



April 2024

From the Management's Desk

Greetings,

I am delighted to once again write to you after a landmark period in the 17-year history of Arohan since its inception in 2006.

We are on course to report one of the best figures ever: over INR 7100Cr portfolio outstanding serving 2.5 million borrowers spread across 975 branches, operating in 16 states with an employee base of over 9300 as of March 2024.

The microfinance business is an employee-intensive one and one of our core philosophies has been to be a Great Place to Work – I am delighted to inform you that Arohan has been certified for the fourth time as a Great Place to Work with a Trust Index (employee satisfaction) score of 92% and has also secured a place in the Top 25 India BFSI 2024. I am delighted to also inform you that we are the 3rd MFI in India to be bestowed the Gold Standard of Client Protection Principles (CPP) certification. Our growth & diversification plans have taken us to South India – where our first set of branches have opened for business in Karnataka. ArohanPrivilege, our first-in-the-sector privilege offering to seasoned microfinance customers has grown close to INR 150Cr portfolio across 30,000 plus borrowers.

Our Credit Rating saw an upgrade to A (Stable Outlook) by two rating agencies as a reflection of our balance sheet strength and portfolio management. It is our endeavour to pass on the benefits of scale and size to our borrowers and we have reduced our microfinance loan pricing by 25 bps w.e.f April 1, 2024 – we would expect more to follow every quarter.

A robust KYC is a key prerequisite of any credit underwriting process and Arohan was the first NBFC MFI to get approval for using Aadhaar for e-KYC from RBI, UIDAI & the Government of India through a Gazette notification – I am delighted the project is nearing completion, and by the end of this quarter we would implement this as a standard check in the origination & underwriting process flow.

Our Shubh Aarambh, 2024 kick-off meetings are setting the perspective for the important new year 2024/25. Our sincere thanks for all the strong support and the continued good wishes.

I wish you all a successful new 2024/25 financial year!

Warm regards,
Manoj Kumar Nambiar

In the News

Arohan Financial Services Limited is Great Place To Work® Certified™, once again; recognised among Top 25 BFSIs



In the month of February 2024, Arohan Financial Services Limited has been Great Place To

Work® Certified™, for the 4th time, and has also been recognised among "India's Best Workplaces in BFSI 2024: Top 25". With a remarkable score of 92 in the Trust Index® Employee Survey of the Great Place to Work Institute, the Company has successfully built a High-Trust, High-Performance Culture.

The Trust Index score is the percentage of employees that shared a positive response to the survey. As part of this assessment, the perceptions of the employees and Arohan's differentiating culture were measured.



In the News

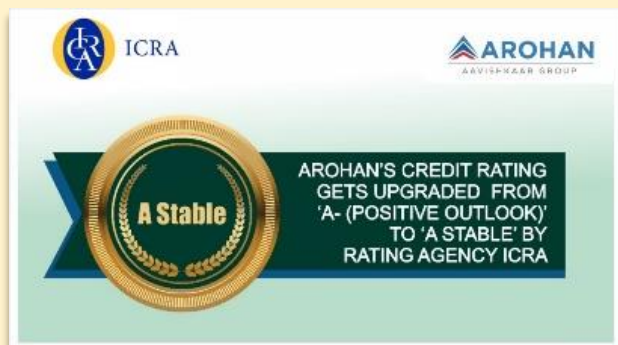
Arohan recorded its historic first – three Direct Assignment transactions totaling over INR 155 Cr

In the month of March, 2024, Arohan Financial Services Limited closed the first ever 3 direct assignment (portfolio purchase transaction) worth INR 155 Cr.

These transactions have been done with Avanti Financial Services Pvt Ltd, Svasti Microfinance, and Digamber Capfin Limited.



Arohan's credit rating gets upgraded to 'A Stable' by rating agency ICRA



In the month of January 2024, Arohan has been upgraded from 'A- (positive outlook)' to 'A Stable' by rating agency ICRA. "A" rating outlook gives additional information to lenders, investors or other users about the expected direction of rating movement and the "Stable" outlook indicates a low likelihood of rating change in the near to medium term.

Arohan has been granted the Corporate Agent (Composite) license by the IRDAI

In the month of January 2024, Arohan has been granted the Corporate Agent (Composite) license by the Insurance Regulatory and Development



Authority of India. With this, Arohan will be able to pitch a vast variety of Insurance product offerings to many more customers, thus ensuring Financial Inclusion and securing livelihoods for them.

Arohan records its first ever disbursement in South India



On February 19, 2024, Arohan Financial Services Limited recorded its first ever disbursement from its Southern India operations, at the newly opened branch in Mysore of Bangalore Region, Zone 9.

Arohan achieves GOLD Standard in Client Protection Principle Certification by MFR



In the month of February 2024, Arohan achieved the prestigious GOLD Standard in Client Protection Principle under the Cerise+SPTF Methodology by the MFR Certification Committee.

Thought Leadership

Mr. Manoj Nambiar featured in an exclusive interaction with The Business Standard

In January 2024, Mr. Manoj Nambiar, Managing Director, Arohan Financial Services Limited, has been featured by the Business Standard in an exclusive interaction with Senior journalist, Mr. Raghu Mohan. The story header quotes Mr. Nambiar, **"MFIs' worries overstated, but it pays to be cautious."** The story highlights how the industry is changing and why credit rating is customers' responsibility. Click [here](#) to read.

'MFIs' worries overstated, but it pays to be cautious'

Microfinance institutions (MFIs) have become "far more rigorous" in credit assessment and lending practices for the new underwriting regime, says **MANOJ NAMBIAR**, managing director of Arohan Financial Services. Nambiar, who is also vice-chairman of Microfinance Institutions Network, spoke with Raghu Mohan about how the industry is changing and why credit rating is customers' responsibility. Edited excerpts from a video interview.

How does the underwriting regime look at this stage with talk of enhanced stress and weaker underwriting?
The regime is still in the process of being implemented. New digital credit products are being launched, but the underwriting is not as robust as it used to be. There is a lot of stress on the part of the lenders, but it is not as overstated as it seems. The industry is becoming more cautious, but it is not as pessimistic as it seems.

How do you see the industry's response to the new regime?
The industry is responding well. There is a lot of innovation in the way lenders are approaching credit assessment. There is a lot of focus on digital credit products, but the underwriting is not as robust as it used to be. There is a lot of stress on the part of the lenders, but it is not as overstated as it seems. The industry is becoming more cautious, but it is not as pessimistic as it seems.

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"Aavishkaar doing an Arohan on Micro-Fintech", an authored article by Mr. Vineet Rai and Mr. Manoj Nambiar

In the month of January 2024, Mr. Vineet Rai, Chairperson and Founder, Aavishkaar Group along with Mr. Manoj Nambiar, Managing Director, Arohan Financial Services Limited authored an article for the Inclusive Finance India's Report on the theme **Crystal Gazing Microfinance of Future**. The article **"Aavishkaar doing an Arohan on Micro-Fintech"** speaks about the evolution and growth of microfinance over the years and Aavishkaar's role in the space.

Crystal Gazing Microfinance of Future
Aavishkaar doing an Arohan on Micro-Fintech

Vineet Rai and Manoj Nambiar

The article discusses the evolution of microfinance and the role of Aavishkaar in the space. It highlights the importance of digital credit products and the need for robust underwriting. The authors also discuss the challenges faced by the industry and the need for innovation to overcome them.

"Addressing the Risk Environment of the Microfinance Sector": Authored article by Mr. Manoj Nambiar for IIA

On March 19, 2024, Mr. Manoj Nambiar, Managing Director of Arohan Financial Services, spoke about **"Addressing the Risk Environment of the Microfinance Sector"** in an authored article for Institute of Internal Auditors' Annual Conference Magazine. Read the full article [here](#).

ADDRESSING THE RISK ENVIRONMENT OF THE MICROFINANCE SECTOR
By Manoj Nambiar

The article discusses the risk environment of the microfinance sector and the need for robust underwriting. It highlights the importance of digital credit products and the need for innovation to overcome them. The author also discusses the challenges faced by the industry and the need for innovation to overcome them.

Mr. Manoj Nambiar authors an article for CEO Insights

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In February 2024, Mr. Manoj Nambiar, Managing Director of Arohan Financial Services, spoke about **"Addressing developmental challenges - Enhancing Financial Inclusion through microfinance"** in an authored article for CEO Insights. Read the full article [here](#).

Blog penned by Ms. Sharoni Pal under #KnowledgeTankArohan, a proprietary Blog series

In February 2024, Ms. Sharoni Pal, Head of Central Operations, Arohan Financial Services penned the latest blog under 'Knowledge Tank Arohan', a proprietary blog series by the thought leaders of Arohan. The article highlighting the needs of the villages in India got featured in SME Street, an online news portal. [Click here](#) to read the full article.

#KNOWLEDGETANK AROHAN
WHAT DO OUR VILLAGES NEED?

Sharoni Pal
Head of Central Operations, Arohan Financial Services

The article discusses the needs of the villages in India and the role of Arohan in the space. It highlights the importance of digital credit products and the need for innovation to overcome them. The author also discusses the challenges faced by the industry and the need for innovation to overcome them.

Engagement Initiatives

Arohan conducted DIY activity sessions in Mini Science Centers of Kolkata and Jaipur



In January 2024, Arohan conducted activity sessions for the students who were provided with Mini Science Centers at the Deaf and Dumb Government School in Kolkata and the Government Girls Senior Secondary School in Jaipur. The sessions were organised to ensure that students make the most of the facilities. Training have also been provided to the teachers for using the 'Plug & Play' models, while the students engaged in DIY (Do It Yourself) activities to improve their learning skills.

Arohan helps benefit 1600 newborns through a Hearing Screening & Intervention Programme



Arohan in partnership with VAANI Deaf Children's Foundation has

helped benefit 1600 newborns through a year-long Hearing Screening & Intervention Programme. The programme is facilitated at NBHS Serampore Walsh Super Specialty Hospital in Hooghly district of West Bengal where comprehensive training has also been provided to the hospital healthcare workers in offering counselling services to the parents of such newborns. The Government of West Bengal (Department of Health & Family Welfare) has awarded a Letter of Appreciation to the programme on its successful completion of one year and creating meaningful impact.

Voice of Customer

"The loan from Arohan has helped me earn more from my business. My family's income has increased, which helps us fulfill our dreams. I am very happy and will forever be thankful to Arohan for helping me in my business", says Jahanara Begum.



Jahanara Begum is a third-cycle loanee of Arohan from Khatuwal village, Assam, and is a customer of the flagship loan product, Saral. She has a family of three with her husband and a son, and runs a small fertilizer shop which she intends to grow and scale.

To this effect, Jahanara had approached Arohan for her first loan and she describes her experience of availing the loan as smooth and hassle-free. This gave her the confidence and she further availed loans for the second and third time as well and used the loan amounts to scale up her business. With the support of Arohan, and her own smart business accumen, Jahanara is now able to earn a handsome profit on her business; her financial condition has improved and she plays a contributing role in supporting her family's aspirations.

More power to entrepreneurs like her!