

## JANUARY 2023

### From the Management's Desk

#### Season's Greetings

I am delighted to reconnect with all of you in the brand new year 2023 – wish you all a great year ahead with an abundance of health, wealth, and cheer!

Let me start with some good news: Arohan has been awarded for “Technology innovations to drive Financial Inclusion” by a large MFI, conferred by the AMFI, West Bengal, the local association of MFIs. This further validates our investment and focus on IT as an enabler in handling a BoP business dealing with millions of borrowers and transactions. Our new fully online Fraud Management System which will help report, act, and track better, was launched recently. We also got the coveted ISO 27001:2013 certification for our Information Security Management Systems. Additionally, Arohan has become the first known NBFC-MFI to use a proprietary credit scoring model, ‘**Nirnay**’, helping implement a credit risk-based pricing for customer application – this essentially means a good customer with a higher credit score will attract a lower credit risk premium and hence lower pricing on the loan.



Quarter 3 of FY 2022-23 started with the onset of Pujio, followed by Diwali and then Chhath - the good news is that the economic activity seen this year in the festive season has been the best in the last 5 years. This business activity has certainly helped bring normalcy back to a lot of the tiny and micro enterprises that form our borrower base. The Government of Assam's Microfinance Incentive & Relief Scheme moved forward after a difficult first 6 months with incessant rains & floods to complete the Cat 2 relief to delinquent customers. The RBI regulation on harmonisation of credit guidelines and pricing deregulation was effective April 1, 2022, with full implementation from October 1, 2022. This will go a long way in enhancing the portfolio quality and also making NBFC-MFIs viable and sustainable in the long run. The Code of Conduct from the sector Self-Regulatory Organisations will certainly help ensure a disciplined implementation of these new regulations. I am happy to inform you that Arohan has been one of the first signatories of the new Code of Conduct subjecting ourselves to scrutiny.

Our expansion in the state of Rajasthan has covered 25 branches and while in Uttarakhand, we have marked our presence with 7 branches as of now. Our Debt Receivables vertical continues to follow up and help borrowers get back on track – the Lok Adalats being conducted all over has been a huge help. Our industry-first **ArohanPrivilege**, the digital lending vertical has now onboarded 2600 customers with over INR 10Cr portfolio outstanding and is acquiring over 1000 new relationships in a month.

Our capital raise process has completed one round with an INR 157Cr infusion in November 2022, with another INR 157Cr being approved for imminent investment post the required regulatory approvals. This will help us with our expansion and growth plans for FY 2023-24.

We look forward to closing the last quarter of this business year on a high and setting up for a great year ahead in 2023-24 starting April 2023.

Thanks for all your help, support, and good wishes!

Warm regards,

**Manoj Kumar Nambiar,**  
Managing Director

#### In the News

### Arohan champions awareness campaign on RBI Ombudsman Scheme in West Bengal



Arohan has been selected as a torchbearer in West Bengal for the Reserve Bank of India's nationwide awareness programme on Ombudsman Scheme.

The campaign was held across the month of November 2022 and was run in digital mode with an informative video made available to customers in vernacular language.

The contents of the programme consisted of Safe Banking Practices, Charter of Customer Rights, Internal Grievance Redressal, Alternate Grievance Redressal, Dos & Don'ts while carrying out digital transactions, and Modus operandi of frauds. Arohan, through its focused efforts, has successfully spread awareness among 500 customers in West Bengal and covered around 161 branches across 22 districts.

[Click here](#) to watch the video in the Bengali language.

## In the News

### Arohan launches an industry-first, Digital Lending product, ArohanPrivilege; onboards 1000 Customers as of December 2022

Arohan Financial Services Limited recently announced the launch of its, industry-first, Digital Lending product & vertical, **ArohanPrivilege** - India's first preferred and differentiated offering for eligible MFI borrowers.

ArohanPrivilege Customers are women and men with truly exceptional repayment behaviour in microfinance and the ArohanPrivilege Team aims to treat such Customers with exclusive benefits like having their loans disbursed within 10 minutes of a successful application, safe repayment facilities online, enticing cash-back on timely repayment, not to mention such Customers do not need to attend center meetings or form Joint Liability Groups. In the month of December 2022, the product marked the onboard of its first 1000 Privilege customers. With this first-in-the-industry offering, Arohan has set the ethos for a paradigm shift in the Indian Microfinance Industry! The service is currently available in West Bengal, Jharkhand, and parts of Bihar.



### Arohan launches, a fully digital, "Fraud Management System"

In the month of December 2022, Arohan Financial Services Limited rolled out a fully digital Fraud Management System (FMS) for faster reporting, tracking and closure of fraud cases in the business. The platform is integrated into its in-house mobile application, meraArohan.

It is a completely in-house developed platform that provides a "Report to Resolution (R2R)" facility with real-time tracking and a dashboard of all fraud cases. This platform will also enable the teams to create a database of the types, geography, branch, and employee-wise database for future ready reference. All supporting documents will also be on this platform which can be accessed for insurance/policy requirements in the future.



## Thought Leadership

### Mr. Manoj Nambiar spoke about "Banking on Technology" at the second panel discussion at Innovation Next



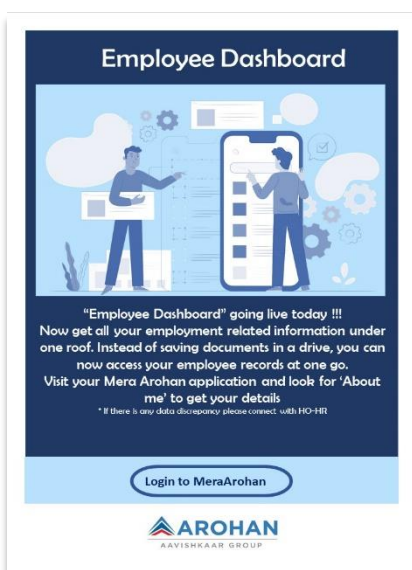
Mr. Manoj Nambiar, Managing Director, Arohan Financial Services Limited spoke at Innovation Next - Money Control & Google Cloud's panel about "Banking on Technology: Transforming NBFCs with the cloud" on October 20, 2022.

*"Today, 100% of our disbursements are cashless, going directly into the bank accounts of customers and almost 80% of the repayments are cashless too," declares Manoj Kumar Nambiar. He also added, "We are proud that being an MFI, our complete customer journey is now paperless and digital. Now, we are piloting our first-in-line product for existing customers wherein a loan can be completed in just 30 minutes flat; it would have taken 15 days around 5 years ago".*



## Thought Leadership

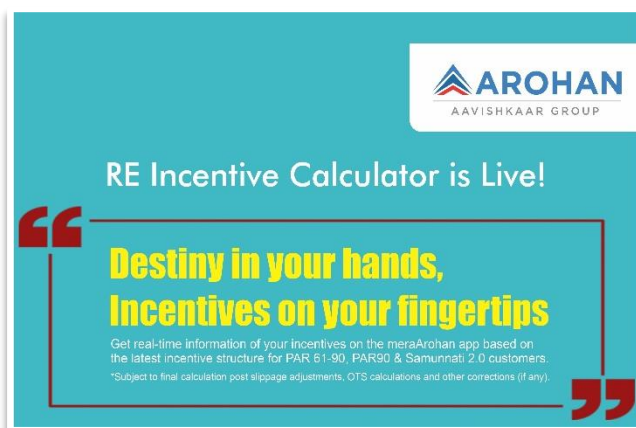
### Arohan goes LIVE with an Employee Dashboard on meraArohan mobile application



In the month of October 2022, Arohan launched an “Employee Dashboard” in its in-house mobile application, meraArohan. Through this dashboard, the employees can access all information pertaining to their employment

lifecycle at Arohan. It is designed to communicate with the employees for any official business and will also allow employees to access all official communications specific to them. For any data discrepancy, employees can log in to their Employee Management System, Adrenalin, and make the necessary changes or reach out to their location HR for support.

### Arohan goes LIVE with the RE Incentive Calculator for its Debt Receivable Department



In the month of November 2022, Arohan launched an “RE Incentive Calculator” for its employees in the Debt Receivable Department, where employees can calculate their incentive collections.

It is designed for the Arohan employees to check and calculate their incentives based on their performance in the field. For any information on incentives, the Recovery Executives (RE) can view it on the landing page of the in-house mobile application.

## Engagement Initiatives

### Run for a cause!



Arohan Financial Services Limited through its Corporate Social Responsibility department is committed to the Skill Building and Education of the financially underserved. To this effect, it had once again organised for its employees to participate in Ekal Run, Kolkata, and thereby, volunteer for the cause of child education. Arohan's employees participated in the half marathon in January 2023.

Ekal Run is a movement to support the Ekal Abhiyan of Education and Rural Upliftment. All the proceeds of the Ekal Run are contributed towards the education of tribal and rural children of Friends of Tribals Society.



## Engagement Initiatives

### Children's Day celebrated with students of Government Schools



On November 14, 2022, Arohan celebrated Children's Day with an initiative called "Ek Muthi Daan" carried out in Government schools across the states of Assam, Bihar, Jharkhand, and Odisha. It is an initiative where our employees contribute food grains and vegetables at the Zonal and Regional offices for a week before Children's Day. On the day of celebration, these collected food essentials are cooked and served as meals to the underprivileged students of Government Schools. Drawing competitions, dance performances, and games were organised by and for the students. Refreshments and gifts were also distributed to the students after the event.

### Playing 'Santa Claus' to the underserved communities of the North-east on Christmas



On December 25, 2022, the regional offices of Tezpur, Jorhat, Agartala and Guwahati, and Jorhat of Zone 3, North-East distributed blankets and food items to the underserved community. This initiative was named 'Best out of the Waste' as the blankets were purchased from the fund that was raised by selling off the waste and scrap materials that were lying at the Regional and Zonal Offices of Arohan's North-East operations.

### Voice of Customer

*"Arohan has changed my life and also has helped my family overcome the financial crisis, by providing us with a loan to start our small business. I am thankful for it. Whenever my husband and I work at our shop, we feel very blessed. This has been made possible because of the support that we received from Arohan and its dedicated team of representatives," says Chandrawati.*



Chandrawati Devi is a resident of a small village of Morahi in Sonbhadra district of Uttar Pradesh. She and her family, consisting of her husband, child, and in-laws have been facing extreme hardships ever since the COVID-19 imposed lockdowns, which left her husband jobless. To help her family overcome the crisis, Chandrawati and her husband wanted to start a business but were unable to move forward due to a lack of funds.

On sharing her concerns with her neighbours, Chandrawati was informed of Arohan Financial Services Limited. She used the opportunity to visit the nearest branch office of Arohan where she was able to successfully apply for a loan of INR 30,000. With the money, she opened a mobile shop for her husband, and together they started earning INR 800 to INR 1200 per day.

More power to entrepreneurs like her!