



## MAINSTREAMING THROUGH FINANCIAL INCLUSION

### From the Management's Desk

Season's Greetings,

I am delighted to connect with all of you once again through our newsletter and hope you and your families are keeping fine.

Post the second wave of COVID-19 in Q1, I would say that the opening up of the local lockdowns from the mid of June, 2021 has helped the recovery process gain momentum in Q2, with each month being better than the previous. This will mean better figures for the entire sector for the quarter and half-year ending in September, 2021 – assuring a gradual but firm return to normalcy.

I want to highlight how strong, resilient and organised the sector is and the Assam Government MFI Relief Scheme (AMFIRS21) is an excellent example of the same. From a difficult situation in late 2019 and 2020, to working with the Honourable Chief Minister of Assam and his administration team to finalise a first in the country MFI relief scheme is a great achievement. As AMFIRS21 gets rolled out after the signing of the MoU, it will go a long way to getting Assam back as one of the best states in India for MFI business. I am indeed honoured to be nominated as the Lead of the Steering Committee of the 37 lenders active in Assam for the AMFIRS21 implementation.



I had the privilege of meeting the Honourable Union Finance Minister Ms. Nirmala Sitharaman-ji last week at her imposing North Block office in New Delhi. Having seen the Group Annual Impact Report 2020 which focused on gender, she gave us, Mr. Vineet Rai, Founder and Chairman, Aavishkaar Group, Ms. Soumya Suryanarayan, our Group Impact Lead and me an opportunity to meet her.

During the meeting, we briefed her on the humble beginnings of the Group, its journey to where we are today, while I gave an update on the MFI sector - thanking her for the support on liquidity provided by the Reserve Bank of India and the Department of Financial Services both, last as well as this year.

In line with our continued focus on the digital MFI roadmap we are working on, Arohan launched the 'Apna Arohan' Customer App last quarter. Using facial recognition technology, this app once downloaded on the smartphone of the client would give her all account details, allow her to review her payment history, loan outstanding and also facilitate a cashless payment through the gateway, apart from flagging off a client service call. With the paperless origination, 'Nirnay' our credit scoring model currently under beta-testing, the 'meraArohan' app for our loan officers, 'Sanjaya' the field tracking portal and now the 'Apna Arohan' customer app, we are truly on our way to be India's first digital MFI. Our 'Khaas' product offering, the 'Sahbhaagi' reward programme and 'Hum Hain Naa' Balance Transfer product are already unique offerings in the MFI sector.

I thank you all for your support and extend warm wishes for a great festive season ahead.

Warm regards,

Manoj Kumar Nambiar  
Managing Director

In the News

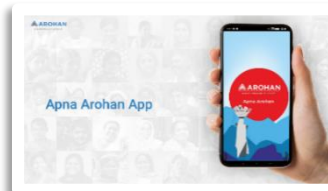
### Arohan awarded top-notch COCA and MFI gradings



Arohan has been awarded the top-notch C1 grading in its Code of Conduct Assessment by M-CRIL with effect from June, 2021. The Company has been

awarded a score of 96% which is an improvement from the previous year's score of 95%. The score indicates that the company operates with a strong level of competence, both financially and operationally. In addition, Arohan has also been awarded an MFI1 grade from CARE Advisory Research and Training Ltd. The grading is assigned on an 8-point scale with MFI1 being the highest. The grading is assigned on the TOSS framework of Transparency, Operational Setup, Scale of Operations and Sustainability where Arohan has scored the highest in all parameters.

### Arohan announces the launch of Apna Arohan Customer App



Arohan announced a significant development in its digital journey with the launch

of **Apna Arohan Customer App**, a 360° mobile app for millions of our customers. The launch was effected in the presence of all the Board of Directors and Shareholders of the Company at the Annual General Meeting, 2021.

Equipped with regional language and facial recognition capabilities, the app will allow customers to get information on their loan ledger, check eligibility for more loans, products, insurance details, etc. while also providing them access to the various cross-sell products on offer, providing an additional platform for grievance redressal and connect with our field officers.

[Click Here](#) to view the launch video of the **Apna Arohan Customer App**.

## In the News

### Assam government signs MoU for Implementation of "Assam Microfinance Incentive and Relief Scheme"

The Government of Assam on August 24, 2021, took a significant step towards supporting the microfinance ecosystem in the State by signing the Assam Microfinance Incentive and Relief Scheme MOU with 37 Microfinance Institutions to provide relief to economically weaker women borrowers and promote responsible lending and borrowing practices in the state.

Mr. Manoj Nambiar, Managing Director of Arohan, also Ex-Chairperson of Microfinance Institutions Network (MFIN), spoke about the scope of Financial Inclusion in Assam at the event. He has worked closely with MFIN and the Assam Government and played a significant role in the formation of the Assam Microfinance Incentive and Relief Scheme.



### Arohan bags People Excellence Awards 2021 for 'Excellence in Digitalization of HR'



Arohan has been awarded the People Excellence Awards, 2021 for 'Excellence in Digitalization of HR' by the National HRD Network (NHRDN), Delhi & NCR Chapter and New Delhi Institute of Management.

The Awards were announced at a virtual ceremony hosted on July 24, 2021. Commenting on the prestigious recognition, Mr. Prashant Rai, Head of Human Resources, Arohan said, "I am grateful to People Excellence Awards for recognising Arohan's efforts on digitalization of HR processes. Despite the challenges posed by the pandemic, Arohan has initiated various digital interventions to not just stay connected with and protect the well-being of its employees across geographies, but also to develop and upskill them. I congratulate each one of you on this prestigious recognition."

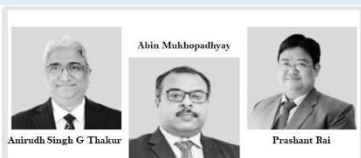
### Multiple Non-Financial products introduced in the cross-sell kitty



As a part of its Cross-Sell vertical, Arohan has launched multiple new Non-Financial products in the month of July 2021. The Last Mile Delivery Model was relaunched in Bihar and Jharkhand.

The Mela Delivery Model was also restarted post partial upliftment of lockdowns in various pockets, in Bihar. Additionally, the Immediate Delivery Model has picked up momentum and seen steady growth in Odisha.

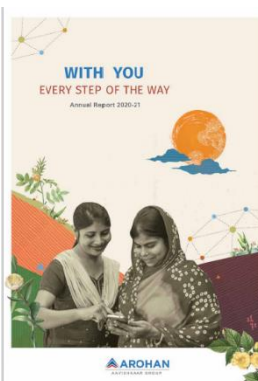
### Arohan Top Management bags three Modern Governance 100 recognitions



Arohan is pleased to announce that Mr. Anirudh Thakur, Head of Legal & Company Secretary, Mr. Abin Mukhopadhyay, Head of Internal Audit, and Mr. Prashant Rai, Head of HR,

Admin, Training & CSR have been recognized as 2021 Modern Governance 100 recipients in the Risk & Compliance Visionary, Audit Excellence, and ESG & Diversity Trailblazer categories respectively. The Modern Governance 100, by Diligent, has been designed to provide board members, elected officials, executives and peers the opportunity to honor governance, IT, audit, risk, compliance and ESG professionals, and the important contributions they are responsible for.

### With You, Every Step of the Way – Arohan Annual Report, FY 20-21



On August 5, 2021, the eminent Board of Directors of Arohan, led by the Chairman Mr. Dinesh Kumar Mittal released the Arohan Annual Report for the year 2020- 21. Based on the theme 'With you, Every Step of the Way', the report showcases the digitally-enabled efforts of Arohan in staying connected with, supporting, and reaching out to all its stakeholders in an exceptional year.

Read the full report [HERE](#).



# Thought Leadership

## Managing Director's exclusive interview with IIFL Securities



An exclusive interview of Mr. Manoj Kumar Nambiar, Managing Director of Arohan Financial Services Limited, has been featured by India Infoline News Service in the IIFL Securities portal on August 20, 2021.

Ms. Shweta Papriwal, Editor of Indiainfoline.com interviewed Mr. Nambiar, on Arohan's journey so far. Responding to the questions, Mr. Nambiar said, "We have effectively used our learnings from the COVID-19 pandemic to come out with innovative products and schemes like Sahbhaagi, our center reward program for customers, and Khaas, special benefit program for used-to-credit customers who interact with us digitally."

He further added, "We transact with millions of customers monthly. In line with this, we realized very early in our journey that we needed to be completely IT-enabled. The motto we started with, in 2016, was a 'Cashless at the front and Paperless at the back.'"

Today in 2021, not only our entire customer lifecycle, but various support functions are also completely digitized, which enables us to serve our customers better and reduce our operating expenses as well." [Read the full article HERE.](#)

## Arohan Financial looks to expand its footprint in newer markets - A Hindu Business Line coverage



Hindu Business Line features Arohan Financial Services Limited, part of the Aavishkaar Group in an article that talks about the Company's expansion plans, and digitalisation of processes to manage customer lifecycle.

The article by Ms. Shobha Roy, Principal Correspondent at Business Line, mentions "Arohan Financial Services Ltd, which has been witnessing a steady improvement in disbursements and collections in the second quarter of this fiscal over Q1, has firmed up expansion plans to grow its portfolio further."

To read the full story, click [HERE](#).

## Arohan Financial Services gets featured on Money 9



Arohan Financial Services gets featured on Money 9, part of the TV9 Network, on August 30, 2021 through an exclusive interview of Mr. Manoj Nambiar, Managing Director of Arohan.

"Today in 2021, not only our entire customer lifecycle, but various support functions are also completely digitized, which enables us to serve 2 million customers better and faster while optimizing quality and reducing operational expenses. We are not a bank but we operate on a core banking system, which enables us to manage all our customer transactions seamlessly."

At Arohan, we have effectively used our learnings from the COVID-19 pandemic to come out with innovative products and schemes such as Sahbhaagi – our center reward program for customers which recognizes them for regular repayment and center attendance, and Khaas – a special 'privilege' benefit program for used-to-credit customers who interact with us digitally," quotes Mr. Nambiar, in the interview.

Read the full article [HERE](#)

## ESG Initiatives

### WASH Project slated to benefit Balijhari Gram Panchayat



As a part of its Corporate Social Responsibility, and its focus on providing access to sanitation units to the underserved communities, Arohan inaugurated a self-sustaining, safe and hygienic Community Toilet Complex (CTC) for Balijhari Gram Panchayat in Cuttack, Odisha.

### Mini Science Centres slated to benefit two schools of West Bengal



Arohan believes that education is the premise of progress. To this effect, the organisation, as a part of its Corporate Social Responsibility initiatives has launched Mini Science Centers in two schools of West Bengal, Dum Dum Baidyanath Institute For Girls and Dum Dum Road Government Sponsored Girls High School.

### SAMATAA- Gender Sensitization Programme

With a focus on building a gender-equal work environment, by way of creating gender equity, the Diversity & Inclusion Council of Arohan, on August 12, 2021, launched Samataa - a Gender Sensitization Programme for Change Agents followed by a panel discussion with industry experts to implement the same across the zones.



### 5 Lakh Masks to be distributed in Assam and West Bengal



As a part of its Corporate Social Responsibility, and its focus on safeguarding its customers, Arohan, through the Aavishkaar Foundation and the support of its partner entities, has initiated the distribution of 5 lakh masks to customers from the needy communities of Assam and West Bengal.

### Arohan installed Menstrual Hygiene machines in seven schools in Koderma



With a sharp focus on ensuring Women's Health and Hygiene, Arohan in association with Veer Jharkhand Vikash Sewa Manch (VJVSM), installed Sanitary Napkin Vending Machines and Incinerators in seven schools in Koderma district of Jharkhand.

In addition, to the installation of the machines, trainings on menstrual health and wellness were provided to the girl students of the schools.

## Voice of Customer

*"I cannot think of any other institution other than Arohan to continue my association with. I am grateful to Arohan for their consistent and timely support," says Akhtari.*



Akhtari Khatoon, a customer from West Bengal, is among those entrepreneurs who are fulfilling their dreams with Arohan's flagship financial inclusion product, Saral. She runs a family of seven with her husband, son, daughter in law and three granddaughters.

She took her first loan of INR 5,000 from Arohan to run her grocery shop. Today she is a 5th cycle customer and has taken a loan of INR 50,000.

She has also employed her son at the shop and is able to earn enough to support the growing needs of her family. She is also able to send her three granddaughters to school and support their education.