CONFIDENTIAL

RL/PDFSV/400801/NCD/0926/159490/163710243
September 23, 2026

Mr. Vinod Kumar
Treasury Head
Dvara Kshetriya Gramin Financial Services Private Limited
10th Floor-E Block, IIT-Madras Research Park,
Kanagam Village, Taramani
Chennai - 600113
9884033319

Dear Mr. Vinod Kumar,

Re: Crisil rating on the Rs. 158.6 Crore Non Convertible Debentures of Dvara Kshetriya Gramin Financial Services Private Limited.

All ratings assigned by Crisil Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated July 22, 2026 bearing Ref. no: RL/PDFSV/400801/NCD/0726/153811/163710243

Rating outstanding on the captioned debt instruments is “Crisil BBB+/Stable” (pronounced as “Crisil triple B plus rating" with Stable outlook). Securities with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such securities carry moderate credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from Crisil Ratings will be necessary.

As per our Rating Agreement, Crisil Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. Crisil Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which Crisil Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable Crisil Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Crisil Ratings products / activities or ratings of instruments other than securities that are listed or proposed to be listed may fall under the purview of financial sector regulators (FSRs) other than SEBI. In respect of such products / activities or ratings (under the purview of other FSRs such as Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory and Development Authority of India (IRDAI), among others), the grievance / dispute redressal and investor protection mechanisms available under SEBI regulations shall not be applicable. A list of products/activities or ratings of instruments falling under the purview of various FSRs along with the names of respective FSRs has been duly disclosed by Crisil Ratings on its website. A link to the same has been provided below for ready reference:
https://www.crisilratings.com/en/home/our-business/ratings/regulatory-disclosures/list-of-activities-instruments-and-names-of-regulators.html

Should you require any clarifications, please feel free to contact us.

Disclaimer: *A rating by Crisil Ratings reflects Crisil Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by Crisil Ratings. Our ratings are based on information provided by the issuer or obtained by Crisil Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by Crisil Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. Crisil Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. Crisil Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. Crisil Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. Crisil Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by Crisil Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at Crisilratingdesk@crisil.com or at 1800-267-3850*

With warm regards,

Yours sincerely,



Vani Ojasvi
Associate Director - Crisil Ratings



Nivedita Shibu
Director - Crisil Ratings

Annexure: List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $.	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs,HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $.	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

***Disclaimer**: A rating by Crisil Ratings reflects Crisil Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by Crisil Ratings. Our ratings are based on information provided by the issuer or obtained by Crisil Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by Crisil Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. Crisil Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. Crisil Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. Crisil Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. Crisil Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by Crisil Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at Crisilratingdesk@crisil.com or at 1800-267-3850*

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$. By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Disclaimer: *A rating by Crisil Ratings reflects Crisil Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by Crisil Ratings. Our ratings are based on information provided by the issuer or obtained by Crisil Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by Crisil Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. Crisil Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. Crisil Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. Crisil Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. Crisil Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by Crisil Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at Crisilratingdesk@crisil.com or at 1800-267-3850*

Rating Rationale

July 21, 2026 | Mumbai

Dvara Kshetriya Gramin Financial Services Private Limited

Rating reaffirmed at 'Crisil BBB+/Stable'; Long term principal protected market linked debentures Withdrawn

Rating Action

Total Bank Loan Facilities Rated	**Rs.535 Crore**	**Regulator Of Instrument**
Long Term Rating	**Crisil BBB+/Stable (Reaffirmed)**	**RBI**

Rs.300 Crore Non Convertible Debentures	**Crisil BBB+/Stable (Reaffirmed)**	**SEBI**
Rs.158.6 Crore Non Convertible Debentures	**Crisil BBB+/Stable (Reaffirmed)**	**SEBI**
Rs.20 Crore Long Term Principal Protected Market Linked Debentures	**Withdrawn**	**MCA**
Rs.10 Crore Non Convertible Debentures	**Withdrawn**	**MCA**
Rs.5 Crore Non Convertible Debentures	**Withdrawn**	**MCA**
Rs.50 Crore Non Convertible Debentures	**Withdrawn**	**MCA**
Rs.30 Crore Non Convertible Debentures	**Withdrawn**	**MCA**
Rs.30 Crore Subordinated Debt	**Crisil BBB+/Stable (Reaffirmed)**	**MCA**
Rs.41.4 Crore Non Convertible Debentures	**Withdrawn**	**MCA**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil BBB+/Stable' rating on long-term bank facilities and debt instruments of Dvara Kshetriya Gramin Financial Services Private Limited (Dvara KGFS).

Crisil Ratings has **withdrawn** its rating on long term principal protected market linked debentures amounting Rs.20 crore and non-convertible debentures amounting Rs 136.4 crore. Crisil Ratings received independent confirmation that these instruments are fully redeemed. This in line with Crisil Ratings' withdrawal policy (See 'Annexure – Details of rating withdrawn').

The ratings continue to factor in the extensive experience of the company's founders and leadership team and its adequate capital position supported by steady equity infusion, including the upcoming round planned for the near term. These strengths are partially offset by modest, though gradually recovering, asset quality and profitability due to inherent exposure to borrowers with weak credit profiles and local socio-political issues, and small scale of operations with regional concentration.

The company's assets under management (AUM) stood at Rs 1,922 crore as on March 31, 2026, declining from Rs 2,202 crore of AUM, a year ago – on account of ground level challenges prevailing in the retail unsecured loans and microfinance sector since the onset of fiscal 2025. That, in addition to the company's strategy of migrating towards a higher share of enterprise loans in the overall AUM, thereby partly defocusing from the Joint Liability Group (JLG) portfolio – resulted in calibration of growth strategy over the last two fiscals. As on March 31, 2026, 57% of the portfolio was deployed as JLG loans, whereas the balance was extended as enterprise loans and others. This compares to 68% of JLG loans as of March 31, 2025.

Asset quality has improved supported by better performance of the book originated post-guardrail and tightened underwriting in the enterprise loan book. 90+ days past due (DPD) stood at 0.6% for the book originated after August 2024. The company's ability to substantially improve overall asset quality and maintain it at sound levels, remains a rating sensitivity factor.

In terms of headline numbers, gross non-performing assets (GNPA) and net non-performing assets (NNPA) reduced to 3.7% and 1.6%, respectively, as on March 31, 2026, from 8.5% and 3.9%, a year ago. Apart from better resolution and collections of delinquent customers, the reduction in NPAs also includes the effect of Rs ~512 crore of pool sold to an Asset Reconstruction Company (ARC) and Rs ~13 crore of write offs done during the fiscal.

While the company has significantly incremental slippages, the total unprovided weak assets (including net NPA – largely pertaining to the old book, outstanding net security receipts [SRs], and stage 2 assets net of provisions) of the company stood at 7.2% of the AUM as on March 31, 2026. This will be partly offset by equity infusion of over Rs 45 crore, expected in the near term.

The company reported net losses for fiscal 2026. Credit costs, which rose from 3.4% in fiscal 2024 to 5.6% in fiscal 2025, improved to 4.0% in fiscal 2026. During the last fiscal, the entity also reported quarter-on-quarter reduction in provisions & write-offs, leading to better profits in second and third quarter of fiscal 2026. However, the impact of muted disbursements on interest income, and effect of interest reversals in fourth quarter following sale to ARC led to net losses in quarter ending March 2026. Return on managed assets (RoMA) declined from 1.9% (Profit after tax [PAT] of Rs 48 crore) in fiscal 2024 to marginal break-even with PAT of Rs ~1 crore in fiscal 2025 and remained weak at -1.4% (loss of Rs 37 crore) in fiscal 2026.

While the yields have stabilised and credit costs have started to improve gradually, with growth and better asset quality of the newer portfolio, the company's profitability is expected to improve only at a gradual pace and, will remain a monitorable.

The overall financial risk profile is supported by adequate buffer in capitalisation metrics. On March 31, 2026, the company reported a Tier I and overall capital adequacy ratio (CAR) of ~17.8% and 24.3%, respectively whereas gearing stood at 4.8 times on the same date, despite the net losses in last fiscal. Crisil Ratings also notes that the company is in advanced stages of raising equity capital of over Rs 45 crore in the first half of fiscal 2027. This incoming round of equity infusion has been centrally factored into the rating and any change in the timing or amount of this capital, will be a key monitorable.

Analytical Approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of Dvara KGFS.

Key Rating Drivers - Strengths

Experienced board and management profile

The entity was founded by eminent industry professionals like Mr. Nachiket Mor and Ms Bindu Ananth with the vision to enhance financial inclusion. With evolution in the regulatory landscape and market dynamics, the business model has also evolved with changes in growth and diversity aspirations and product profile. Also, over the years, the company has onboarded other investors like Leapfrog, Stakeboat Capital, Accion, and Sparkassen with high pedigree on its board. As on March 31, 2026, Dvara Trust and Dvara Holdings together hold ~29.6% in Dvara KGFS; Ms Bindu Ananth remains on the board of Dvara Trust. The board of Dvara KGFS is chaired by Mr Samir Shah, who has been associated with the group for close to a decade now.

Apart from Mr. Samir Shah, the board of the company comprises other eminent members from financial and allied sectors. Further, Mr. L V L N Murty, Managing Director & CEO, has close to three decades of experience and developed expertise in building businesses for remote rural markets. The senior management team is also seasoned with close to two decades of experience in the rural financing industry, microfinance sector and NBFC segment. Accredited to this, the management team understands the nuances of underwriting in this segment, underlying risks and the financial requirements of the borrowers. In the past, this experience has aided the company's ability to navigate through disruptions like demonetization and the pandemic outbreak.

Adequate capitalisation

The company's capital position remains adequate in relation to the scale and nature of business, evidenced by a net worth and tier I capital adequacy ratio of Rs 414 crore (including compulsorily convertible preference shares of Rs ~26 crores) and 17.8%, respectively, as on March 31, 2026, vis-a -vis Rs 424 crore and 17.5%, respectively, as on March 31, 2025. On-book gearing stood at 4.3 times as on March 31, 2026, against 4.1 times, as on March 31, 2025. Correspondingly, adjusted gearing dropped to 4.8 times from 5.1 times for the same dates, respectively.

While the company reported loss of Rs ~37 crores in fiscal 2026, the net worth was supported by the company's ability to raise equity capital on regular basis. In May 2025 – the company raised 3 million euros (~Rs 26 crore) as equity capital from a German investor Sparkassen International Development Trust GmbH (SIDT), which partly offset the effect of negative accretions to networth.

In the past, too, the company has received steady capital infusion by Dvara Trust, Dvara Holdings and other investors that supported the company's operations. Dvara group remains the single largest shareholder and holds ~29.6% stake in the company. This is followed by Accion Africa-Asia Investment Company and Leapfrog Financial Inclusion India (II) Ltd holding ~22.0% and 20.3%, respectively.

In the near term, the company is expected to raise fresh equity capital of over Rs 45 crore in the first half of fiscal 2027. This incoming round of equity infusion has been centrally factored into the rating and any change in the timing or amount of this capital, will be a key monitorable.

Key Rating Drivers - Weaknesses

Modest asset quality and profitability due to inherent exposure to borrowers with weak credit profiles and socio-political issues

The company's GNPA and NNPA, though reduced to 3.7% and 1.6%, respectively, as on March 31, 2026, from 8.5% and 3.9%, a year ago – remain volatile. In fiscal 2025, the company faced asset quality challenges due to ground-level disruptions, including over-leveraging of borrowers in the unsecured retail loans & microfinance sector and heightened attrition at the field level, leading to increased slippages. The GNPA subsequently peaked at 10.9% as of June 30, 2025.

In response, the company recalibrated its growth strategy and implemented several measures to improve asset quality. These included tightening of JLG product underwriting policies, strengthening of collection efforts, curtailment of JLG disbursement, adoption of stronger risk monitoring practices, and selling off stressed assets to Asset Reconstruction Company (ARC). Following ARC transactions, the company continues to hold Rs ~139 crore of net stressed assets which includes Rs 113 crores of net Security Receipts (SRs), Rs 14.6 crore of net stage 2 assets and Rs 28.6 crores of NNPA (cumulatively forming ~7.2% of AUM as on March 31, 2026).

Overall collection efficiency, after bottoming out towards the mid of fiscal 2025, improved to above 90% in November 2025 and, has remained at ~95% in March, April and May 2026. This is a factor of increasing share of new originations that have an inherently better collection efficiency, and small, though steady, recoveries from legacy accounts.

Despite Dvara KGFS operating as an NBFC (not NBFC-MFI), a significant portion of the portfolio comprises loans given to individuals under the JLG mechanism. Its customers generally have below-average credit risk profiles with lack of access to formal credit. Such borrowers are typically farmers, tailors, cattle owners/traders, small vegetable vendors, teashop owners, and dairy farmers etc. The income flow of these households could be volatile and dependent on the performance of the local economy.

Moreover, the company is inherently exposed to socio-economic disruptions. Past events such as demonetisation in 2016 and the outbreak of Covid-19 in March 2020 – have impacted the sector. These events triggered a chain of events that adversely affected the business models of MFIs and entities catering to microfinance borrowers, by impairing their growth, asset quality, profitability and solvency. The sector also remains susceptible to regional issues such as elections, natural calamities and borrower protests, among others, which may result in momentary spurt in delinquencies. This indicates the fragility of the business model to external risks. As the business involves lending to the underserved sections of society, Dvara KGFS will remain exposed to socially sensitive factors, including high interest rates, tighter regulations and legislations.

With the asset quality restoring, the credit costs have improved to 4.0% in fiscal 2026 from 5.6% a year back. Nonetheless, it remains elevated. With that, as the asset profile of the company has been pivoting towards non-microfinance segments, allied operating expenditure has increased to 7.9% in fiscal 2026 from 6.0% in fiscal 2025 – with some effect of base.

Resultantly, reported loss for fiscal 2026 was Rs 37 crores as against a marginal profit of Rs ~1 crore for the previous fiscal.

Over the near term, as the pace of improvement in collection efficiency remains gradual – asset quality and profitability are expected to improve only gradually. In addition, the ultimate loss emanating from unprovided weak assets and its impact on earnings, will be key. Thus, the company's ability to control further slippages and enhance recoveries, while resuming growth - remain key rating sensitivity factors.

Small scale of operations marked by regional concentration
Though still high, the regional concentration has improved gradually from a single state exposure level of 56% (Tamil Nadu) in March 2023. To achieve this, the company has inorganically expanded into Odisha, Jharkhand, and Uttar Pradesh through the strategic acquisition of 66.5% stake in Saija Finance Pvt Ltd (Saija) in FY2022. Correspondingly, AUM exposure to the top 3 states has declined from 79% in March 2023 to 66% in March 2026, over the same period.

Dvara KGFS initiated its operations in 2008. Later in 2018, after the restructuring of the organization, the company initiated its operation in Tamil Nadu, Uttarakhand and Odisha. Later, by the acquisition of Varam Capital in 2019 and Saija in 2021, it accessed other northern geographies like Chattisgarh, Bihar, Jharkhand, amongst others. While this reduced the skewness of operations towards the southern states, Tamil Nadu and Karnataka cumulatively continue to comprise about 53% of the AUM. This exposes Dvara to regional disruptive occurrences related to natural disasters and man-made events. Disruptive events in any region which has a relatively larger share of portfolio, could have a material impact on the company's business risk profile

Additionally, between 2018-22, the company revised its business strategy to align its progress with the evolving regulatory and market landscape of the sector. However, this journey of transition was hindered by multiple macro disruptions like demonitisation, NBFC sector stress, and natural calamities like Covid, Gaza Cyclone. Thus, the pace of growth and scale up has been comparatively moderate. As on March 31, 2026, the AUM of Dvara KGFS stood at Rs 1,922 crore, registering YoY decline of ~13% over the previous FY.

To curtail the volatility in performance due to high proximity to the microfinance sector and thus, the challenges inherent to it, the company has been working towards two core objectives: regional and product diversification. For regional diversification, the company has been expanding into non-southern states gradually whereas for product diversification – there is higher focus on micro enterprise loans whereas exposure to JLG has been declining. The ability of the company to profitably scale the MEL portfolio and expand geographically, remains a key rating sensitivity factor.

Liquidity Adequate
As of June 30, 2026, the company had a total unencumbered liquidity balance of ~Rs 94 crore, including liquid investments, and un-utilized debt facilities, against cumulative debt obligation and operating expenditure of Rs 81 crore for the month of July 2026. The incoming round of equity capital is expected to add to this cover in the near term. Any significant reduction in liquidity cover over debt obligations due to be paid over the succeeding one month – will be a key monitorable.

Additionally, Dvara KGFS remains in breach of certain debt covenants. However, none of its lenders have recalled the debt facilities till yet. In Q1 2027, the company raised Rs 170 crore as external resources, as compared to Rs 122 crore for the corresponding quarter of last fiscal and the ability to raise funds sustainably in the normal course of business, remains critical.

Outlook Stable
Dvara KGFS is expected to maintain adequate capital position and, also benefit from the experience of its promoter and management in the micro lending industry.

Rating sensitivity factors
Upward factors
- Increase in scale of operations and geographical diversity marked by no single state accounting for more than 40% of the overall AUM with asset quality metrics remaining sound
- Return on assets improving to and, remaining above 2.5% on a sustainable basis
- Significant improvement in capitalization profile

Downward factors
- Lack of improvement in asset quality or/ and earnings profile.
- Inability to sustainably mobilize resources from lenders impeding growth prospects
- A significant delay, and/or reduction in quantum of equity infusion planned to be infused in the near to medium term

- Adjusted gearing remaining above 5 times for a prolonged period

About the Company

Dvara KGFS was set up in FY2008 by Dvara Trust for extending unsecured and secured loans to rural areas in the country. The company was founded by Ms Bindu Ananth and Mr Nachiket Mor. Dvara KGFS focuses on extending multiple financial products for the lending, savings and insurance requirements of individuals in rural areas. The company positions itself as a rural wealth manager providing loans and financial products to customers. It largely extends JLG and unsecured enterprise loans, which comprise more than 95% of the total loans. The JLG loans are up to a ticket size of Rs 50,000 and the enterprise loans up to Rs 5 lakh. The company lends at interest rates of 24.5-27.75% for the JLG loans and 26-29% for the enterprise loans.

During FY2019, the business correspondents and corporate agency business of the IFMR Rural Channels and Services Pvt Ltd (holding company of Dvara KGFS) and IFMR Holdings Pvt Ltd (ultimate holding company) were amalgamated with the company.

Key Financial Indicators

Particulars	Unit	Mar 2026	Mar 2025	Mar 2024
Total managed assets	Rs crore	2,481	2,739	2,755
Total income	Rs crore	504	580	565
Profit after tax	Rs crore	(37)	1.0	48
Return on managed assets	%	(1.4)	0.0	1.9
Gross NPA	%	3.7	8.5	3.0
Adjusted gearing (including off-book)	Times	4.8	5.1	5.5

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Please note:

More details including a list of activities or instruments, along with the names of respective financial sector regulators (FSRs) whose purview they fall under, is available in 'Annexure – List of Instruments and Names of Regulators' below.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator of the instrument
INE179P07332	Non Convertible Debentures	22-Feb-24	13.60	06-Dec-27	120.11	Simple	Crisil BBB+/Stable	SEBI
INE179P08074	Non Convertible Debentures	26-Apr-24	14.50	15-Feb-27	22.00	Complex	Crisil BBB+/Stable	SEBI
INE179P07365	Non Convertible Debentures	24-May-24	12.75	24-May-27	1.80	Complex	Crisil BBB+/Stable	SEBI
INE179P07373	Non Convertible Debentures	24-May-24	12.50	24-May-27	0.10	Complex	Crisil BBB+/Stable	SEBI
INE179P07381	Non Convertible Debentures	24-May-24	12.75	24-May-27	1.10	Complex	Crisil BBB+/Stable	SEBI
INE179P07464	Non Convertible Debentures	19-Sep-24	10.00	19-Sep-27	24.38	Simple	Crisil BBB+/Stable	SEBI
INE179P07530	Non Convertible Debentures	19-Sep-24	10.00	19-Sep-27	24.50	Simple	Crisil BBB+/Stable	SEBI
INE179P07548	Non Convertible Debentures	27-Sep-24	11.00	27-Dec-26	50.00	Simple	Crisil BBB+/Stable	SEBI
INE179P07597	Non Convertible Debentures	18-Jul-25	11.00	18-Jul-27	25.00	Simple	Crisil BBB+/Stable	SEBI
INE179P07605	Non Convertible Debentures	26-Aug-25	12.90	13-Jul-29	68.96	Simple	Crisil BBB+/Stable	SEBI

INE179P07613	Non Convertible Debentures	07-Jan-26	11.00	07-Jan-28	30.00	Simple	Crisil BBB+/Stable	SEBI
INE179P07621	Non Convertible Debentures	30-Jan-26	11.00	30-Jan-29	25.00	Simple	Crisil BBB+/Stable	SEBI
INE179P07639	Non Convertible Debentures	24-Apr-26	13.25	24-Apr-29	6.00	Complex	Crisil BBB+/Stable	SEBI
INE179P07647	Non Convertible Debentures	19-May-26	13.25	19-May-29	4.00	Complex	Crisil BBB+/Stable	SEBI
NA	Non Convertible Debentures#	NA	NA	NA	55.65	Simple	Crisil BBB+/Stable	SEBI
NA	Cash Credit	NA	NA	NA	3.50	NA	Crisil BBB+/Stable	RBI
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	494.18	NA	Crisil BBB+/Stable	RBI
NA	Term Loan	NA	NA	05-Nov-26	9.00	NA	Crisil BBB+/Stable	RBI
NA	Term Loan	NA	NA	31-Oct-28	6.22	NA	Crisil BBB+/Stable	RBI
NA	Term Loan	NA	NA	25-Sep-26	5.11	NA	Crisil BBB+/Stable	RBI
NA	Term Loan	NA	NA	21-Jul-27	9.21	NA	Crisil BBB+/Stable	RBI
NA	Term Loan	NA	NA	31-Jul-26	7.78	NA	Crisil BBB+/Stable	RBI

 # Yet to be issued

Annexure - Details of Rating Withdrawn

ISIN	Name Of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator of the instrument
INE179P07324	Non Convertible Debentures	30-Sep-23	13.50	07-Apr-26	25.00	Complex	Withdrawn	MCA
INE179P08058	Non Convertible Debentures	15-Dec-23	14.50	15-Feb-27	18.00	Complex	Withdrawn	MCA
INE179P07175	Long Term Principal Protected Market Linked Debentures	17-May-21	Index Linked BSE SENSEX	30-Sep-24	20.00	Highly Complex	Withdrawn	MCA
INE179P07258	Non Convertible Debentures	25-Apr-22	11.00	24-Oct-25	38.10	Simple	Withdrawn	MCA
INE179P07266	Non Convertible Debentures	09-Jun-22	14.00	07-Mar-25	22.00	Complex	Withdrawn	MCA
INE179P07274	Non Convertible Debentures	25-Jul-22	15.00	25-Jul-25	10.00	Simple	Withdrawn	MCA
INE179P07282	Non Convertible Debentures	12-Aug-22	11.00	12-Feb-26	23.30	Simple	Withdrawn	MCA

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	535.0	Crisil BBB+/Stable		--	21-07-25	Crisil BBB+/Stable	04-12-24	Crisil BBB+/Stable	12-12-23	Crisil BBB+/Stable	Crisil BBB+/Stable
			--		--		--	17-10-24	Crisil BBB+/Stable	26-09-23	Crisil BBB+/Stable	--
			--		--		--	09-10-24	Crisil BBB+/Stable	03-08-23	Crisil BBB+/Stable	--

			--		--		--	30-09-24	Crisil BBB+/Stable	13-06-23	Crisil BBB+/Stable	--
			--		--		--	12-09-24	Crisil BBB+/Stable	24-05-23	Crisil BBB+/Stable	--
			--		--		--		--	10-03-23	Crisil BBB+/Stable	--
			--		--		--		--	07-02-23	Crisil BBB+/Stable	--
Non Convertible Debentures	LT	458.6	Crisil BBB+/Stable		--	21-07-25	Crisil BBB+/Stable	04-12-24	Crisil BBB+/Stable	12-12-23	Crisil BBB+/Stable	Crisil BBB+/Stable
			--		--		--	17-10-24	Crisil BBB+/Stable	26-09-23	Crisil BBB+/Stable	--
			--		--		--	09-10-24	Crisil BBB+/Stable	03-08-23	Crisil BBB+/Stable	--
			--		--		--	30-09-24	Crisil BBB+/Stable	13-06-23	Crisil BBB+/Stable	--
			--		--		--	12-09-24	Crisil BBB+/Stable	24-05-23	Crisil BBB+/Stable	--
			--		--		--		--	10-03-23	Crisil BBB+/Stable	--
			--		--		--		--	07-02-23	Crisil BBB+/Stable	--
Subordinated Debt	LT	30.0	Crisil BBB+/Stable		--	21-07-25	Crisil BBB+/Stable	04-12-24	Crisil BBB+/Stable	12-12-23	Crisil BBB+/Stable	Crisil BBB+/Stable
			--		--		--	17-10-24	Crisil BBB+/Stable	26-09-23	Crisil BBB+/Stable	--
			--		--		--	09-10-24	Crisil BBB+/Stable	03-08-23	Crisil BBB+/Stable	--
			--		--		--	30-09-24	Crisil BBB+/Stable	13-06-23	Crisil BBB+/Stable	--
			--		--		--	12-09-24	Crisil BBB+/Stable	24-05-23	Crisil BBB+/Stable	--
			--		--		--		--	10-03-23	Crisil BBB+/Stable	--
			--		--		--		--	07-02-23	Crisil BBB+/Stable	--
Long Term Principal Protected Market Linked Debentures	LT	20.0	Withdrawn		--	21-07-25	Crisil PPMLD BBB+/Stable	04-12-24	Crisil PPMLD BBB+/Stable	12-12-23	Crisil PPMLD BBB+/Stable	Crisil PPMLD BBB+ r /Stable
			--		--		--	17-10-24	Crisil PPMLD BBB+/Stable	26-09-23	Crisil PPMLD BBB+/Stable	--
			--		--		--	09-10-24	Crisil PPMLD BBB+/Stable	03-08-23	Crisil PPMLD BBB+/Stable	--
			--		--		--	30-09-24	Crisil PPMLD BBB+/Stable	13-06-23	Crisil PPMLD BBB+/Stable	--
			--		--		--	12-09-24	Crisil PPMLD BBB+/Stable	24-05-23	Crisil PPMLD BBB+/Stable	--
			--		--		--		--	10-03-23	Crisil PPMLD BBB+/Stable	--
			--		--		--		--	07-02-23	Crisil PPMLD BBB+/Stable	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	**0.5**	**IDFC FIRST Bank Limited**	**Crisil BBB+/Stable**
Cash Credit	**3**	**Axis Bank Limited**	**Crisil BBB+/Stable**
Proposed Long Term Bank Loan Facility	**494.18**	**Not Applicable**	**Crisil BBB+/Stable**
Term Loan	**9**	**The Karur Vysya Bank Limited**	**Crisil BBB+/Stable**
Term Loan	**9.21**	**Suryoday Small Finance Bank Limited**	**Crisil BBB+/Stable**
Term Loan	**6.22**	**Indian Overseas Bank**	**Crisil BBB+/Stable**
Term Loan	**5.11**	**The Federal Bank Limited**	**Crisil BBB+/Stable**
Term Loan	**7.78**	**IDFC FIRST Bank Limited**	**Crisil BBB+/Stable**

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for Finance and Securities companies (including approach for financial ratios)

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