



## OCTOBER 2022

### From the Management's Desk

Season's Greetings,

Hope this newsletter finds you in good health & spirit!

I am delighted to connect with all of you once again through our quarterly newsletter, highlighting the key developments in Arohan's growth path.

Quarter 2, ending September 2022, has been a significant one for us as Arohan completed 10 years of being part of the Aavishkaar Group with the equity infusion and consolidation which happened on September 27, 2012. With interests in the investing business through Aavishkaar Capital, advisory through Intellectap, and the two lending businesses – Arohan and Ashv, the Aavishkaar Group today manages over a billion US\$ across debt and equity, employs over 7500 resources across 3 continents and is recognised as a high impact creator with a strong focus on sustainability.



At Arohan, with the legacy of the pandemic tapering off, it is back to consolidation and growth – we entered Rajasthan and now look forward to covering the state over the next year. The ground situation in Assam has improved post the difficult first quarter impacted by incessant rains leading to floods. We, along with the sector, have played a small part in the ambitious relief activity led by the honourable Chief Minister of Assam. The government also initiated steps to complete Cat 2 under the first-ever MFI Incentive and Relief scheme in the state.

I am delighted to announce that we have crossed the first 100 privileged borrowers under our ambitious Digital Lending programme – where our existing gold standard borrowers get special treatment including digital loan applications, virtual meetings, loyalty points, and credit into their bank account in less than 10 minutes of a successful application. Our medium-term aspiration is to have at least a third of our customer base covered under this special lending programme.

Our approach to using technology and analytics continues with renewed focus. We have launched "Sandesh", a first in the industry, in-house developed Enterprise Risk Management (ERM) application to manage the risk of a growing business. We have also announced a tie-up with Scienaptic Systems, a specialist firm in AI/ML modeling to help enhance our modeling capabilities for developing Credit Scoring models for Credit underwriting, as well as Behavioural scorecards for Collection strategies in the post-pandemic dynamics of the external situations and credit records in the Credit Bureaus.

With an updated Vision for 2027 – impacting 20 million lives by 2027, we now have our Business & Collections vertical along with a specialized Debt Receivable vertical to manage our twin objectives of Quality & Quantity.

As we navigate through these tested times, the true measure of any successful organisation is its persistence and capability to find opportunity amidst the turmoil. I am sure that with the relentless support and hard work of our employees along with the strong foundation laid out by the quality of our franchise and the highest order of ethics and values we stand for we will navigate the tide well.

On behalf of our 2 million borrowers and over 7000 employees, I wish all of you and your families a very happy festive season and a great year ahead.

Warm regards,

Manoj Kumar Nambiar  
Managing Director

In the News

### Arohan selects Scienaptic's AI-Powered platform to strengthen its AI innovation

#### SCIENAPTIC

Arohan Financial Services Limited has partnered with Scienaptic AI, leading global AI-powered credit decisioning platform provider. This is in line with Arohan's vision to further enhance its digital capabilities across the board to make sharper analytical decisions by building a predictive modeling platform.

*"Our goal is to empower the under-served households by offering a range of financial services in a sustainable manner, and we believe that AI can help us achieve this goal of increasing credit access to the underserved while minimizing our risk,"* said Mr. Manoj Nambiar, Managing Director, Arohan.

Click [here](#) to read the full story.

## In the News

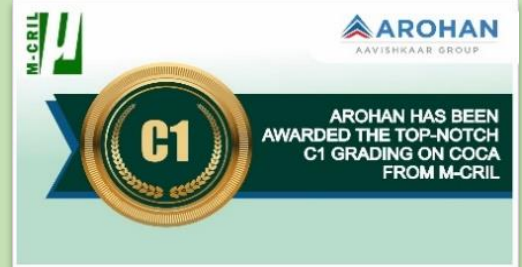
### Arohan graded a top-notch MFI 1, sixth year in a row



Arohan has been awarded the highest rated MFI 1 grade from CARE Research & Training Agency (CART), based on the grading assignment conducted in the

month of June 2022. 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 scored 95% in CoCA



Arohan has been awarded the top-notch C1 grading in its Code of Conduct Assessment by M-CRIL with effect from June 2022. The Company has been awarded a score of 95%. The score indicates that the Company operates with the highest level of competence, both financially and operationally.

## Thought Leadership



### Arohan celebrates 10 years of being a part of the Aavishkaar Group

On September 27, 2022, Arohan completed 10 years of being a part of the Aavishkaar Group with the equity infusion and consolidation which happened on the same date in the year 2012. Commenting on the momentous occasion, Mr. Manoj Nambiar, Managing Director, Arohan said, *"The Aavishkaar Group, our institutional promoter continues to strengthen its reputation in India and abroad through its three business lines: the Aavishkaar Capital, the Intellectap advisory and the Lending vertical with Arohan & Ashv Finance, the MSME platform. The Group continues to be a strong supporter of Arohan's bottom-of-the-pyramid (BoP) microfinance business with its strong impact potential resonating with its overall Mission/Vision."*

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



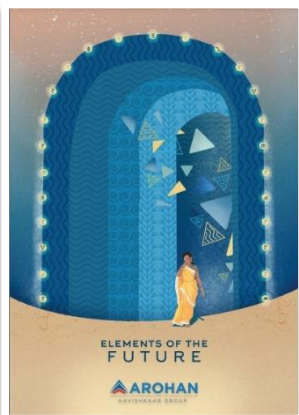
Mr. Manoj Nambiar, Managing Director, Arohan Financial Services Limited spoke at Innovation Next- Money Control & Google Cloud's panel on August 4, 2022. The panel was about "Banking on Technology: Transforming NBFCs with the cloud".

Mr. Manoj Nambiar and other esteemed panelists were gathered to discuss the scale of transformation that digitization has brought to the financial industry. The points discussed in this panel are the need for digital sufficiency, innovations in customer service, the rise of a digital finance ecosystem, AI & ML for cost optimization, and future operating models. It was said that the use of modern digital tools could lead to the rise of a more efficient and responsive financial system.



## Thought Leadership

### Arohan launched Annual Report FY21-22



Arohan launched its Annual Report FY21-22 - 'Elements of the Future'.

The theme affirms our foundation for growth. With the industry, regulators, and the Government enabling us with the Space to grow, our robust business and operational process giving us a platform as solid as the Earth, our robust financials and scalable

technology solutions being the Wind behind our wings, our quality functions as impactful as Fire, safeguarding us from deviations and aligning us to quality portfolio, and our various Human Resources and ESG initiatives that provide life not just to our employees, the internal stakeholders but also the communities we operate in, just as Water does.

Click [here](#) to read the full Annual Report

### Arohan launched Digital Lending

In a historic first in the Indian microfinance space, Arohan has introduced a new service which enabled eligible microfinance customers to get loans from the comfort of their homes, with the entire loan amount credited to the customers' bank account within 10 minutes of a successful loan application.



Mumtaz Begum\*, the first Arohan existing borrower in Kolkata who used the service to get a loan said, "I am delighted that I could do all this on my smartphone and get my bank account credited in real time without having to leave my house. I am happy that Arohan respects my time and my privacy."

\*Name changed for privacy.

### Arohan has launched "Sandesh", an Enterprise Risk Management (ERM) application

Arohan has launched "Sandesh", a first in the industry, in-house developed Enterprise Risk Management (ERM) application to manage the risk of a growing business. It is designed to manage risks, end-to-end and online, primarily by the respective Teams/ Stakeholders, by themselves. This platform will enable the teams to monitor and manage risks which are related to the strategy and goals of the company in an efficient and robust manner.



## Engagement Initiatives



### Regional Offices of Tezpur, Agartala, Guwahati and Jorhat distributed school bags in Government schools

On August 15, 2022, school bags were distributed to the kids in the Government schools of Tezpur, Agartala, Guwahati, and Jorhat regions of Zone 3 of North-East in honor of celebrating 'Azadi ka 75th Amrit Mahotsav'. Drawing competitions were also organised in the schools. Many students participated in the event and prizes were awarded to the winners.

## Engagement Initiatives

### Pragati – ‘Unnati Ki Ore’: an initiative to improve the skills of the field team



In August 2022, a new training programme, Pragati – Unnati Ki Ore, was initiated to help develop and build the skillsets of our field employees. These trainings are conducted in a scheduled manner, usually at a skip level. The training team monitors and assesses these trainings on a sample basis and provides valuable feedback. Additional mentoring interventions and scheduled review meetings are conducted.

### 15 students slated to benefit from skill development workshop



As a part of its Corporate Social Responsibility, and its focus on providing deprived communities with better opportunities, Arohan has initiated a skill development workshop for underprivileged students of Tiljala

Society for Human & Educational Development NGO in Topsia. 15 students from classes X-XII participated, wherein 4 volunteers from Arohan's Head Office trained them on building professional and personal skills such as life skills and personal grooming, communication and etiquettes, leadership skills, financial literacy, digital literacy etc.

## Voice of Customer



*"I never thought of taking a loan, but to improve business I had to. Thank you, Arohan, for supporting my business and family", says Swapnarani.*

Swapnarani Jena is a customer of Arohan's Bhubaneswar branch in Odisha. She is a customer of Arohan's Saral product, and runs a General Store in a bustling marketplace in Bhubaneswar. She had taken a loan of INR 30,000 from Arohan to invest in her business and spruce up her inventory. With her hard work and dedication, she is able to make a good profit and help secure her family's financial status.

More power to entrepreneurs like her!