



## APRIL 2025

### From the Management's Desk

#### Season's Greetings,

I am delighted to connect with all of you post the closure of an eventful but difficult year not only for us, but for the whole microfinance sector in India.

The sector faced significant challenges during FY 2024–25, beginning with a difficult Q1. A combination of factors — a harsh summer, prolonged national elections, high employee attrition, KYC issues, and instances of both over-borrowing and over-lending — contributed to a degrowth in portfolio outstanding, increased delinquencies, and higher provisioning. To stabilize the sector, MFIN, our Self-Regulatory Organization (SRO), intervened by introducing a set of guidelines known as Guard Rails. As of April 1, 2025, Guard Rails 2.2 is in effect. These Guard Rails reflect practices already followed by well-governed, disciplined lenders — even after the RBI deregulated interest rates and standardized credit norms with household income assessments and a 50% Fixed Obligations to Income Ratio (FOIR).

At Arohan, Q4 has been one of the best quarters with a peak performance in March 2025, the last month of the business year. We will be one of the few NBFC MFIs to be in the black for the whole year – although on a subdued note. Our foresight in working with prudent lending norms, a well-established Recovery team and a strong Quality trio of Internal Audit, Risk Management and Credit Underwriting have greatly helped us be better.

Our ArohanPrivilege & Micro Enterprise Loan Businesses got mainstreamed leading to much better business volumes and collections performances. Our e-KYC with Aadhaar (Arohan was listed amongst 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, Ministry of Finance for availing of Aadhaar AUA/KUA Service.) is getting rolled out all India and this will help us address the KYC issues. We are delighted to be awarded with the SKOCH Awards for our High Potential Development and Leadership Development Programme. Our new initiative Sarathi, the first Balance Transfer product in the microfinance sector is slowly gaining traction.

We continue to be a highly compliant microfinance institution, offering one of the lowest lending rates at 22.5%. We do not practice Net Off loans, and all our products and services — including credit life — are fully optional and offered only after loan disbursement. Our Board has mandated that we operate within a 12% margin over our cost of funds, as part of a disciplined approach to serving the sensitive base-of-pyramid (BoP) borrower segment.

After a long and impactful tenure as Independent Director overseeing Audit & Risk Committee on Arohan's Board, Mr. Rajat Nag has stepped down upon completion of his second term. We are pleased to welcome Mr. Kummamuri Narasimha Murthy as the new Head Audit Committee, bringing with him a wealth of experience and insight to further strengthen our Board.

Warm regards,

**Manoj Kumar Nambiar**  
Managing Director

#### In the News

Arohan  
recognised  
among the Top  
50 India's Best  
Workplaces™  
Building a  
Culture of  
Innovation by  
All 2025, Large  
category



On March 6, 2025, Arohan has been recognised among the Top 50 India's Best Workplaces™ Building a Culture of Innovation by All 2025, Large Category by the Great Place To Work® Institute. The achievement recognises the organisation's commitment to fostering an environment where innovation thrives, empowering employees to drive meaningful change and create lasting impact.

## In the News

### Arohan wins the coveted SKOCH Awards 2025 for its High Potential Development and Leadership Development Programme

Arohan has bagged the coveted SKOCH Awards 2025 for its High Potential Development and Leadership Development Programme at the 100<sup>th</sup> SKOCH Summit on March 29, 2025, in New Delhi. The event was attended by Ms. Deblina Bhattacharjee, Head of HR, Training & Development, and Administration and Mr. Anirban Majumdar, Head of Training & Development.

Upon receiving this honor, Ms. Bhattacharjee shared, *"We are deeply honored to be recognized with the SKOCH 2025 for our High Potential Development and Leadership Development Programme. This recognition underscores our steadfast commitment to nurturing talent and fostering leadership across all levels of our organisation, as we continue to prioritize the growth and development of our people to drive success and innovation."*



### ArohanPrivilege now available to customers in Arohan's Zone 3 operations



In February 2025, ArohanPrivilege—Arohan's exclusive digital loan sourcing platform was launched in Zone 3: North East. This marks a significant step in the Company's digital journey, making financial access faster, easier, and more efficient for the valued customers in the region. ArohanPrivilege empowers users with a seamless digital experience, enabling quicker loan processing and enhanced customer service. The platform's rollout in this region marks continued progress in Arohan's digital transformation journey, enhancing accessibility and efficiency in customer onboarding.

## Thought Leadership

### Mr. Manoj Nambiar attends meeting chaired by Secretary of Department of Financial Services with MFIs



On January 8, 2025, Mr. Manoj Nambiar, Managing Director, Arohan Financial Services Limited and Chairperson, Governing Board of MFIN attended a meeting chaired by Shri M. Nagaraju, Secretary of the Department of Financial Services (DFS) with prominent MFIs, at New Delhi. Mr. Manoj Nambiar raised three key issues covering Credit Discipline, Investor Return and Legal Support for small loan recoveries.



## Thought Leadership

### Mr. Manoj Nambiar, present as a distinguished speaker at the 9<sup>th</sup> Eastern India Microfinance Summit 2025



On January 10, 2025, Mr. Manoj Nambiar, Managing Director of Arohan Financial Services Limited, was present as a distinguished speaker at the 9<sup>th</sup> Eastern India Microfinance Summit 2025. He shared his valuable insights alongside other esteemed industry leaders and experts, contributing to a dynamic and impactful discussion on the current scenario and the future opportunities of microfinance in the region.

### Mr. Vinod Pandey, Head of Micro Enterprise Loan and ArohanPrivilege writes for #KnowledgeTankArohan, a proprietary Blog series



In March 2025, Mr. Vinod Pandey, Head of Micro Enterprise Loan and ArohanPrivilege, Arohan Financial Services pens a blog under 'KnowledgeTankArohan', proprietary blog series by the thought leaders of Arohan. The article, also featured on Finance Outlook India, sheds light on the role of "Financial Inclusion in Viksit Bharat". [Click here](#) to read the full article.

## Engagement Initiatives

### Arohan organised eye checkup camps in several districts of Bihar

Arohan recently organised a series of eye check-up camps across various districts in Bihar, providing essential eye care services to local communities. These camps focused on raising awareness about eye health while offering free screenings and consultations.

A dedicated team of optometrists and healthcare professionals, helped identify vision related issues and facilitated referrals for those needing further treatment. This initiative reflects Arohan's commitment to improving healthcare access in underserved areas, ensuring that everyone receives the eye care they deserve. In total, 2,685 individuals benefited from this impactful programme.





## Engagement Initiatives

### Statutory Training organised on Anti-Money Laundering and KYC

On March 22, 2025, Arohan successfully concluded a comprehensive Statutory Training programme aimed at reinforcing financial integrity and strengthening regulatory compliance across the organisation.

The session, conducted by Mr. G. Ganesh, a performance-oriented banker, focused on sharing awareness related to Anti-Money Laundering, Know Your Customer (KYC) protocols, and broader compliance regulations. This mandatory training initiative was designed for employees in critical roles across the Head Office (HO), Zonal Offices (ZO), and Regional Offices (RO), ensuring a unified and informed approach to regulatory adherence.



### Arohan empowers 650 rural women in Jharkhand with Financial Literacy Training Programme



In February 2025, Arohan Financial Services Limited, in collaboration with the Aavishkaar Foundation, launched a Financial Literacy Training Programme in Jharkhand. This initiative empowered 650 rural women by equipping them with essential financial knowledge. The training covered key topics such as budgeting, savings, interest rates, and income management, enabling participants to make informed financial decisions and enhance their economic well-being.

### Voice of Customer



Jatahi Devi, a hardworking farmer from Motihari, Bihar, has always been proactive about securing her family's future. In 2021, she availed Arohan's Saral Loan for the first time to support the growth of her agricultural business, ensuring a stable income for her household and continued to maintain a relationship with Arohan since then.

In 2024, life took a tragic turn for Jatahi Devi when her husband passed away in a sudden accident, leaving her as the sole provider for their daughter. However, the foresight of enrolling in Hospicash made accessible to her by Arohan proved invaluable. In 2022, she and her

husband had availed a Hospicash policy under Future Generali India Insurance Company Limited (FGII) through Arohan. Within 30 days of submitting the necessary documents, Jatahi Devi received the entire claim amount of INR 1 lakh from FGII under the Personal Accident benefit, a crucial financial cushion that helped her navigate this challenging time.

More power to entrepreneurs like her!

*Reflecting on her experience, Jatahi Devi shares, "The help from Arohan which enabled me to receive the financial support from FGII came just when I needed it the most. The process was smooth, and I am truly thankful."*