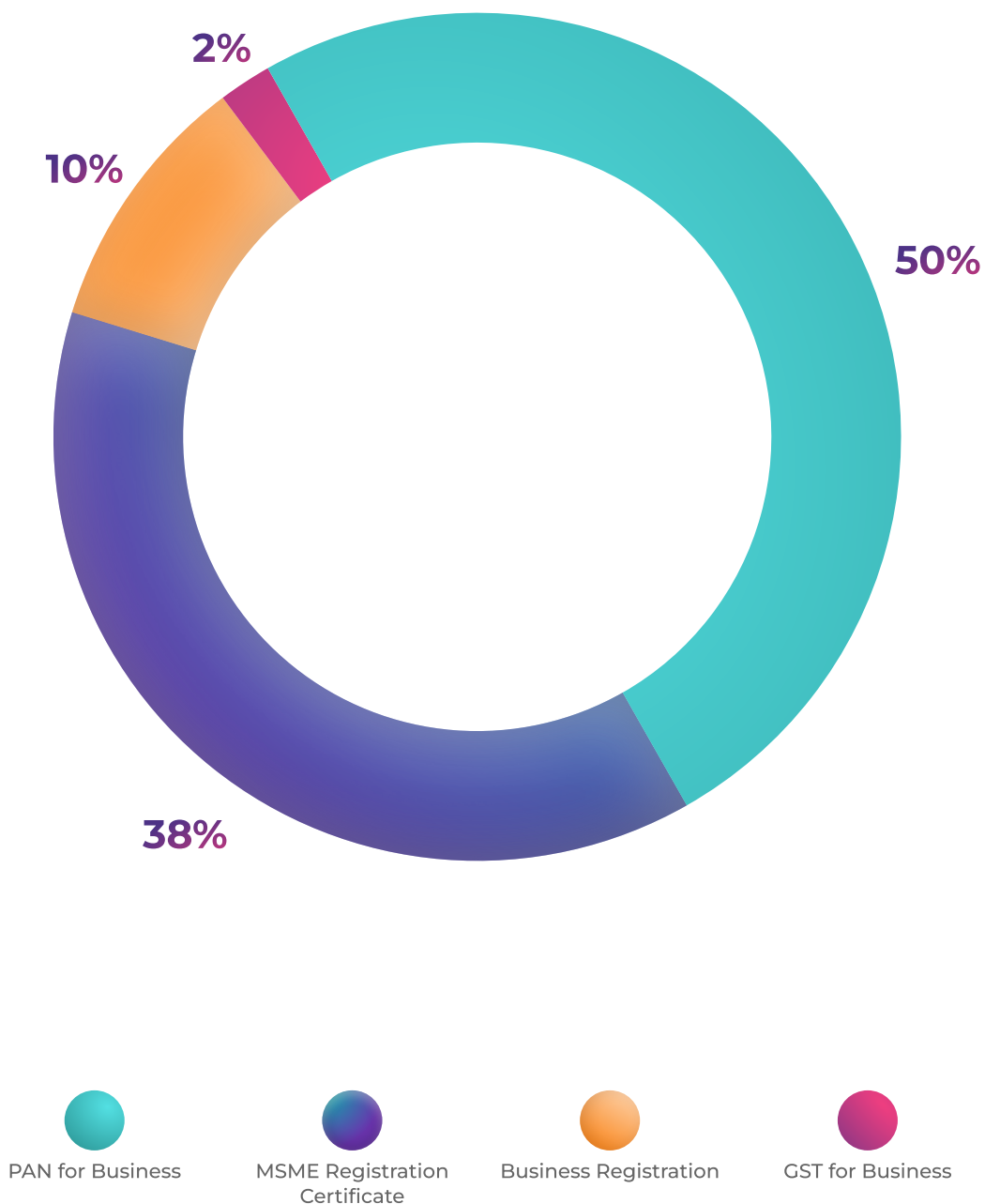
A vast majority (over 93%) of businesses surveyed do not engage any employees, showcasing the prevalence of micro-enterprises and sole proprietorships in ARTH's customer base.

Only a small percentage (less than 8%) of businesses reported engaging employees, indicating limited employment generation directly from the surveyed businesses



Business Documentation:

- The survey reveals varying levels of formal documentation possessed by the surveyed businesses.
- While a significant number have obtained PAN for Business (50%), indicating compliance with tax regulations, only a minority have GST registration (2%).
- Notably, a considerable portion of businesses registration (10%), MSME Registration Certificates (38%), indicating recognition and participation in government schemes targeted at MSMEs





Shiv's Journey to Success with ARTH

Shiv has been running a mobile accessories and repair shop for the past five years. When he first started his business, his monthly income averaged between ₹30,000 to ₹35,000. With aspirations to expand his operations and increase his sales, Shiv realized he needed additional funds to invest in his growing business.

Seeking financial assistance, Shiv turned to ARTH and successfully secured a loan of ₹1 lakh. With this, he was able to purchase new equipment, including a bubble machine. As a result, Shiv's business flourished, and his monthly income doubled to ₹80,000.

Grateful for the opportunity provided by ARTH, Shiv acknowledges the importance of access to affordable financing. He appreciates the timely disbursement and strong customer support team of ARTH which played a significant role in his business's growth and success.

Understanding the Socio-Economic Condition

ARTH recognizes diversity, equity, and inclusion as essential pillars of a thriving and progressive organization. We firmly believe that embracing diversity in all its forms fosters innovation, strengthens teams, and enables better service to customers and communities. This section of the report provides an overview of our commitment to diversity, equity, and inclusion and outlines the initiatives and progress the organization has made in creating an inclusive and equitable opportunity.

At ARTH, we are dedicated to financial empowerment by offering flexible short-term loans and other financial services tailored to the unique needs of each customer and their business.

Credit

Average Ticket Size

During this period, we have observed a notable increase in the average ticket size. This remarkable uptick reflects the evolving dynamics of our financial landscape and its potential to generate greater economic impact within our operational sphere.

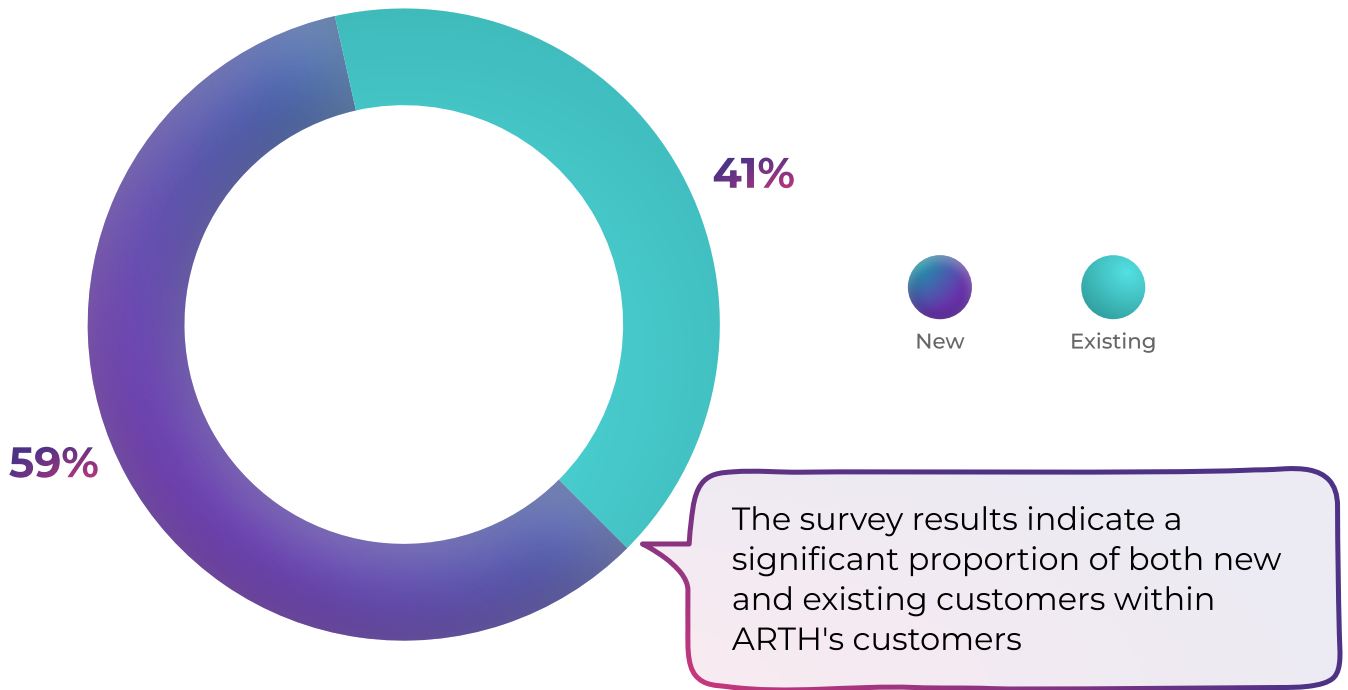
Expansion in Providing Loans

ARTH has experienced a significant upward trend in loan disbursements over the last three years. These figures underscore our unwavering commitment to providing accessible financial support to individuals and businesses alike, thereby facilitating growth and development across various sectors.

Reaching new-to-credit and the underserved

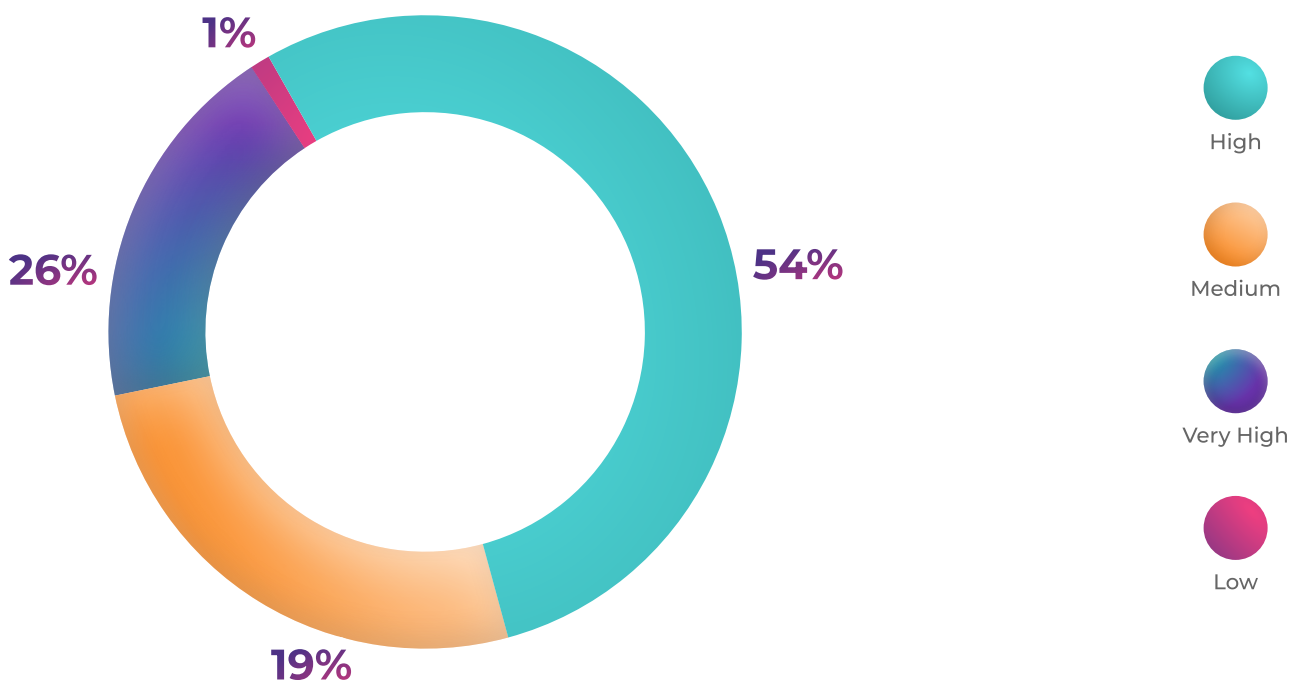
- Among the 64 million MSMEs in the country, only 14% have access to credit. This trend highlights a significant credit gap among MSMEs, which we are actively addressing through dedicated efforts to empower New-To-Credit businesses.
- To fulfill our mission of increasing financial access for small businesses, we have developed a statistical model that evaluates an entrepreneur's creditworthiness based on their future prospects. This model is unbiased towards older age groups (45 years+), who often struggle to obtain new credit.

- Out of the total sample size, 59% of respondents were first time borrowers suggesting deeper penetration into new-to-credit and underserved borrower segment. The balance between new and existing customers highlights ARTH's capability to attract new customers while ensuring repeat borrowers.



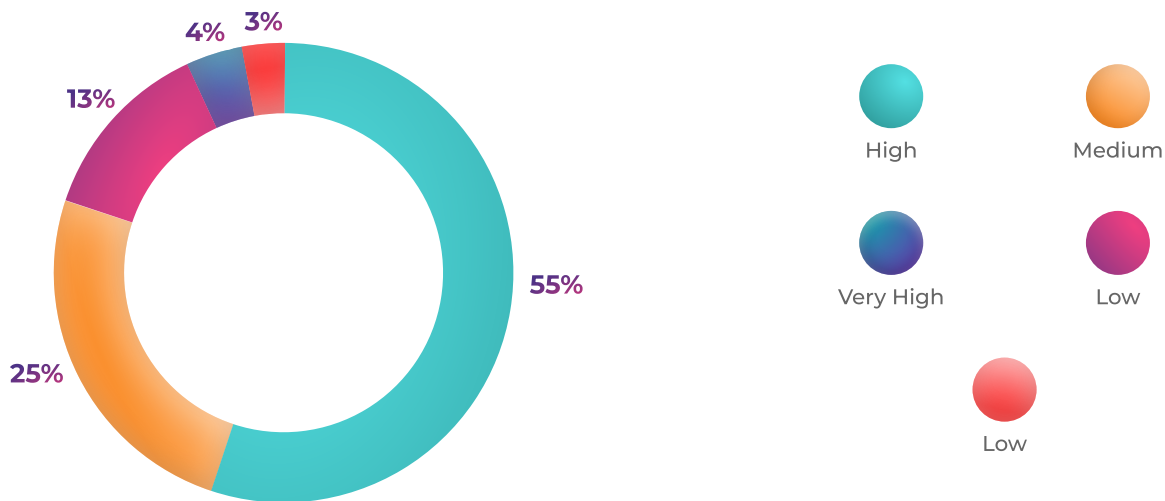
Customer Contentment After Availing Loan from ARTH

About 54% of respondents reported high satisfaction by availing ARTH's business loan service, while 19% expressed very high satisfaction. Approximately 26% reported medium satisfaction, with less than 1% expressing low satisfaction. These findings underscore the effectiveness of ARTH's financial support in driving tangible improvements and fostering success among its customers



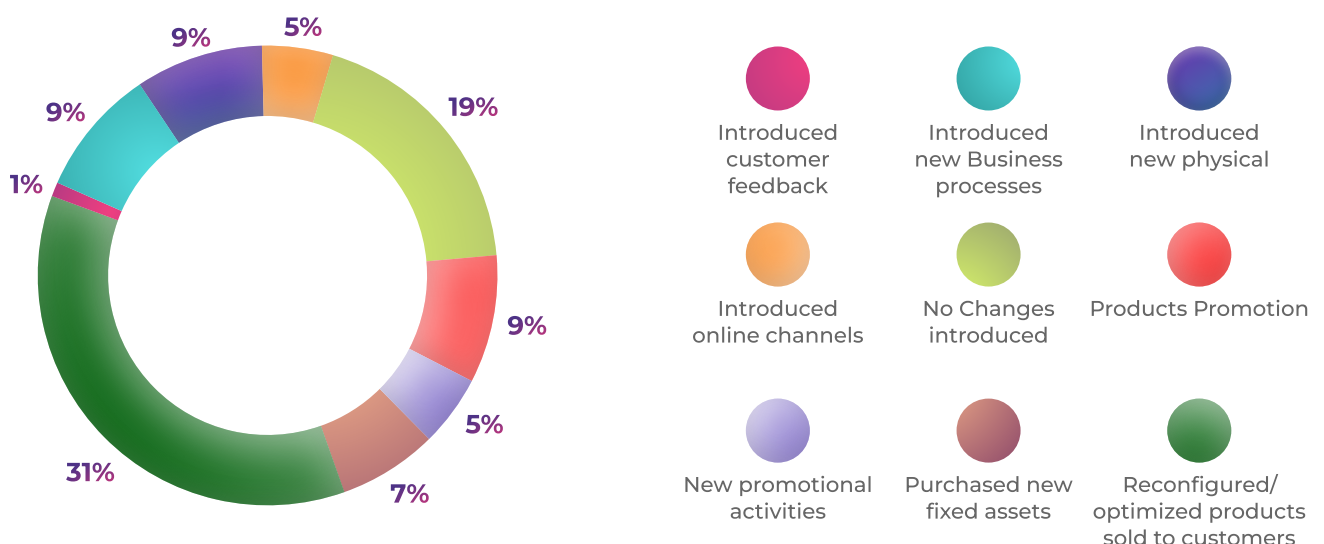
Changes in Business after Availing Loan from ARTH

Among the 150 respondents, ARTH's loan has had an impact on their businesses. The most common change reported was adding inventory/stock in their businesses (55%), followed by expanding business and purchasing assets such as furniture and raw materials (25%). A considerable number of respondents (13%) spent on capital goods such as motorcycle. Additionally, 4% respondents added savings for significant financial goals, and 3% respondents started new businesses.



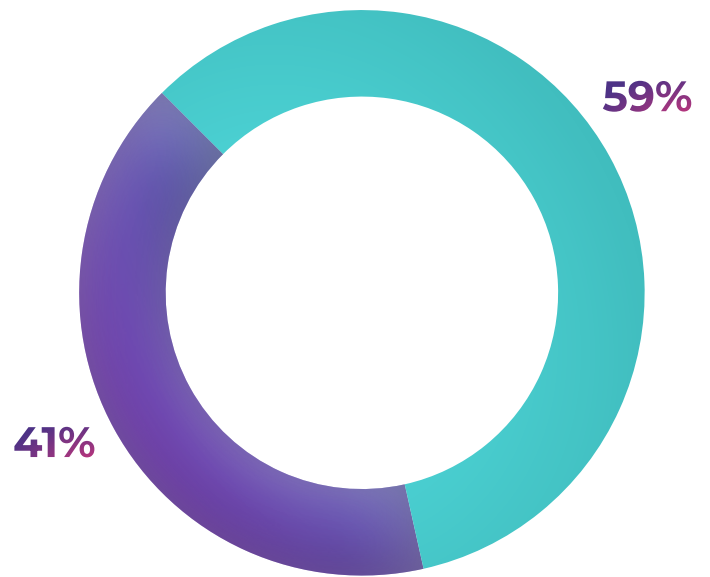
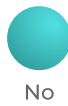
Improvement in Business Operations

Basis the survey of 150 respondents, various businesses implemented changes in the past year. Key changes included introducing customer feedback collection process (1%), new cost-reduction business process (9%), and opening new physical channels for customer service (9%). Additionally, online channels for serving customers were adopted by 5% respondents. However, a notable portion (19%) reported no changes. Promotional activities, like advertising and sales/discounts, were undertaken by (9%) and (5%) respondents respectively. Moreover, (7%) respondents invested in new fixed assets, while (36%) reconfigured/optimized products sold to customers.



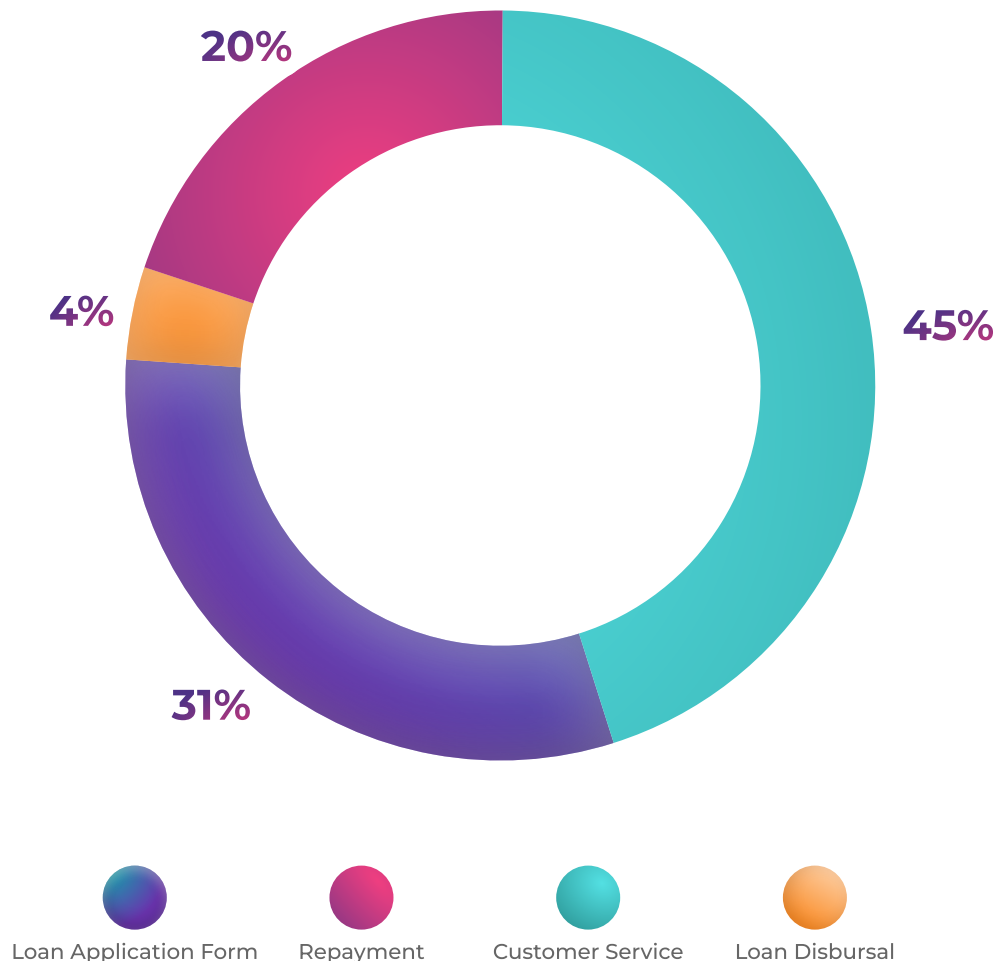
Other Sources of Credit

Regarding loans from other sources, 41% out of 150 respondents have taken loans from other banks/NBFCs, while 59% respondents have not.



Services Offered by ARTH:

Out of the services provided by ARTH, customer service was the most favored among 45% respondents, followed by the loan application process which received positive feedback from 31% respondents. 20% respondents appreciated the repayment process, whereas only 4% respondents preferred the loan disbursement process.





Kishan Kumar **(Footwear Shop Owner)**

Kishan Kumar runs a footwear shop with a rich history spanning over 20 years. Initially established by his father, Kishan took over the reins of the business due to his father's health issues. Starting from humble beginnings, Kishan gradually expanded the venture despite facing numerous challenges owing to his limited business acumen. However, he persevered through the hardships.

As the sole breadwinner of his family, Kishan faces stiff competition in the footwear market, necessitating innovative strategies to attract more customers and boost his monthly income. To enhance his shop's offerings, he sought financial assistance and secured a loan of INR 50,000 from ARTH. With this capital infusion, he invested in new footwear designs, belts, and shoes tailored for police officials.

The introduction of these fancy items has significantly augmented his monthly sales, which now range between 2.50 to 3 lakhs. Kishan commended ARTH for its seamless digital loan application process, which eliminated the need for physical visits to their office. Furthermore, he appreciates the convenience of repaying his monthly installments digitally, streamlining his interactions with ARTH.

Impact Analysis

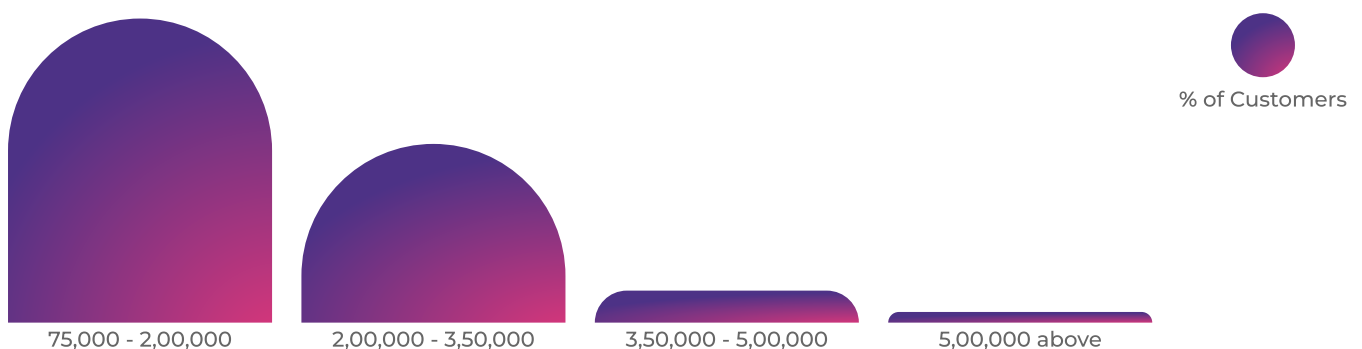
Understanding the Business Sustainability and Innovation

According to a recent report by EY, compared to global averages the MSME sector in India lags when it comes to formal credit penetration. To put things in perspective, MSMEs are currently battling monumental challenges with a credit gap of \$530 Bn. The MSME sector faces a significant credit gap, largely due to a lack of awareness among MSMEs about loan opportunities and credit eligibility. To foster sustainable economic growth, productive employment, and decent work for all, and to encourage entrepreneurship and the formalization and growth of nano and micro-entrepreneurs, ARTH supports new businesses by offering our suite of financial services.

ARTH's impact on economic growth is diverse, spanning entrepreneurship, investment, sectoral diversification, financial inclusion, poverty reduction, collaboration, and sustainable development. By nurturing a conducive environment for economic activity and prosperity, ARTH plays a pivotal role in driving inclusive and sustainable economic growth, benefiting individuals, communities, and societies at large.

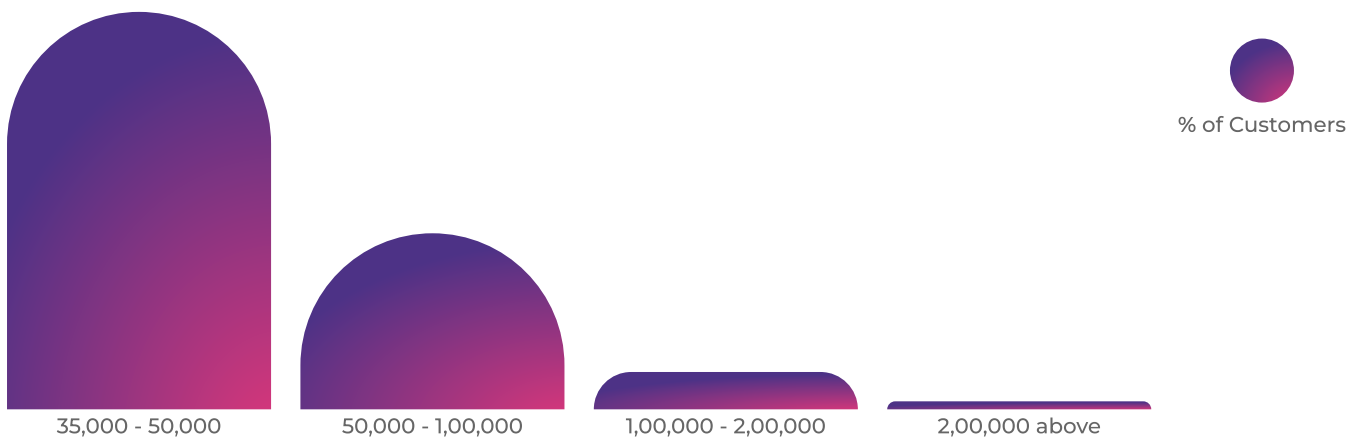
Business Turnover

Over the past year, our customers' business turnover has shown a steady and significant increase, directly attributed to the financial support provided by our business loans. By analyzing feedback from enterprises across various turnover brackets, we gain insights into performance drivers, challenges, and growth opportunities in each segment. With 58% respondents in the moderate turnover range, their feedback is crucial for understanding challenges and opportunities. Additionally, 34% of respondents with higher turnover provide insights into growth strategies. Despite being fewer in number, the 6% enterprises with significant turnover and 2% with substantial turnover offer valuable insights into the dynamics and challenges faced by businesses at different revenue levels, guiding strategic decisions for long-term success.



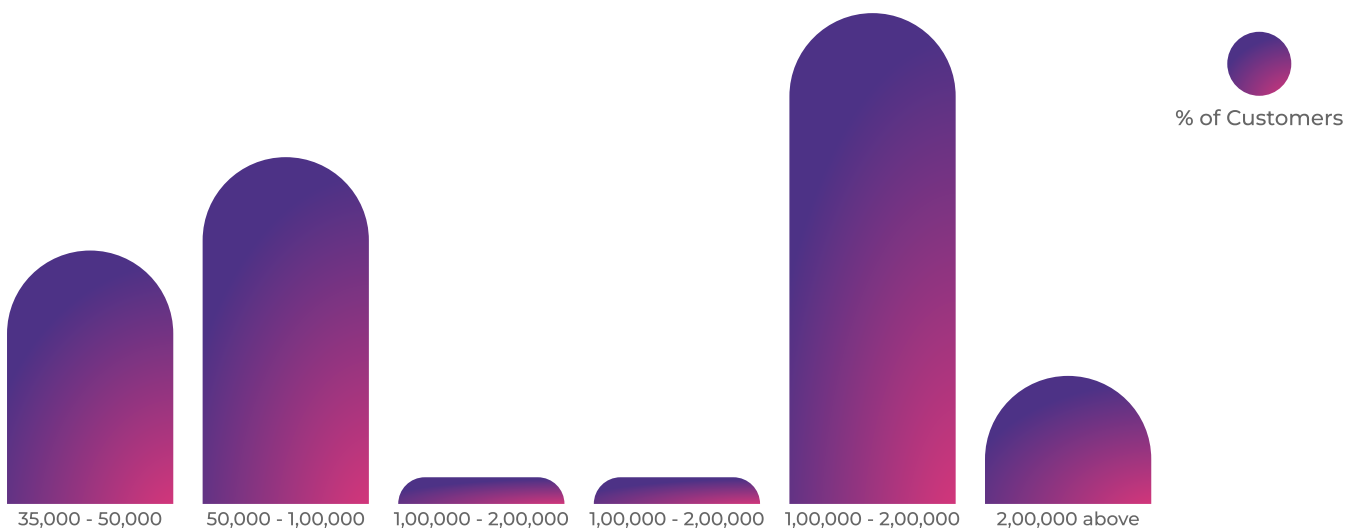
Monthly Business Expenses

The graph depicts a consistent upward trend in customers' monthly expenses, closely associated with ARTH's financial support. The survey results highlight a diverse range of monthly business expenses among our customer base. By analyzing customers' feedback within each expenditure bracket, it becomes evident that a significant portion of surveyed customers invests between ₹35,000 to ₹50,000 monthly. With 58% respondents falling within this range, it signifies a substantial proportion of customers with relatively higher monthly expenditures. Additionally, 5% respondents in this category represent customers with significant monthly business turnover, while 2% respondents in the highest expenditure bracket indicate customers with substantial monthly expenditures.



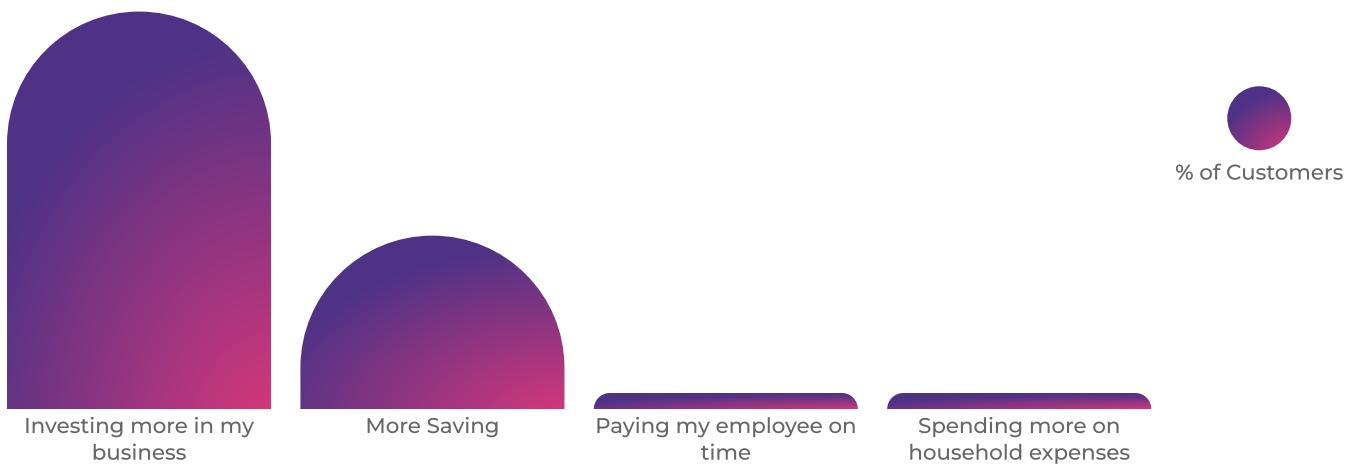
Monthly Take-home Income

The highest number of respondents 39% reported monthly take-home income ranging from ₹1,00,000 to ₹2,00,000. A significant portion 27% reported expenses between ₹50,000 to ₹1,00,000. Fewer respondents reported expenses outside these ranges.



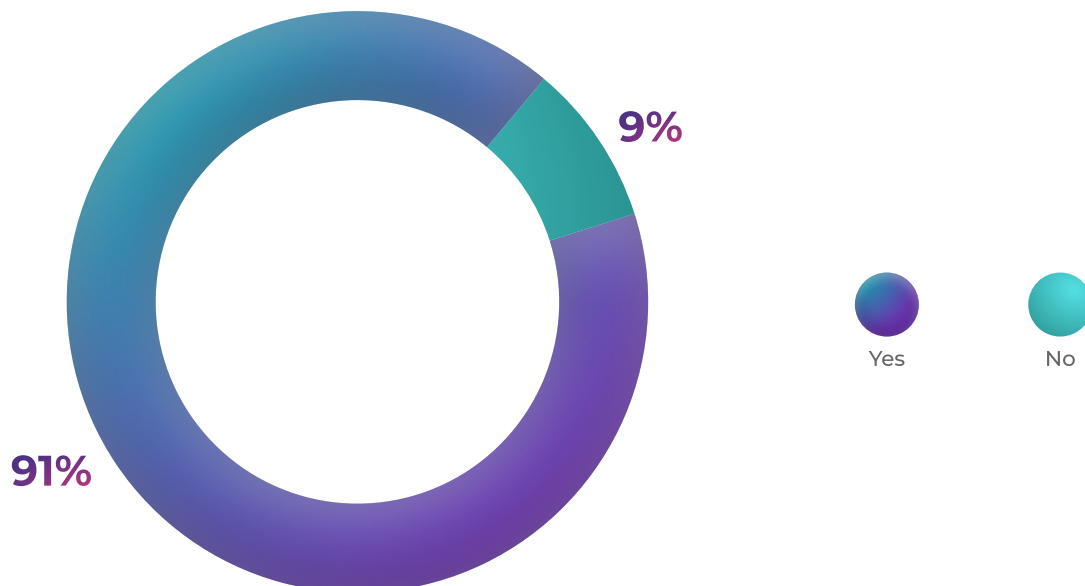
Profit Thresholds for Business Success

The survey reveals a spectrum of perspectives on what constitutes success for businesses, encompassing a variety of priorities ranging from business reinvestment and financial security to employee welfare and personal comfort. For 66% respondents, the primary indicator of business success lies in the ability to reinvest profits back into the business, showcasing a proactive approach towards growth and expansion, and reflecting a long-term vision for sustainability and competitiveness. Additionally, 29% respondents perceive success as accumulating savings from their profits. A small but notable proportion of 2% respondents view timely payment of employees as a crucial aspect of business success. Similarly, 3% respondents equate business success with the ability to increase spending on household expenses.



Business Expansion Plans

A significant portion of respondents 91% expressed plans for business expansion, suggesting a positive outlook towards growth and development, potentially driven by increased income and confidence in their business prospects.





66

Manju's Resilient Journey

Manju has been running her garment and matching center, having been associated with ARTH for the past three years. She obtained her first loan of INR 50,000 from ARTH, enabling her to expand her garment business. Despite running her garment business for the past ten years, she faced significant financial challenges when her shop was forced to shut down during the COVID-19 pandemic. However, after the pandemic, she successfully reestablished her business and applied for a loan from ARTH for the first time. With the loan, she replenished her stock of garments for ARTH, and after repaying all loan installments, she applied for a second loan from ARTH.

This time, she received INR 70,000, which she used to purchase more fabric and matching items such as saree fall, blouse pieces, and lace for her shop. As a result, her daily sales have increased, and she now caters to her customers' needs more effectively. Manju expressed her gratitude towards ARTH, emphasizing that she received a quick and hassle-free loan. She also praised the reliability of the interest rates compared to other companies.

Impact Analysis

Understanding Overall Community Impact

The National Education Policy (NEP) 2020 highlighted the importance of early financial literacy and advocated for the inclusion of financial literacy at all educational levels. People with financial insights are better equipped to handle financial stability. Surveys reveal that only 27% of India's population is financially literate. Additionally, only 16.7% of Indian students have a basic understanding of finance and money management.

ARTH understands the importance of financial literacy in empowering individuals to make informed financial decisions. Therefore, it conducts financial education and capacity-building programs aimed at enhancing the financial literacy and skills of its customers, enabling them to better manage their finances and improve their livelihoods.



370+

Financial Literacy Training Workshop Organized



9,125+

Beneficiaries Trained



9,000+

Women now understand entrepreneurship



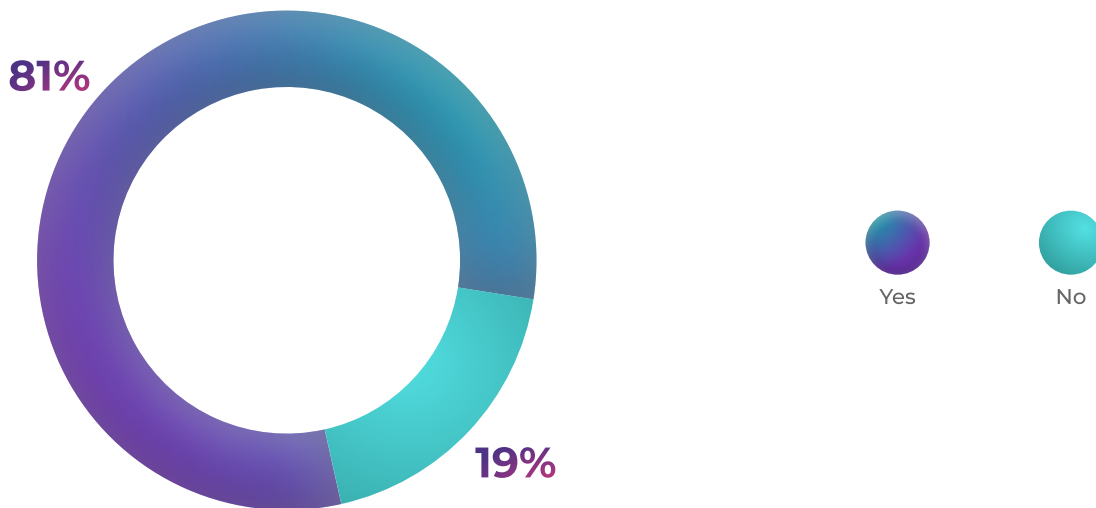
80%

Women implementing and practicing skills like stock and record keeping

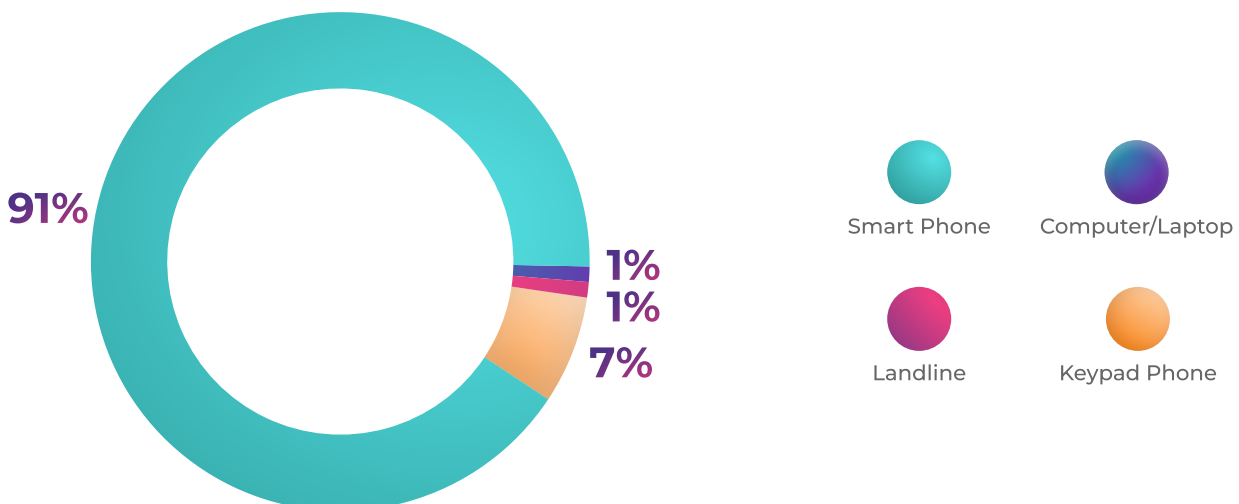
Financial Acumen of Customers for Business

ARTH continues to support our customers in enhancing their financial literacy and skills through targeted education and resources. By empowering them to make sound financial decisions, we contribute to their long-term success and the overall health of their businesses. This analysis underscores the importance of financial acumen among our customer base for business success. By analyzing their financial behaviors and decision-making processes, we gain insights into their understanding of financial concepts and their implications for business growth and sustainability.

Separate bank account for business: The majority of customers (81%) reported using a separate bank account for conducting business transactions, indicating a basic level of financial organization and sophistication.

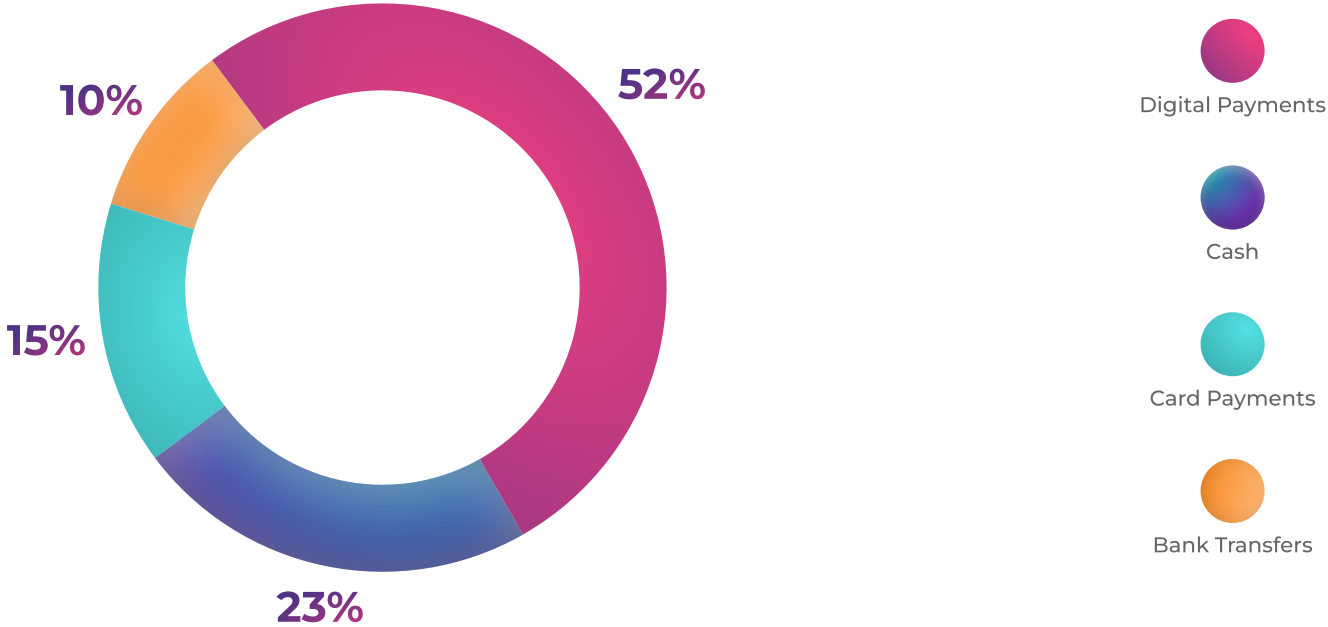


Smartphone Usage: A large majority (91%) of respondents reported using a smartphone with internet for running their enterprise-related activities, demonstrating familiarity and comfort with modern technology for business operations.



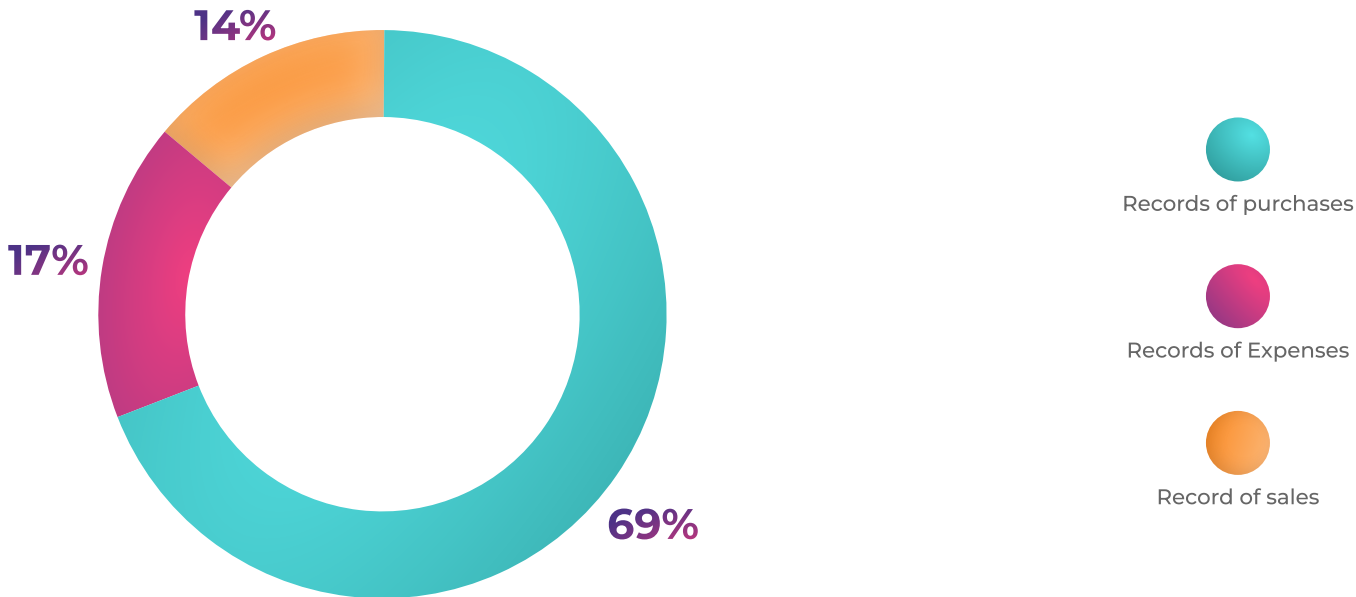
Mode of Business Payment

Digital payment methods were the most commonly used 52%, followed by cash 23%, card payments 15%, and bank transfers 10%, indicating a diverse range of payment preferences among the respondents.



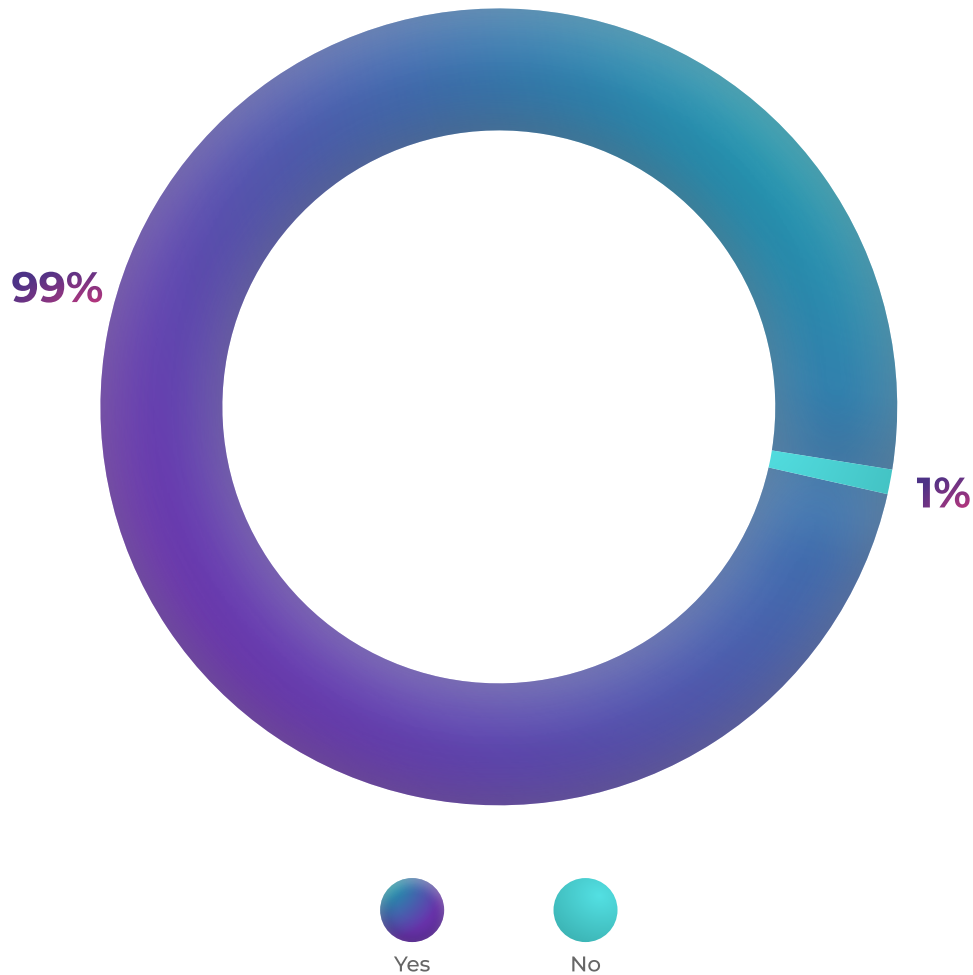
Business Records Maintenance

Most participants maintained records of purchases 69%, followed by records of expenses 17% and records of sales 14%, highlighting a reasonable level of diligence in financial record-keeping.



Insurance and Welfare Scheme Benefits

The vast majority of customers (99%) reported accessing health or welfare schemes, indicating a proactive approach to securing financial protection and support for themselves and their businesses.



30,000+
Insurance Sold



900+
Community Sabhas Conducted



21,000+
Community Meetings
Attendees



8,000+
Govt. Scheme Benefits Received



Ruby Singh's Journey with ARTH

Ruby Singh operates a general store alongside her husband, where they manage day-to-day operations. Initially, the store began as a modest retail shop offering snack items, groceries, and dairy products. However, with the increase in demand for cold drinks, breakfast items, vegetables, and personal care products, they found themselves unable to meet these requests due to financial constraints. To address this, Ruby sought financial assistance from ARTH and secured a loan of INR 30,000, which she invested back into the business, thereby broadening their product range and boosting monthly sales.

With diligent repayments, Ruby successfully cleared the loan with ARTH and subsequently applied for and received a second loan amounting to INR 50,000. This additional funding enabled her to further diversify the store's inventory, acquiring assets and expanding the grocery selection. Now, Ruby proudly states that her store caters comprehensively to customers' needs, offering a wide array of grocery, food, and vegetable items. Grateful for the support received during challenging times, Ruby acknowledges ARTH's instrumental role, emphasizing that her daily income now ranges between INR 7,000 to 8,000, thanks in part to their assistance.



Manju: A lone survivor

Manju is a resilient single parent, a woman of great strength and kindness. She has two children, a daughter, and a son, and resides in Naka Hanuman Gadi in Ayodhya. After the unfortunate demise of her husband eight years ago, the responsibility of managing the household and caring for the children fell squarely on Manju's shoulders.

In her quest to secure a better future for her family, Manju realized the need for financial support to start her own business. It was then that she heard about ARTH, a platform that provides loans for business. With determination, she took a loan and established a thriving tailoring shop. Using the funds wisely, Manju purchased a stitching and interlock machine with a loan of Rs 30,000, significantly boosting her business.

As a result of her hard work and strategic investments, Manju's income has soared to new heights. Her success story doesn't end there. Manju has availed the benefit of the widow pension scheme through the assistance of the ARTH Foundation. Under this program, she receives a monthly pension that serves as additional income, supporting her in meeting household expenses. Grateful for the support, Manju expressed her heartfelt thanks to ARTH for playing a crucial role in transforming her life and securing a brighter future for her family.

Partnerships

During the year 2023-24, ARTH built and expanded partnerships with its regional, local and national partners aligned with ARTHs' mission to empower the underserved businesses.

ARTH follows an approach for delivering access to affordable financial services to millions of underserved small businesses by firstly partnering with national players with retail and merchant MSME networks that are already digitized, and secondly by creating regional partner networks to strengthen regional presence on-ground.

Industries our partners belong to:



ā
arth

Arthimpact Digital Loans Private Limited



arthimpact.in



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