

**DIGITALLY ADVANCED  
NBFC-MFI, WITH A  
STRONG ESG FOCUS**





## Digitally advanced, leading NBFC-MFI with a strong ESG Focus

Arohan Financial Services Limited (Arohan) is one of the largest NBFC-MFIs in India, regulated by the Reserve Bank of India. Headquartered in Kolkata, it serves 11 Low-Income States in India that show a high degree of financial exclusion, identified by CRISIL's Inclusix 2018 (a composite index measuring financial inclusion) through a range of inclusive finance services which includes low ticket size credit products. Arohan is a leading, digitally advanced, NBFC-MFI in India committed to sustainable business practices ensuring future-readiness through a well-knitted Environment, Social and Governance (ESG) model.

Arohan is a part of the Aavishkaar Group, global pioneers in taking an entrepreneurship-based approach towards development. The Group is focused on developing the impact ecosystem in the continents of Asia and Africa. Aavishkaar Group manages assets in excess of USD 1.2 Billion across Equity and Credit, with 7,000+ employees present across India, Indonesia, Bangladesh and Kenya.

The word "Arohan" in Sanskrit means 'ascent', the principle which drives our approach to create value. The colour Blue in Arohan's logo symbolizes trust and dependability, and the colour Red represents dynamism. The arrows directed upward in the logo show our passion for growth, innovation and success.

## The Journey

**2006** Arohan was set up as an MFI with initial support from Bellwether, then India Financial Inclusion Fund and Michael & Susan Dell Foundation.

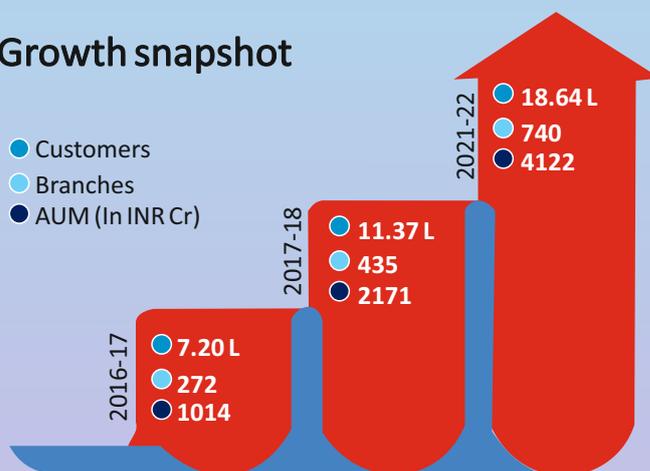
**2012** Became part of the Intellectap Group. Acquisition involved incremental investments and represented the first formal and significant consolidation in India's microfinance sector.

**2012-21** Subsequent rounds of investments by Aavishkaar Goodwell-II, Michael & Susan Dell Foundation, TANO Capital, MAJ Invest, TR Capital and fresh equity infusion from the group makes Arohan one of the best capitalized NBFC-MFIs in its peer group.

Offers a wide suite of credit products spanning micro and small enterprises. Has active cross-sell and microfinance partnerships verticals. Recognised as the Microfinance Organisation of the Year, 2018 at the Inclusive Finance India Summit.

**As of March 2022** Digitally advanced NBFC-MFI with presence in 11 states for its microfinance business.

## Growth snapshot



## Arohan's Vision & Mission

**Vision: To impact over 20 million lives by 2025 - 20 by 2025**

Aspiring to be in the Top 3 financial inclusion players while reaching to over 5 million households with an INR 25,000 Cr portfolio and being in the Top 3 places to work by 2025.

**Mission: To empower under-served households and small businesses by offering a range of financial services, in a manner sustainable for all stakeholders.**



## CUSTOMER CENTRICITY

At the core of Arohan's operations is a deep sense of customer centricity, borne out by its transparency in business practices and a unique design of products and services to meet customer requirements. Customers are offered financial and other services best suited for their socio-economic growth. Arohan uses the traditional Grameen group model to introduce its customers to microfinance and offers them small ticket loans. While women are the primary clientele of the company and it helps them strengthen their household livelihood activities, it also caters to traders, male and female, as well as, micro, small and medium enterprise segments. Arohan's customers are situated across rural, semi-urban and urban geographies and are engaged in various professions ranging from agriculture to trade. To ensure good customer experience, Arohan has a toll free number which offers multi-lingual customer care and conducts outbound calls to check customer satisfaction levels.

## PRODUCTS

Arohan offers a broad range of products to customers, broadly classified as credit and non-credit products. Arohan's credit products include income generating loans and other loan products for various household purposes. Non-credit products provided to customers include life and health insurance covers, including additional cover for COVID-19, issued and underwritten by leading Indian insurance companies with whom the Company has entered into partnerships.

Arohan is one of the very few microfinance organizations to provide loans of amounts ranging from INR 10,000 to INR 25 Cr, including Term Loans to small MFIs operating in remote parts of various Low Income States or financially underpenetrated states in India.

Product	Customer Profile	Loan Size (INR)	Tenure (Months)
Saral	For economically active women residing in low income areas, generally involved in agri, trade & services	10,000 - 50,000	12-24
Bazaar	Loans for vendors in authorised markets selling household commodities, generally perishables	15,000 - 50,000	12-24
Sanitation	For Saral and Bazaar customer who wants to construct toilets	15,100	12- 24
Cross-Sell	Cross-selling of non-financial products in tie-ups with third parties	20,000	3- 18
Insurance	Term-Life and Health Insurance products offered with tie-ups through certain insurance companies in India	- Loan Term + 2 months (for Term-Life) - 12/24 months (for Health Insurance)	

In addition to offering Core Loan products, Arohan caters to its customers' requirements for both financial products such life and non-life insurance, as well as, non-financial products such as utility products including solar lamps, agricultural supplies, consumer durables, kitchen appliances, bicycles and other household items in association with various third party vendors and partners. Cross selling at Arohan is facilitated through an in-house technology platform called "ApnaBazaar", on which various products are made available to the company's field employees on mobile or tablet devices, for them to in turn make it available to the customers. This plays a key role in increasing customers' access to a range of financial inclusion products that helps the overall credit relationship with Arohan.

**Financial Safety Net Products:** In order to ensure a financial safety net for its customers, Arohan offers life and health insurance products that are issued and underwritten by certain Insurance Companies with whom the Company has entered into tie-ups.

**Non-Financial Products:** In order to make utility and day-to-day products of good quality for its customers, Arohan also offers a range of utility products at affordable costs. These products may also be financed by Arohan through secondary loans for eligible customers.





## SOCIAL RESPONSIBILITY

Arohan's non-financial interventions, under its corporate social responsibility, has impacted over 7,00,000 lives so far. Its four-pronged approach focusses on skill building and education, women's health and wellness, eco-sustainability and disaster relief management. It conducts health awareness and check-up camps for women, while also empowering girl students through scholarship programmes and supporting children in honing their innovative entrepreneurial ideas through funding, training and skill building. Large impact has been created by setting up Water Sanitation Units (with the capacity to provide up to 1000 litres per hour of purified drinking quality water ) and also alternative livelihood generation. Arohan has, over the years, extended assistance to families in rural geographies during floods and cyclones as part of its disaster relief initiatives. Employees at Arohan are actively encouraged to volunteer by engaging with local NGOs and providing educational guidance and assistance to the youth.

## MICROFINANCE PARTNERSHIPS

Arohan is one of the very few microfinance organisations to provide loans of amounts ranging from INR 10,000 to INR 25 Cr, including Term Loans to small MFIs operating in remote parts of various Low Income States or financially underpenetrated states in India. Arohan's Inorganic Portfolio comprises of loans sourced through the Company's partnerships with small MFIs. These partnerships include the provision of Term Loans and also Sourcing and Collection arrangements.

Through this vertical, Arohan works with over 30 partners across its areas of operations. Arohan has been an industry thought-leader in driving this vertical, while also achieving diversification and strengthening of its portfolio. Since its introduction, the Inorganic Vertical has traversed a robust growth journey, reaching out to underserved customers in remote geographies in India.

## OTHER OFFERINGS

- ▶ **Hum Hain Naa:** A first of its kind, balance transfer product, 'Hum Hain Naa', to help customers benefit from better pricing and a monthly repayment model.
- ▶ **Sahbhaagi:** An industry-first centre reward programme for customers, to recognise regular centre attendance and timely repayments.
- ▶ **Khaas:** Arohan intends to offer a first-of-its kind model in the industry called 'Khaas' for used-to-credit customers. Through this model, Arohan's customers are likely to have a fully digitised loan renewal processes, cashless repayments and special benefits such as lower interest rates and better rewards.
- ▶ **Digital Arohan:** In FY2022-23, Arohan plans to open, a first of its kind in the industry, 'Digital Arohan'. Digital Arohan will enable Arohan's microfinance customers to opt for a loan service effortlessly with the use of a mobile application alone, without any human touch, and get her bank account credited in a matter of just a couple of hours.

## TECHNOLOGY ENABLEMENTS



### Completely digitalised customer management platform

Arohan is the first among its peers to facilitate a completely paperless front-end interface for all its field employees.

- **New geography selection** - Through Prismatic, the Risk management system
- **Loan Sourcing** - Completely paperless mobility platform called Gravity
- **Quality Control** - Central HUB, Document Management System
- **Disbursement** - Cashless, direct to account
- **Loan Management** - meraArohan platform
- **Collection** - App based collection
- **Customer App** - Apna Arohan, an end-to-end customer management app available in regional languages

The entire process is driven by 7160 employees managed on the HR Management System, **Adrenalin** and monitored by the Internal Audit System **Perdix**. While the Customer Insights and relationship is managed through a centralised CRM, the loan management system is driven on Profile, by FIS. These efforts make Arohan one of the most IT-enabled NBFC-MFIs among its peers.



## THE PEOPLE

Arohan's senior management group ranks as one of the strongest for an MFI of its size in India. It brings together cumulative work experience in the fields ranging from core microfinance to retail banking, consulting, livelihoods and insurance. Arohan's Board of Directors has reputed independent directors, investor nominee directors, promoter group representatives and a management representative who add significant value with their functional knowledge, lending and investing experience in the financial inclusion space and allied fields.

Guided by the board, and supervised by the management team, it has a remarkably well-knit work force of nearly 7160 employees (as of March 31, 2022). This team consistently pushes the company and the business forward in terms of performance and tests new limits. At least eight of every ten employees at Arohan are field officers. It employs and trains young men and women who may or may not be graduates, often giving them their first opportunity to earn for their families while shaping their own careers.

## INVESTORS



Aavishkaar  
Goodwill



MAJ  
INVEST



Michael & Susan Dell  
FOUNDATION



TR Capital Group

## VALUES



EMPLOYEE ENGAGEMENT



TRANSPARENCY



HONESTY AND INTEGRITY



INNOVATION



CUSTOMER CENTRICITY



SHAREHOLDER VALUE FOCUS

# AROHAN'S

## UNIQUE DIFFERENTIATORS

**Transparency:** Over the past decade, Arohan has maintained a high level of transparency and honesty to its investors, lenders and customers. It was recognised as one of the top five transparent MFIs in India.

**Part of a professionally managed social enterprise group ecosystem (Aavishkaar):** In 2012, corporate restructuring further strengthened Arohan's credibility by bringing it under the Aavishkaar group, which has in-depth sector background and expertise.

**Digital enablement** - Arohan is among the most digitally advanced NBFC-MFIs in the country with a focus on **"Paperless on the front and Cashless at the back."**

**Innovation:** The Company played a pioneering role in introducing individual lending to micro-entrepreneurs in urban areas and lending to male customers. It currently also offers a suite of innovative insurance (life and general) products along with other affordable non-financial products.

**Focus on the financially excluded Low Income States in East, North East and Central India:** Arohan is present in Assam, Bihar, Chattisgarh, Jharkhand, West Bengal, Odisha, Meghalaya, Manipur, Uttar Pradesh, Madhya Pradesh and Tripura.

**Inorganic growth:** It is the only MFI in India to have grown through inorganic consolidation and has managed a successful turnaround. It has thus, demonstrated the ability to grow through inorganic expansion while creating a win-win-win situation for the customers, the partners and for itself.

## AWARDS & ACCOLADES

- Top 25 Safest Workplaces in India by KelpHR
- "Microfinance Company of the Year" at the 3rd Annual BFSI Technology Excellence Awards programme 2022
- New Code of Work Awards 2021 in the Large Enterprise Category by PeopleStrong.
- India's Best Workplaces in BFSI 2022 - by Great Place to Work® Institute
- 2021 Modern Governance 100 recipients in the Audit Excellence, Risk & Compliance Visionary and ESG & Diversity Trailblazer categories by Diligent
- Best Governed Company, Unlisted Segment, Emerging Category award by the Institute of Company Secretaries of India at the 20th
- ICSI National Awards for Excellence in Corporate Governance, 2020
- Semi-finalist recognition with the SKOCH Order of Merit Awards 2021 in four categories for Micro-Credit, Response to COVID, Corporate Governance and meraArohan (Arohan's inbuilt Loan Origination System)
- Inclusive Finance India Awards 2018 - "Microfinance Organisation of the Year" by Access Assist
- MFIN Microfinance Awards for the "Best Risk and Resilience Framework" 2018 among NBFC-MFIs, awarded by MFIN in association with Dun & Bradstreet (D&B)
- SKOCH Order-of-Merit 2018 for qualifying amongst the top ranking Banking & Finance projects in India for "Strategic Alliance Initiative", "Financial Inclusion, Microcredit and Rural Expansion" and "Strategic IT Transformation"
- AMFI-WB Awards 2018 for "Best Coverage in East India", "Best Credit Plus Activities" and "Best Client Centric Initiatives"
- CII Special Jury Recognition 2019 for 'Environment Sustainability'
- CSR Excellence Award by India International CSR Conclave 2018-Water
- CSR Excellence Award by India International CSR Conclave 2017
- SKOCH Order-of-Merit 2017 for qualifying among top 80 technology projects in India and best IT implementation for Mobility and CRM
- SKOCH Order-of-Merit 2016 for qualifying among top 100 projects in India for financial Inclusion
- Microfinance India Institution of the Year 2010 (Small and Medium MFI) by Access Assist

## CERTIFICATIONS

SMART Campaign certified	CARE MFI 1 Grading	COCA Assessment score of C1
Social Performance Rating of SP1 by ICRA	Credit Rating A- from ICRA and CARE	Great Place to Work-Certified™ thrice in a row



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