

July 2025

From the Management's Desk

Greetings,

I am delighted to connect with all of you through our quarterly newsletter.

The year 2024/25 was a challenging one - with external stress from Q1 and the unfortunate Cease & Desist order from the RBI that we had to go through in Q3. In spite of this, I am happy to report that as a company we were in the black for the full year with a best-in-class GNPA of 2.85% and NNPA of just 0.53% and a healthy Capital Adequacy ratio of 34% as of March 2025.

MFIN, our sector Self-Regulatory Organisation, had stepped in with Guard Rails 1.0 in July, 24 and then an updated Version 2.0 with micro guidelines on number of lenders, cap on indebtedness and also no lending to a NPA borrower. We anyway were following this as a responsible lender and I am happy to report that in the period till March 2025, we had one of the lowest deviations at around 2% on the norms.

Know Your Customer (KYC) has emerged as one of the most critical components in microfinance, particularly given the unsecured nature of the lending involved. I am proud to share that all of Arohan's 1,000+ branches are now fully equipped for Aadhaar-based e-KYC, ensuring enhanced transparency, customer verification, and operational efficiency. Arohan was a pioneer in this space—becoming the first NBFC-MFI to receive the Reserve Bank of India's endorsement, UIDAI approval, and notification in the Government of India Gazette to use Aadhaar for e-KYC. This milestone not only underscores our commitment to compliance and innovation but also reinforces our leadership in strengthening trust and credibility in the microfinance sector.

We are delighted to have Mr. Narasimha Murthy join us as an independent director on the board. He comes with decades of accounting experience and a wide exposure to financial services, and he will head our Audit Committee. Mr. Radha Ramanna is now our lender nominee from SIDBI, reflecting the strong relationship we have with them and MUDRA.

I was fortunate to be a part of the larger group in the NBFC Symposium 2025 organised by the Department Of Financial Services, Government of India, in New Delhi on July 9, 2025. It was inspiring to hear the Honorable Union Minister for Finance and Corporate Affairs. Smt. Nirmala Sitharaman, on her Vision for NBFCs to play a key role in Viksit Bharat 2047. NBFCs should play a role in 50% of the bank (the banking assets are expected to reach to USD 45 trillion by 2047): Collaboration with PSU banks, leverage the last mile connect of NBFCs, use technology to be efficient and manage costs to make available credit at reasonable rates with a strong grievance redressal mechanism and corporate governance.

We were delighted to receive the prestigious CRIF Data Excellence Awards 2025 for "Data Quality" – reflecting our seriousness in quality submission to the credit bureaus on a daily basis.

"Microfinance as key engine of financial inclusion: How it can be made a strong pillar of Viksit Bharat" is a piece I have written recently. You can read the full article [HERE](#). Hope you will find it interesting, and topical!

Thanks for all your good wishes,

Manoj Kumar Nambiar
Managing Director

In the News

Mr. Manoj Nambiar attended Manthan, a microfinance conclave by MFIN



Mr. Manoj Nambiar, Managing Director of Arohan Financial Services Limited and Chairperson of the Governing Board of MFIN, participated in *Manthan*, a flagship microfinance conclave held in Mumbai on May 2–3, 2025. Organised by MFIN, the event brought together key stakeholders from across the industry to deliberate on strategies for fostering sustainable growth in the microfinance sector. The discussions focused on deepening financial inclusion, strengthening customer protection frameworks, and reinforcing the sector's commitment to responsible lending practices.



In the News

Arohan bagged the prestigious CRIF Data Excellence Awards 2025

On April 25, 2025, Arohan achieved a significant milestone by being recognised at the prestigious CRIF Data Excellence Awards 2025 for 'Data Excellence'. The award ceremony, held at the Jio World Convention Centre in Mumbai, was attended by Mr. Ranjan Das, Chief Risk Officer, who accepted the honor on behalf of the organisation. Being acknowledged among some of India's leading names in the Banking and NBFC sectors, Arohan's recognition marks a proud moment in its journey toward data-driven growth and operational excellence.



Speaking on the occasion, Mr. Das said, *"We are not a Bank, but we operate on a Core Banking Platform!! We currently serve around 2.1 million customers and submit customer data to the Credit Bureaus, daily. Our large data analytics and modelling capabilities have been meticulously developed to remain 'future-fit'. This recognition reaffirms our commitment to robust systems, high-quality data management, and a customer-first approach. It is an honor to be celebrated alongside the most respected institutions in the financial sector."*

This accolade underscores Arohan's dedication to leveraging data as a strategic asset—ensuring accuracy, transparency, and customer trust across every level of its operations.

Arohan successfully completes the e-KYC rollout across the entire organisation

In June 2025, Arohan successfully completed the e-KYC rollout across the organisation, enabling all customer identifications through Aadhaar-enabled e-KYC. This digital shift enhances efficiency, accuracy, and customer convenience. Arohan was also among the first NBFC-MFIs in India to receive approval for Aadhaar-based onboarding, as per a Gazette Notification by the Ministry of Finance on April 8, 2022—underscoring its commitment to inclusive and tech-driven financial services.



Mr. Manoj Nambiar participated in Chintan Workshop at the AMFI-WB Training Centre



On May 21, 2025, Mr. Manoj Nambiar, Managing Director of Arohan Financial Services Limited and Chairperson of the Governing Board of Micro Finance Institutions Network India, participated in the Chintan Workshop held at HP Ghosh Bhawan, AMFI-WB Training Centre, in Kolkata.

Thought Leadership

Interaction of Mr. Manoj Nambiar with Zee Business, shedding light on the Evolution of Digital Lending and Cybersecurity in Microfinance

On April 26, 2025, Mr. Manoj Nambiar, Managing Director of Arohan Financial Services Limited was in an insightful interview with journalist Ms. Anita Pandey featured LIVE on Zee Business. The interview delves into the transformative impact of digital lending in the microfinance sector, highlighting the Reserve Bank of India's stringent guidelines to combat digital loan fraud, and focusing on the growing need for raising awareness around fake loan apps and cybersecurity in financial services.

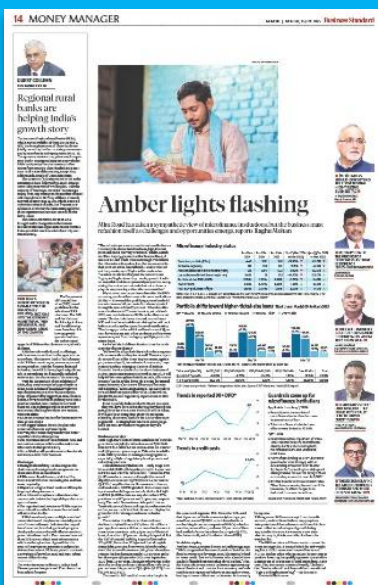
Click [HERE](#) to watch the interaction.



Mr. Manoj Nambiar, Managing Director of Arohan Financial Services Limited was featured in a Business Standard story

On June 16, 2025, Mr. Manoj Nambiar, Managing Director of Arohan Financial Services Limited, was featured in Business Standard's story titled "Amber Lights Flashing."

In the interview, Mr. Nambiar shared insights on the evolving focus of Microfinance Institutions (MFIs), stating, "MFIs will in all probability stick to their segment of borrowers whom they know well. There's scope to do secured loans (like home improvement, against property and gold), two-wheeler finance, etc."



#KnowledgeTankArohan's blog penned by Mr. Manish Kumar, Deputy Business Head, gets published in Eastern Chronicles

In May 2025, our latest blogpost of #KnowledgeTankArohan penned by Mr. Manish Kumar, Deputy Business Head, Arohan Financial Services Limited was published in

Eastern Chronicles. The article sheds light on "The Rise of Higher Ticket Size Loans in India."

The article quotes, "Over the past two decades, India's microfinance sector has evolved significantly, responding to the diverse financial needs of low-income households. As many microfinance clients progress through their third or fourth loan cycles, a new demand has emerged—higher ticket size (HTS) loans." Read the full article by clicking [HERE](#).



Engagement Initiatives

Arohan organised general health check-up camps in Jharkhand



In May 2025, Arohan conducted general health check-up camps across Jharkhand, offering free consultations and raising health awareness in underserved communities. With support from dedicated medical professionals, the initiative aims to benefit around 3,000 individuals through 20 camps—underscoring Arohan's commitment to accessible healthcare for all.

Arohan sanctioned a CSR project in collaboration with AMFI-WB

Arohan sanctioned a CSR project in collaboration with AMFI-WB to conduct 40 Borrowers' Sensitization Programs across five districts in West Bengal, benefiting over 4,000 women borrowers.



The MoU was signed during the AMFI-WB Board Meeting in June 2025, with the sanction letter presented by Mr. Manoj Nambiar, MD, Arohan, along with AMFI-WB leaders. Amid ongoing challenges in West Bengal's microfinance sector, this initiative aims to strengthen borrower awareness and promote responsible lending practices.

Voice of Customer



"The loan from Arohan helped us grow our grocery store and ease our financial stress. It gave us the support we needed to build a more stable and secure future for our children" — says Biswajita Das.

Biswajita Das, a resident of Koradakanta, Odisha, is a determined entrepreneur who runs a grocery store with her husband. Together, they manage this small business to support their nuclear family, which includes their daughter and son.

To run the grocery store as the only source of income, Biswajita Das needed steady capital to keep up with customer demand. Having already taken two loans, she chose Arohan for her third cycle as well, trusting the Company's flexible terms and supportive staff.

Faced with financial pressure and limited access to traditional banking, Biswajita's decision to borrow from Arohan proved transformative. The loan helped her expand her store, add new products, and improve operations.

Today, she's seen as a role model in her community—a woman who made bold choices to secure her family's future through financial empowerment.

More power to entrepreneurs like her!