

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





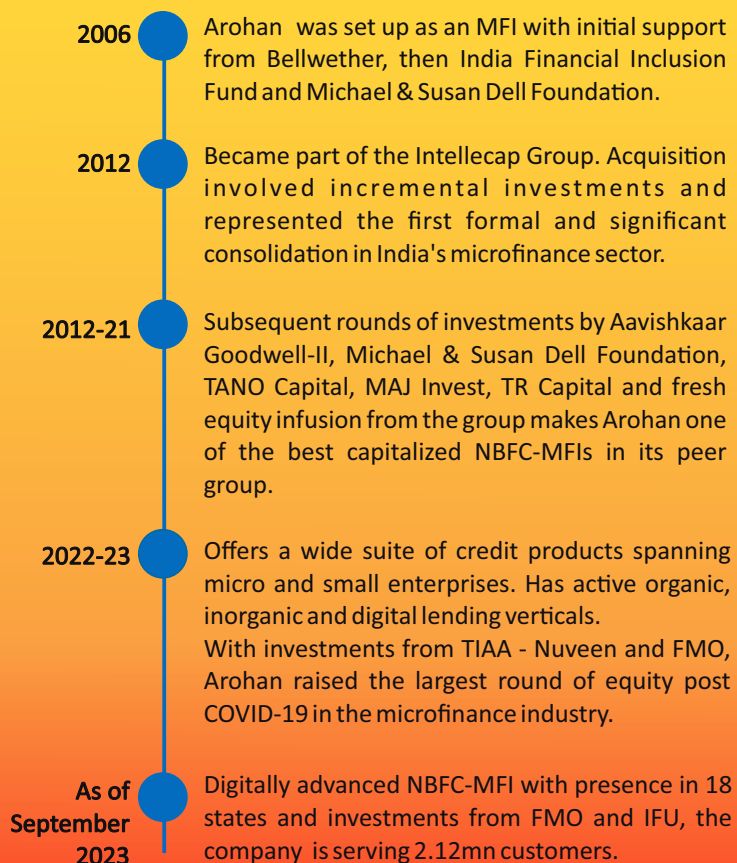
Digitally advanced, leading NBFC-MFI with a strong ESG Focus

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 18 States. The Company offers a range of inclusive financial 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.

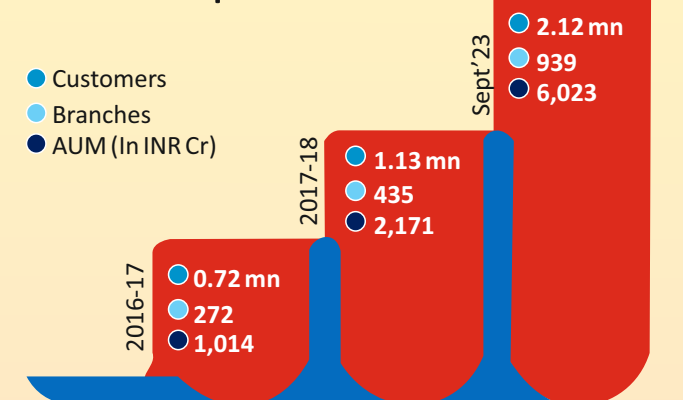
Arohan is a part of the Aavishkaar Group, global pioneers in taking an entrepreneurship-based approach towards development. The Group is focused on developing the impact ecosystem in the continents of Asia and Africa. Aavishkaar Group manages assets in excess of USD 1 Billion across Equity and Credit, with close to 9,000+ 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



Growth Snapshot



Arohan's Vision & Mission

Vision: To impact over 28 million lives by 2028

To be among the Top 3 MFI players, serving close to 6 million households and being a preferred place to work for our employees.

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



CUSTOMER CONNECT & FOCUS

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, as well as leverages a first-in-the-industry Digital Lending platform to offer 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 range of products to customers, broadly classified as credit and non-credit products. While Arohan's credit products include income generating loans and other loan products for various household purposes, its non-credit products include life and health insurance covers, 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 5,000 to INR 25 Cr.

Product	Customer Profile	Loan Size (INR)	Tenure (Months)
Saral	Catering to women residing in low income areas, generally involved in trade & services.	25,000 - 75,000	18-30
Micro Enterprise Loans	Loans for vendors in authorised markets selling household commodities	25,000 - 1,50,000	18-24
Cross Sell	Cross Selling of non-financial products in tie-ups with third parties	Upto value of active Primary Loan Disbursement amount associated with customer, in any given cycle	3-24
Insurance	Term-Life, Health and Dwelling 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) 12 months (for Dwelling Insurance)	
Term Loans	Term Loans to small MFIs	5 - 25 Cr	12-36
ArohanPrivilege Digital Lending	Gold standard Microfinance customers	5,000 - 75,000	5-24

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 leading 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 to eligible customers.





ENVIRONMENTAL & SOCIAL FOCUS

Arohan, through its processes and business operations, takes cognizance of the actions of its customers and their implications and influence on the Environment and Society (E&S). The Company understands the need to manage E&S risks and mitigate them. To this effect, Arohan has implemented adequate measures and initiatives. Through dedicated activities for women and community welfare, Arohan has impacted over 8 Lakh lives as of June 2023. As a part of its social responsibility commitments, Arohan has undertaken Environmental & Social initiatives such as Water Sanitation and Conservation, Disaster Relief through distribution of relief materials, Education and Child Development, Capacity Building & Livelihood Promotion, and Health & Hygiene initiatives. Employees at Arohan are actively encouraged to volunteer time and skills to connect with beneficiaries in line with defined causes including the promotion of education, disaster relief efforts, community upliftment, and Mental Health well-being.

INORGANIC BUSINESS VERTICAL

Arohan has been a forerunner in the industry to have a focused Inorganic business model, optimising its non-qualifying space. From offering Term Loans of up to INR 25 Cr to partnering for a Sourcing & Collection relationship with smaller microfinance entities, and even engaging in microfinance through loans specific to the business enterprise segment operating out of specified markets, this vertical allows the Company sustainable market advantage.

In FY 2023, the Company has also introduced **Micro Enterprise Loans** as working capital loans for Micro Enterprises with ticket sizes starting from INR 1,05,000 from its pilot branch in Kolkata, West Bengal.



Micro Enterprise Loans

a Business Vertical of **AROHAN**

ArohanPrivilege DIGITAL LENDING

Arohan is focused on driving innovation and differentiation through its products and processes with an aim to expand its outreach while serving customers better.



In FY 2023, Arohan steered the launch of **ArohanPrivilege**, Indian microfinance industry's first-in-the-kind digital loan sourcing facility. This unique initiative is specific to gold standard microfinance customers where they are offered the facility of receiving and serving their loans through 100% digital and cashless means, through Arohan's proprietary apnaArohan app from the comfort of their homes. The ticket size of ArohanPrivilege loans ranges from INR 5,000 to INR 75,000.

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 in-house sourcing platform, called meraArohan
- **Quality Control** - Verification done at the Central HUB
- Paperless onboarding process through the e-signature facility, a significant integration that Arohan has enabled for its customers.
- **Disbursement** - Cashless, direct to account
- **Loan Management** - Profile from FIS
- **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 close to 9,000+ employees managed on the HR Management System, Adrenalin and monitored by an in-house Audit Management System and Fraud Management System. 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 close to 9,000+ employees (as of September 30, 2023). 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



FMO
Entrepreneurial
Development
Bank



Michael & Susan Dell
FOUNDATION



TR Capital Group



INVESTERINGSFONDEN
FOR UDVIKLINGSLANDE

VALUES



EMPLOYEE ENGAGEMENT



HONESTY AND INTEGRITY



CUSTOMER CENTRICITY

TRANSPARENCY



INNOVATION



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.

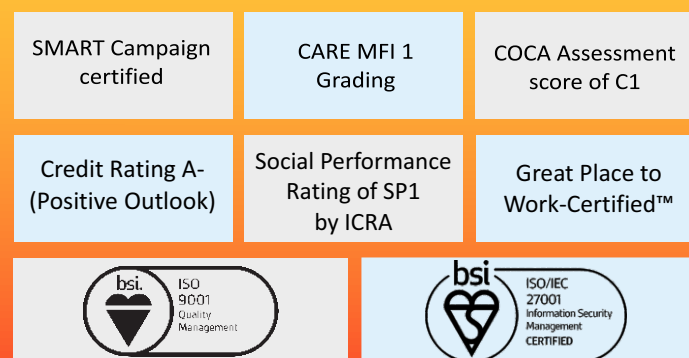
Part of a professionally managed social enterprise group ecosystem (Aavishkaar): In 2012, corporate restructuring further strengthened Arohan's credibility by bringing it under the Aavishkaar group, which has in-depth sector background and expertise.

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.'** In FY 2023, Arohan steered the launch of **ArohanPrivilege**, Indian microfinance industry's first-in-the-kind digital loan sourcing facility.

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

Growing Geographic Presence: Arohan is present in Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Odisha, Rajasthan, Telangana, Tripura, Uttarakhand, Uttar Pradesh and West Bengal.

CERTIFICATIONS



AWARDS & ACCOLADES

- Asset Triple A, 2023 for the "Best Payment and Collections Solution, India" in association with IDFC First Bank for their digital payments solution for Arohan
- "Microfinance Company of the Year" at the 3rd Annual BFSI Technology Excellence Awards programme 2022
- Best Risk Management Initiatives Award by AMFI West Bengal
- AMFI Awards, 2023 for Technology Innovations
- SKOCH Order-of-Merit Awards for Innovation in Lending (ArohanPrivilege), Solution in Lending (Nirnay), and Solution in Financial Inclusion Programme
- Top 25 Safest Workplaces in India by KelpHR
- 2022 Modern Governance Top 100 Awards in the categories Boards & Governance Innovator and ESG, Diversity & Climate Trailblazer
- 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)
- 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
- Microfinance India Institution of the Year 2010 (Small and Medium MFI) by Access Assist



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