



## July 2023

### From the Management's Desk

In the News

Arohan  
launched its  
Anthem for  
Employees and  
Customers



*Mera Gaurv. Mera Samman...*

On April 7, 2023, Arohan Financial Services Limited launched its Anthem. This Anthem is a work of effort by all Arohan employees who actively participated in its making by contributing its meaningful Lyrics and also by singing its Chorus.

The underlying theme of the Arohan Anthem depicts what Arohan is for its Customers and our Employees. The Chorus in between the stanzas stands to depict the sense of pride and purpose that each set of stakeholders derive from their association with Arohan.

Click here: [Arohan Anthem](#) to view and hear the Anthem.

Greetings,

I am delighted to once again connect with all of you through our quarterly newsletter – hope this edition finds you in good health & cheer!

The year 2022/23 ended on a good note for us at Arohan – back to expansion & growth after a period of consolidation during and after the pandemic, closure of our **INR 730Cr raise across 4 new investors** – Piramal Alternatives, Nuveen, FMO & IFU. I am also delighted to inform you that Arohan is close to a **Net NPA Zero position** (probably the only MFI in the country) by end of June 2023, backed with a strong CAR at 33% plus – this should help us improve our credit rating and also back our growth plans for this year and beyond. In addition, the post-Covid portfolio behaviour gives us the confidence of continued good portfolio quality. Having entered Rajasthan last year, we will cover Gujarat and parts of Maharashtra this year and look at both, organic and inorganic opportunities in the South.

**Arohan Privilege**, our special fintech offering to the upper end of the MFI customer segment crossed a milestone with over 10,000 borrowers last month and is poised to touch at least 1% of our targeted 2.6 million base by March 2024. The **Assam Microfinance Incentive & Relief Scheme**, having covered Cat 1 & 2 has moved into Cat 3 (NPA borrowers) and the government will pay out the balances in row 1 for all upto INR 25k outstanding balance customers in the next week with the remaining getting cleared on a row by row basis. The RBI guidelines, effective last year, on **credit harmonisation and pricing deregulation** has been received positively by the lenders and also potential investors and is now evoking very strong interest in this key national priority sector of Financial Inclusion.

Working on a **Core Banking System since 2017**, a first-in-the-sector **Credit Scoring model** for risk-based pricing, a **fintech offering** in the MFI segment, unique **organic and inorganic channel** business engines, an **ERM system** solution to Risk Management and a **strong liability franchise**, Arohan continues to push the envelope on being a differentiated MFI as we focus on our **Vision 2027 – to impact 20 million lives by 2027**.

I am also pleased to inform you of the awards we won last quarter: **3 Order-of-Merit SKOCH Awards** and the prestigious **Asset Triple A Awards for the “Best Payment and Collections Solution, India”**, in association with IDFC First Bank for their digital payments solution for Arohan.

I thank all our stakeholders and all of you for your good wishes & support in this journey.

Warm Regards,

**Manoj Kumar Nambiar,**  
Managing Director

## In the News

### Mr. Manoj Nambiar meets the CMD, SIDBI for a discussion on mutual business relationship



On April 18, 2023, Mr. Manoj Nambiar, Managing Director of Arohan Financial Services Limited along with the CEOs of other select MFIs joined in a meeting with Shri Sivasubramanian Ramann, Chairman & Managing Director of SIDBI for a discussion on mutual business relationship.

### ArohanPrivilege onboarded 10,000 Privilege customers and disbursed INR 50 Cr in cumulative



In June 2023, Arohan's digital lending platform, ArohanPrivilege onboarded a milestone 10,000 Privilege customers and disbursed INR 50 Cr in cumulative. It is a unique first-in-the- industry

initiative that gives gold-standard customers 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. ArohanPrivilege started its journey on July 8, 2022 with its first disbursement and within a year, has achieved the milestone of onboarding 10,000 customers. This is a significant step towards the realisation of Arohan's Vision of impacting 20 mn lives by the year 2027. The service is currently available in the states of Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh, and West Bengal.

### Mr. Manoj Nambiar attends the 'Manthan' conclave at Hyderabad

On April 29, 2023, MFIN organised 'Manthan', a microfinance conclave in Hyderabad to



emphasize the importance of sustainable growth of the sector by continuing to be responsible in lending practices. The event took place in two sessions with the first session on growth dimensions, credit quality, issues observed in implementation of the new regulatory framework and digital adoption. In the second session of the conclave, the key discussion points included compensation design, client aggregators, staff frauds, and the need for improved training.

### Arohan launched a Health Insurance product for ArohanPrivilege customers under Future Generali India



In June 2023, Arohan launched a new Health Insurance product under Future Generali India (FGI) Insurance company for ArohanPrivilege customers. The first ArohanPrivilege customer, under this product, was successfully onboarded on June 27, 2023 through Niwari Branch in Bhopal, Madhya Pradesh. Any ArohanPrivilege Customer can directly log in to their apnaArohan app and choose the Insurance product during the Primary Loan application process. The exclusions and claim process of this new product remain the same as the existing FGI products.



## Thought Leadership

### Arohan bags the top-notch C1 grading in CoCA

Arohan has been awarded the top-notch C1 grading in its Code of Conduct Assessment by CARE Research & Training Limited (CART) with effect from May 2023. The score indicates that the Company operates with the highest level of competency, both financially and operationally.



### Arohan graded a top-notch MFI 1, seventh year in a row



Arohan has been awarded the highest rated MFI 1 grade from CARE Research & Training Limited (CART), based on the grading assignment conducted in the month of May 2023. The grading is assigned on the TOSS framework of Transparency, Operational Setup, Scale of Operations and Sustainability, where Arohan has scored the highest.

### Arohan bags 3 prestigious recognitions at the 92nd SKOCH Awards, 2023 held in New Delhi



On May 27, 2023, Arohan Financial Services Limited has bagged 3 Order-of-Merit SKOCH awards in the categories of "Innovation in Lending" for **ArohanPrivilege**, "Lending Solutions" for **Nirnay** and "Financial Inclusion Programme" for **apnaArohan** at the SKOCH Fintech Awards, 2023. The awards were received by Mr. Arvind Murarka, Chief Information Officer, and Mr. Ranjan Das, Chief Risk Officer, Arohan, at an event held in New Delhi.

### Arohan bags a prestigious recognition at the Asset Triple A Awards, 2023

On May 23, 2023, Arohan Financial Services Limited has bagged the prestigious Asset Triple A Awards for the "Best Payment and Collections Solution, India". This award is won in association with IDFC First Bank for their digital payments solution for Arohan. The Award was received by Mr. Arvind Murarka, Chief Information Officer, Arohan, at an event held in Hongkong.



## Engagement Initiatives

### New born babies benefit from a Hearing Screening Intervention in West Bengal



In May 2023, Arohan, in partnership with VAANI Deaf Children's Foundation, initiated a programme for screening and early detection of hearing impairment in newborn babies. Through this programme, Arohan has impacted 1600 newborns in the Shrirampur area of Hooghly District in West Bengal, with early detection of hearing loss. The parents of the newborns have also been provided with proper counseling with respect to their child's hearing impairment.

### Arohan shows solidarity with the victims of the massive train accident at Balasore, Odisha



Arohan, as a part of its Corporate Social Responsibility, shows solidarity with the victims of the massive train accident at Balasore, Odisha and is

committed to their wellbeing. To this effect, the Company through its Regional Office in Bhadrak initiated a distribution of dry food packages amongst the victims and their attendants in hospitals across Bhadrak, Balasore and Cuttack.

### Arohan launches a behavioral intervention programme for its field managers

In the month of May 2023, Arohan launched a special behavioral intervention programme for its Regional Heads, Area Managers and Branch Heads. This programme is focused on building and nurturing professional relationship, which is the key to success.

## Voice of Customer

*"With the loan amount, I have a bigger shop now. I can sell more number and variety of soft drinks. I am now a self-dependent woman and support my husband in running the family's expenses", says Sunaina Devi.*



Sunaina Devi is a loanee of Arohan's Motipur branch in Bihar. She lives in a joint family of six members including her husband who works as a security guard. She is a customer of Arohan's flagship Saral product. Sunaina Devi runs a small shop of soft drinks and plans to expand it to meet her customer's high demands.

She had taken her first loan of INR 30,000 from Arohan in 2015 to invest in her business and is now in her third cycle of loan. The loan amount has helped her scale her business and play a contributing role in supporting her family financially. Her son now assists her in the shop so that he can later on manage the business. She has also been able to send her children to schools for quality education.

More power to entrepreneurs like her!