

JULY 2022

From the Management's Desk

Greetings,

Hope all of you & your dear ones are doing well.

It is wonderful to be connected after a quarter to update you on some key highlights at Arohan. Quarter 1 was a hectic period with the last year closing profitably & us getting into the new business year from April 2022. 1st April 2022 was a significant date as we rolled out the implementation of the two key changes from the RBI in the revised Regulatory Framework for Microfinance Loans – household income assessment with 50% FOIR (Fixed Obligations to Income Ratio) and also the pricing deregulation with Board approved policies. I believe that this is a paradigm shift for the sector and ushers in Version 3.0 of Microfinance in India, with great enhancements in quality and sustainability.

In May 2022, I had the privilege to speak at the South Asian Microfinance Network (SAMN) Financial Inclusion Training at Dubai, UAE and while preparing for it, I came across some concerning figures. In the backdrop of the SDGs (Sustainable Development Goals), over 76% of the world's wealth is with just 10% of the world's population. This distribution has gotten skewed even further in the aftermath of the COVID pandemic with 1% of the world's population now capturing 38% of the growth in wealth in this period. With millions of the world's population slipping back into poverty the need to create inclusive societal growth at the BoP (Bottom of the Pyramid) is a national priority for most governments, including of course, India's.



Our steadfast focus and investments on our IT platform continues. I am delighted to inform you that Arohan is the first NBFC-MFI to receive RBI, UIDAI & GoI's approval through an official Gazette notification for use of Aadhaar for e-KYC purposes. Months of internal planning & preparation have also helped us launch India's first Digital Lending product in the Indian MFI

sector through our apnaArohan app. Phase 1 with a pilot branch has been launched and our first borrower, Ms. Mumtaz Begum (name changed on request) from Jodhpur Park, Kolkata, got her renewal loan disbursed into her bank account in under 10 minutes of her completely digital application. In fact, she sent her brother to check at the nearby ATM and he confirmed the monies had indeed arrived!

The sector & our engagement with the Assam Government continues across all levels. As the Lead of the Steering Committee of 39 microfinance lenders in Assam, I had the opportunity to meet the Honourable CM last week to hand over a token CSR contribution from the sector, aiding in humongous efforts being done by the government across the state after the incessant rains led to severe floods across Assam. Concerned about the state of the Microfinance sector in Assam, the Chief Minister also promised that through the ambitious Assam Micro-Finance Incentive and Relief Scheme (AMFIRS) 2021, incentives & relief schemes will soon reach Category 2 borrowers in August 2022, to be followed by Category 3.

Our capital raise plans have undergone a change with the changed ground realities. With the IPO market not being conducive and the upsides of the Assam Relief Scheme and RBI regulations flowing in throughout this year, we look forward to closing a PE round soon. This will help us be well capitalised for our future growth plans as normalcy returns to the sector.

We have launched an updated & new website. Please do visit and read more about us at www.arohan.in. I thank you all for the good wishes on our journey forward.

Warm regards,

Manoj Kumar Nambiar
Managing Director

In the News

Arohan among the first NBFC-MFIs to be granted access to use Aadhaar-enabled eKYC for onboarding customers



In a historic moment for the financial inclusion sector, Arohan Financial Services Limited has been listed among the first NBFC-MFIs in India to be allowed onboarding of customers through 'Aadhaar-enabled eKYC' via a Gazette Notification released on April 8, 2022, by the Government of India.

Manoj Kumar Nambiar, Managing Director, Arohan said: "This is a noteworthy step across for the financial inclusion industry. Arohan to be among the first NBFC-MFIs to be granted access to use Aadhaar-enabled eKYC for onboarding customers marks the future of enhanced transparency and compliance for the industry in its process of sourcing quality customers. We are hopeful that this is just the start and will soon be scaled across eligible players in the industry."

In the News

Arohan featured in The Economic Times, in a story titled “Arohan targets Rs 20,000 crore portfolio by 2027, to review capital raising plan”



In an exclusive interview with Atmadip Ray of The Economic Times, Mr. Manoj Kumar Nambiar, Managing Director of Arohan Financial Services Limited, said that, “the most important aspect of the uniform microfinance regulation is credit harmonization. Borrowers monthly payout on loan repayments is being restricted to 50% of their monthly earnings. This will address the issue of over-indebtedness.”

He further added, “we have remained conservative during the pandemic focusing on serving our regular borrowers. Hence our gross loan portfolio has remained flat during the period. Our gross loan portfolio now stands at around Rs 4,500 crore.” Click [here](#) to read the full story.

Bhuban Badyakar’s new jingle aims at creating financial awareness in rural belts



On June 13, 2022, Arohan Financial Services Limited gets featured in The Tribune in an exclusive story titled, “Watch ‘Kacha Badam’ singer in new avatar; creating financial awareness, one song at a time.”

The singer, Mr Bhuban Badyakar, has recently engaged with Arohan to “generate and enhance financial awareness” in rural areas through his innovative style of singing. “I will be more than happy if people benefit through my jingle,” said Mr. Badyakar to the PTI.

Commenting on this association, Mr. Manoj Nambiar, Managing Director, Arohan Financial Services Limited said, “It is our constant effort to educate customers and make them financially informed and independent. I am confident that our association with Bhuban Badyakar, his simple and relatable narrative, will encourage our customers to be aware of the importance of timely repayment of EMIs to help maintain a good credit bureau record for their future.”

Adding to Mr. Nambiar’s comment, Ms. Reema Mukherjee, Head of Strategic Initiatives and Corporate Communications, Arohan Financial Services Limited said, “Many of our customers identify with Badyakar’s struggle, his achievement in parts of central, eastern and north-eastern India. His story and his rise to fame gives hope to many entrepreneurs.”

Arohan Financial Services in talks with PE funds to raise capital, says MD



In the month of June, 2022, an exclusive interview of Mr. Manoj Kumar Nambiar, Managing Director of Arohan Financial Services Limited, has been featured by Press Trust of India (PTI).

Mr. Dibyendu Chakrabarti, reporter of PTI, interviewed Mr. Nambiar on Arohan’s PE funds to raise capital to support its growth plans. Managing Director, Mr. Manoj Kumar Nambiar in response said, “We are now in talks with a few foreign PE funds to raise funds after our IPO plans were shelved. There is enough potential to tap the market for resources, and the RBI guidelines are favourable for functioning of MFIs.”

Thought Leadership

Arohan Financial Services Limited bags the ‘Microfinance Company of the Year’ Award



Arohan has been conferred with the ‘Microfinance Company of the Year’ Award at the 3rd Annual BFSI Technology Excellence Awards programme, 2022 organised by Quantic at an event held in Mumbai on April 8, 2022.

Mr. Arvind Murarka, Head of Information Technology, Arohan said, “Getting recognised for the industry-leading transition interventions is absolutely wonderful. We will continue to

leverage technology to enable the organisation towards future-readiness. This award is definitely a testimony of our conviction.”

Arohan Financial Services was successfully recognised among India's Best Workplaces in BFSI™ 2022



Arohan Financial Services Limited gets recognised among India's Best Workplaces in BFSI™ 2022, in an assessment undertaken by the Great Place to Work® Institute, India. The achievement recognises the organisation’s excellence in people practices, as well as its commitment towards building a High-Trust, High-Performance Culture for its employees.

Thought Leadership

Arohan recognised for its Risk Management Initiatives by AMFI



Arohan participated in the 6th Eastern India Microfinance Summit 2022, held in Kolkata, hosted by Ms. Reema Mukherjee, Arohan's Head of Strategic Initiatives and Corporate Communications. In this event, Arohan was recognised for its Risk Management Initiatives.

Arohan's Code of Conduct Assessment receives the highest-rated C1 grading for the sixth year in a row



Arohan Financial Services Limited has been awarded the top-notch C1 grading on its Code of Conduct Assessment by M-CRIL with effect from June 2022. The grading of C1 is the highest on a

five-point scale, based on parameters such as Governance, Transparency, Client Education, Client Protection, Recruitment, Feedback, and Grievance Redressal, and Data Sharing.

The score of 95% is a testimony of Arohan's commitment to customer-centricity. The score indicates that the Company operates with the highest level of competence, both financially and operationally.



अब नहीं तो कब... The Time is Now

In the month of April 2022, Arohan organised the Kick-off FY22-23, starting with Kolkata on April 7-8, 2022, and followed by the six zones over the month. The meet was conducted to convey the highlights of FY 2022 and prepare the employees for their roles and deliverables towards achieving the organisational goal for FY 23.

Arohan's Internal Audit team celebrated International Internal Audit Awareness Month



In the month of May, Arohan's Internal Audit team celebrated International Internal Audit Awareness Month with 140+ attendees from Arohan's Internal Audit Team. A virtual session was organised to create awareness, share insights on best practices and drive engagement amongst the participants.

Mr. Arijit Roy, President of Institute of Internal Auditors India (IIA), Calcutta Chapter, delivered an inaugural speech and also gave an introduction on IIA and the changing dynamics of internal auditing, CIA qualification and Internal Audit Premiere League.

Mr. Milind Nare, Chief Financial Officer and Mr. Abin Mukhopadhyay, Head of Internal Audit at Arohan, enlightened the team about the changing landscape of

BFSI sector and emerging role of internal auditing in an organisation's value system.

Engagement Initiatives

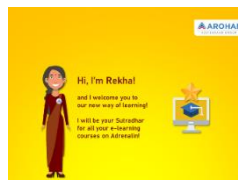
250 beneficiaries of Rampurhat slated to benefit from the Livelihood Promotion Project



As a part of its Corporate Social Responsibility, and its focus on providing low-income communities with better livelihood skillsets training, Arohan initiated a Livelihood Promotion Project at Rampurhat, West Bengal along with implementing partner Gram Jagat.

This is an ongoing project wherein the theoretical training on SRI Paddy, bio compost, organic vegetable and backyard poultry has been successfully completed. It will now be followed by a practical training session. To begin with the practical training Arohan distributed paddy (dhan) seeds to 250 participants.

Arohan launched e- learning courses for CSRs and BHs



In the month of June 2022, Arohan has introduced self-paced e-learning module for its field teams. The courses are crafted for the Customer Service Representatives, Branch Quality Heads and Branch Heads to

enhance their understanding of the business approach. The first module, 'Credit Underwriting Guidelines', is based on the RBI guidelines on Household Assessment. This module will help our workforce understand the importance of proper household evaluation and correct assessment of customers' income sources.

Arohan successfully conducted the 5th LIT masterclass with Mr. Vineet Rai



The fifth Arohan Leadership Interactive Talk (LIT) masterclass was organised in the month of April 2022 with Mr. Vineet Rai, Founder and

Chairman of Aavishkaar Group, on the topic: 'Re imagining the Future'. The session was attended by nominated employees from across the Zonal Offices and the Head Office during the Kick Off FY2023 meet on April 8, 2022, with detailed knowledge sharing on the mentioned topic.

Voice of Customer



"The loan officers make it very easy for us to apply for and get a loan from the company. This is my third time, and I value the support that we get from Arohan", says Rahila

Rahila Begum is a poultry farm owner from Arohan's Berhampore branch in West Bengal. She is a customer of Arohan's Saral suite of products - Saral Basic and Saral Plus, Arohan's flagship product that has touched millions of lives. Rahila runs a small local poultry business in a bustling marketplace in Berhampore. In her third cycle, she has taken a loan of INR 65,000 to invest in her business and ramp it up. While scaling her business and her profits, she is able to successfully support her husband to run their family of four - her son is a student of class 11 whereas her daughter has been enrolled in class 2.

More power to entrepreneurs like her!