



**Press Release**  
**DVARA KSHETRIYA GRAMIN FINANCIAL SERVICES PRIVATE LIMITED**  
**March 07, 2025**  
**Rating Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	250.00	Not Applicable   Withdrawn	-
Non Convertible Debentures (NCD)	200.00	Not Applicable   Withdrawn	-
Non Convertible Debentures (NCD)	75.00	-	Not Applicable   Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	525.00	-	-

**Rating Rationale**

Acuite has withdrawn the long term rating on Rs. 13.01 Crore Bank facility of Dvara Kshetriya Gramin Financial Services Private Limited without assigning any rating as Instrument is fully repaid and no longer an outstanding obligation of the company. The rating is being withdrawn on account of the request received from the company and the No Due Certificate received from the banker's.

Acuite has withdrawn the long term rating on Rs. 236.99 Crore Bank facility of Dvara Kshetriya Gramin Financial Services Private Limited without assigning any rating as it is a proposed facility. The rating is being withdrawn on account of the request received from the company.

Acuite has withdrawn long term rating on Rs. 50 Crore Principal protected market linked debentures of Dvara Kshetriya Gramin Financial Services Private Limited without assigning any rating as Instrument is fully repaid and no longer an outstanding obligation of the company. The rating is being withdrawn on account of the request received from the company and the No Objection Certificate received from the trustee.

Acuite has withdrawn long term and short-term rating on Rs. 225 Crore Non Convertible Debentures of Dvara Kshetriya Gramin Financial Services Private Limited without assigning any rating as it is a proposed facility. The rating is being withdrawn on account of the request received from the company.

The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

**About the company**

Chennai based, Incorporated in the year 1993 Dvara Kshetriya Gramin Financial Services Private Limited (previously Pudhuaaru Financial Services Private Limited) is a non-deposit taking, systemically important non-banking finance company ('NBFCND-SI'). The company is co-founded by Ms. Bindu Ananth, chairperson of Dvara Trust and Dvara KGFS. Dvara KGFS is promoted by Dvara Trust (erstwhile IFMR Trust) which holds ~29.97 percent of shareholding as on September 30, 2023, the rest is held by Accion Africa-Asia Investment Company, LeapFrog Financial Inclusion India Ltd, Stakeboat Capital Fund and Abler Nordic Fund. Dvara KGFS is engaged in extending loans and financial products. It majorly provides loans under Joint Liability Group (JLG) model and also

provides enterprise loans, personal loans, jewel loans, consumer loans and crop loans. Dvara KGFS operates through its network of 420 branches spread across 11 states as on September 30, 2024.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Not Applicable.

### Key Rating Drivers

#### Strength

Not Applicable.

#### Weakness

Not Applicable.

### ESG Factors Relevant for Rating

Dvara Kshetriya Grameen Financial Services Private Limited (Dvara KGFS) belongs to the NBFC-MFI sector which facilitates lending to the unbanked population. Some of the material governance issues for the financial services sector are policies and practices with regard to business ethics, board diversity and independence, compensation structure for board and KMPs, role of the audit committee and shareholders' rights. On the social aspect, some of the critical issues for the sector are the contributions to financial inclusion and community development, responsible financing including environmentally friendly projects and policies around data privacy. The industry, by nature has a low exposure to environmental risks. The entity maintains adequate transparency in its business ethics practices as can be inferred from the entity's disclosures regarding related party transactions, vigil mechanism and whistle blower policy. The board of directors of the company comprise of 10 directors out of which 4 are independent directors, 3 are nominee directors and 3 are non-executive directors which includes 1 female director who is the co-founder and chairperson of Dvara Trust. The audit committee is with the objective to monitor and provide an unbiased supervision of the management's financial reporting process. Dvara KGFS also maintains transparency in terms of disclosures pertaining to interest rate policy and its adherence to Fair Practice Code as disseminated by Reserve Bank of India's circular. Dvara KGFS aims to empower women by providing micro loans to help them generate additional income opportunities, hence making an economic contribution by way of financial inclusion. It continues to work on several community development initiatives and has also developed a social performance management system to facilitate financial stability of its staff and clients.

### Rating Sensitivity

Not Applicable.

### Liquidity Position

Not Applicable.

### Outlook:

Not Applicable.

### Other Factors affecting Rating

None.

### Key Financials - Standalone / Originator

Particulars	Unit	FY24 (Actual)	FY23(Actual)
Total Assets	Rs. Cr.	2250.53	1855.26
Total Income*	Rs. Cr.	330.70	221.43
PAT	Rs. Cr.	47.53	14.37
Net Worth	Rs. Cr.	387.60	312.49
Return on Average Assets (RoAA)	(%)	2.32	0.93
Return on Average Net Worth (RoNW)	(%)	13.58	4.70
Debt/Equity	Times	4.63	4.78
Gross NPA	(%)	2.98	4.03
Net NPA	(%)	1.26	2.36

\*Total income equals to Net Interest Income plus other income

**Status of non-cooperation with previous CRA (if applicable):**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Although Acuite requested an interaction with the Audit Committee the issuer entity was unable to arrange it.**

**Any other information**

None.

**Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

**Note on complexity levels of the rated instrument**

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Jan 2025	Proposed Long Term Bank Facility	Long Term	236.99	ACUITE A-   Negative (Reaffirmed (Stable to Negative))
	Proposed Non Convertible Debentures	Long Term	25.00	ACUITE A-   Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	4.67	ACUITE A-   Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	8.34	ACUITE A-   Negative (Reaffirmed (Stable to Negative))
	Proposed Non Convertible Debentures	Long Term	125.00	ACUITE A-   Negative (Reaffirmed (Stable to Negative))
	Proposed Non Convertible Debentures	Short Term	50.00	ACUITE A2 (Reaffirmed)
	Proposed Non Convertible Debentures	Short Term	25.00	ACUITE A2 (Reaffirmed)
	Proposed Commercial Paper Program	Short Term	8.00	ACUITE Not Applicable (Withdrawn)
	Commercial Paper Program	Short Term	5.00	ACUITE Not Applicable (Withdrawn)
	Commercial Paper Program	Short Term	12.00	ACUITE Not Applicable (Withdrawn)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed (Stable to Negative))
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed (Stable to Negative))
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed (Stable to Negative))
	Principal protected market linked debentures	Long Term	20.00	ACUITE PP-MLD A-   Negative (Reaffirmed (Stable to Negative))
05 Jan 2024	Proposed Long Term Bank Facility	Long Term	236.99	ACUITE A-   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	25.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	4.67	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	8.34	ACUITE A-   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	125.00	ACUITE A-   Stable (Reaffirmed)
	Proposed Commercial Paper Program	Short Term	8.00	ACUITE A2 (Reaffirmed)
	Commercial Paper Program	Short Term	5.00	ACUITE A2 (Reaffirmed)
	Commercial Paper Program	Short Term	12.00	ACUITE A2 (Reaffirmed)
	Proposed Non Convertible Debentures	Short Term	50.00	ACUITE A2 (Reaffirmed)
	Proposed Non Convertible Debentures	Short Term	25.00	ACUITE A2 (Reaffirmed)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Stable (Reaffirmed)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Stable (Reaffirmed)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Stable (Reaffirmed)
	Principal protected market linked debentures	Long Term	20.00	ACUITE PP-MLD A-   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	125.00	ACUITE A-   Negative (Assigned)

06 Jan 2023	Proposed Long Term Bank Facility	Long Term	236.99	ACUITE A-   Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	25.00	ACUITE A-   Negative (Reaffirmed)
	Term Loan	Long Term	4.67	ACUITE A-   Negative (Reaffirmed)
	Term Loan	Long Term	8.34	ACUITE A-   Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Short Term	25.00	ACUITE A2 (Reaffirmed)
	Proposed Commercial Paper Program	Short Term	8.00	ACUITE A2 (Reaffirmed)
	Commercial Paper Program	Short Term	5.00	ACUITE A2 (Reaffirmed)
	Commercial Paper Program	Short Term	12.00	ACUITE A2 (Reaffirmed)
	Proposed Non Convertible Debentures	Short Term	50.00	ACUITE A2 (Assigned)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
	Principal protected market linked debentures	Long Term	20.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
01 Jun 2022	Proposed Non Convertible Debentures	Long Term	25.00	ACUITE A-   Negative (Reaffirmed)
	Term Loan	Long Term	8.34	ACUITE A-   Negative (Reaffirmed)
	Term Loan	Long Term	4.67	ACUITE A-   Negative (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	236.99	ACUITE A-   Negative (Reaffirmed)
	Commercial Paper Program	Short Term	5.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Proposed Non Convertible Debentures	Short Term	25.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Proposed Commercial Paper Program	Short Term	8.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Commercial Paper Program	Short Term	12.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
	Principal protected market linked debentures	Long Term	20.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
29 Mar 2022	Proposed Long Term Bank Facility	Long Term	236.99	ACUITE A-   Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	25.00	ACUITE A-   Negative (Reaffirmed)
	Term Loan	Long Term	4.67	ACUITE A-   Negative (Reaffirmed)
	Term Loan	Long Term	8.34	ACUITE A-   Negative (Reaffirmed)
	Proposed Non Convertible Debentures	Short Term	25.00	ACUITE A2+ (Assigned)
	Proposed Commercial Paper Program	Short Term	25.00	ACUITE A2+ (Reaffirmed)
	Principal protected market	Long		

	linked debentures	Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
	Principal protected market linked debentures	Long Term	10.00	ACUITE PP-MLD A-   Negative (Reaffirmed)
	Principal protected market linked debentures	Long Term	20.00	ACUITE PP-MLD A-   Negative (Reaffirmed)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Not Applicable	INE179P07233	Principal protected market linked debentures	28 Jun 2021	Not avl. / Not appl.	28 Sep 2022	10.00	Complex	Not Applicable Withdrawn
Not Applicable	INE179P07209	Principal protected market linked debentures	28 Jun 2021	Not avl. / Not appl.	28 Jan 2023	10.00	Complex	Not Applicable Withdrawn
Not Applicable	INE179P07217	Principal protected market linked debentures	28 Jun 2021	Not avl. / Not appl.	28 Jun 2023	10.00	Complex	Not Applicable Withdrawn
Not Applicable	INE179P07225	Principal protected market linked debentures	28 Jun 2021	Not avl. / Not appl.	28 Jun 2024	20.00	Complex	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	236.99	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	125.00	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	Not Applicable Withdrawn
Federal Bank	Not avl. / Not appl.	Term Loan	28 Feb 2020	Not avl. / Not appl.	28 Feb 2023	4.67	Simple	Not Applicable Withdrawn
Federal Bank	Not avl. / Not appl.	Term Loan	13 Jan 2021	Not avl. / Not appl.	13 Jan 2024	8.34	Simple	Not Applicable Withdrawn



## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Tejas Chaugule Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.