

Empowering Livelihoods: Delivering Sustainable Impact



Social Impact Report
FY2022-23



Contents

04	Who we are
08	Our milestones
10	Our purpose
12	Driving change: Reflections and vision for the future
14	The big picture of why we exist
16	The Dvara philosophy
20	The game-changing Dvara eco-system
22	Making a positive difference
28	The Dvara Holdings business model
38	The growing Dvara relevance
40	Technology first solutions
42	Dvara Holdings and its ESG commitment
46	Dvara Holdings and U.N. Sustainable Development Goals



Catalysing a positive impact

At Dvara Holdings, the rationale of our existence is encapsulated in two words.

‘Empowering livelihoods’

Our existence is defined by our capacity to touch and enrich the lives of our stakeholders.

Our existence is defined by the capacity to make the world a better place.

Our existence is defined by our aspiration towards the recall:
‘Dvara transforms realities for the better.’



‘Holistic’ and ‘Sustainable’

TWO WORDS THAT ENCAPSULATE OUR
RESPONSIBILITY TO EVERYONE AND EVERYWHERE

At the heart of our mission are the principles of ‘holistic’ and ‘sustainable’ engagement. Our efforts are directed to creating widespread good and touching lives across India, the world’s most populous democracy. We strive to make a meaningful impact in the most sustainable manner, reaching as many people as possible.

Who we are

Dvara Holdings, a leader in India's socio-financial services, innovates through its pioneering Dvara Venture Studio (DVS), dedicated to creating sustainable impact at the nation's grassroots.

DVS nurtures entrepreneurs from ideation to the crucial early stages, blending start-up dynamism with stability and competence.

With over 15 years of experience in understanding the financial behaviour of millions, Dvara leverages insights, technology, and innovation to enhance last-mile access and livelihood opportunities. Dvara comprises nine Group companies; the firm is recognised for its transformative impact on low-income households, driven by a team of committed professionals.



15

years of experience
in understanding
India's rural financial
behaviour

1,000

new originators
targeted to cover the
length and breadth
of India





Vision

Creating 1,000 new originators covering the length and breadth of the country, who focus on wellbeing and ensure suitable sales for their customers.

Ensuring the orderly movement of risk between originators and aggregators, improving the system's capability to manage risk.

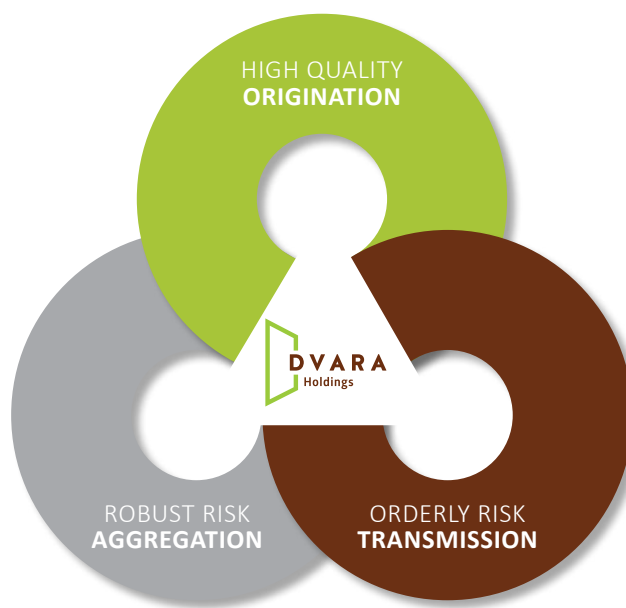
Ensuring that risk aggregators possess the appetite and ability to hold and manage risks underwritten by quality originators, preventing risks to systemic stability.



Mission

Our Mission Is To Ensure That Every Individual And Every Enterprise Has Complete Access To Financial Services.

To achieve this mission, a financial eco-system needs to be created which is characterised by the following pillars



Origin

Derived from the Sanskrit word 'dvarata,' meaning 'entrance' or 'door', Dvara stands for opening the doors of opportunities to countless individuals and enterprises by easing their access to financial services, which could enhance their financial well-being and help them achieve their life goals.

Dvara largely caters to the rural and the newly banked urban population living beyond Tier-II cities, offering them financial services, technology support for a better credit assessment and enabling their financial well-being. It bridges evidence gaps with rigorous research with the objective

to generate policy-relevant insights on systemic issues that impact the financial landscape of the country.

Through the unique combination of customer insights and the latest technology, Dvara has transformed millions of lives since inception.



Quality origination

Originators are customer-facing institutions (typically non-deposit taking entities) with in-depth knowledge of the households they serve and take accountability for the quality of financial services they offer. We believe that quality in the context of origination should be guided by the principles of continuity, flexibility, reliability, convenience and suitability.



Orderly risk transmission

The Dvara financial eco-system provides mechanisms for orderly risk transmission from local originators to regulated and diversified institutions like large national banks, mutual funds and insurance companies, while preserving the economic incentives of all parties.



Robust risk aggregation

An adequate number of large, diversified and regulated financial institutions (banks, insurance companies and pension funds) that address the risks transmitted by originators and their customers.

Our milestones

2008

Inaugurated the first KGFS branch at Karambayam, Tamil Nadu.

2009

Securitisation of the first rated micro-loans in India.

2010

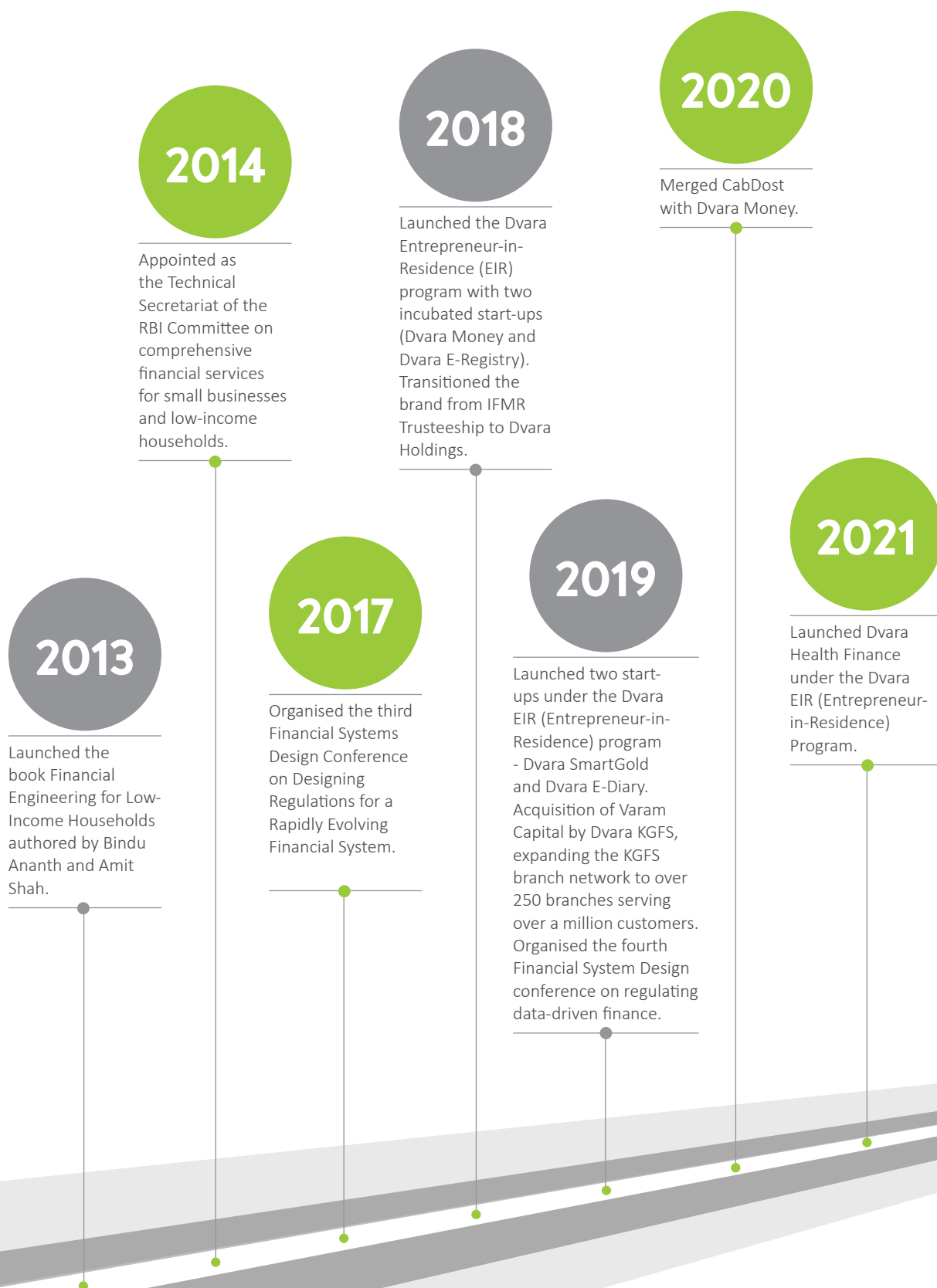
Pioneered the first multi originator securitisation in microfinance.

2011

Organised the first Financial Systems Design Conference.

2012

Published the CGAP Report on The Pursuit of Complete Financial Inclusion: The KGFS Model in India. Organised the second Financial Systems Design Conference on Envisioning the Future of Financial Consumer Protection in India.



Our purpose

Dvara: An impact driven business built around commercial viability

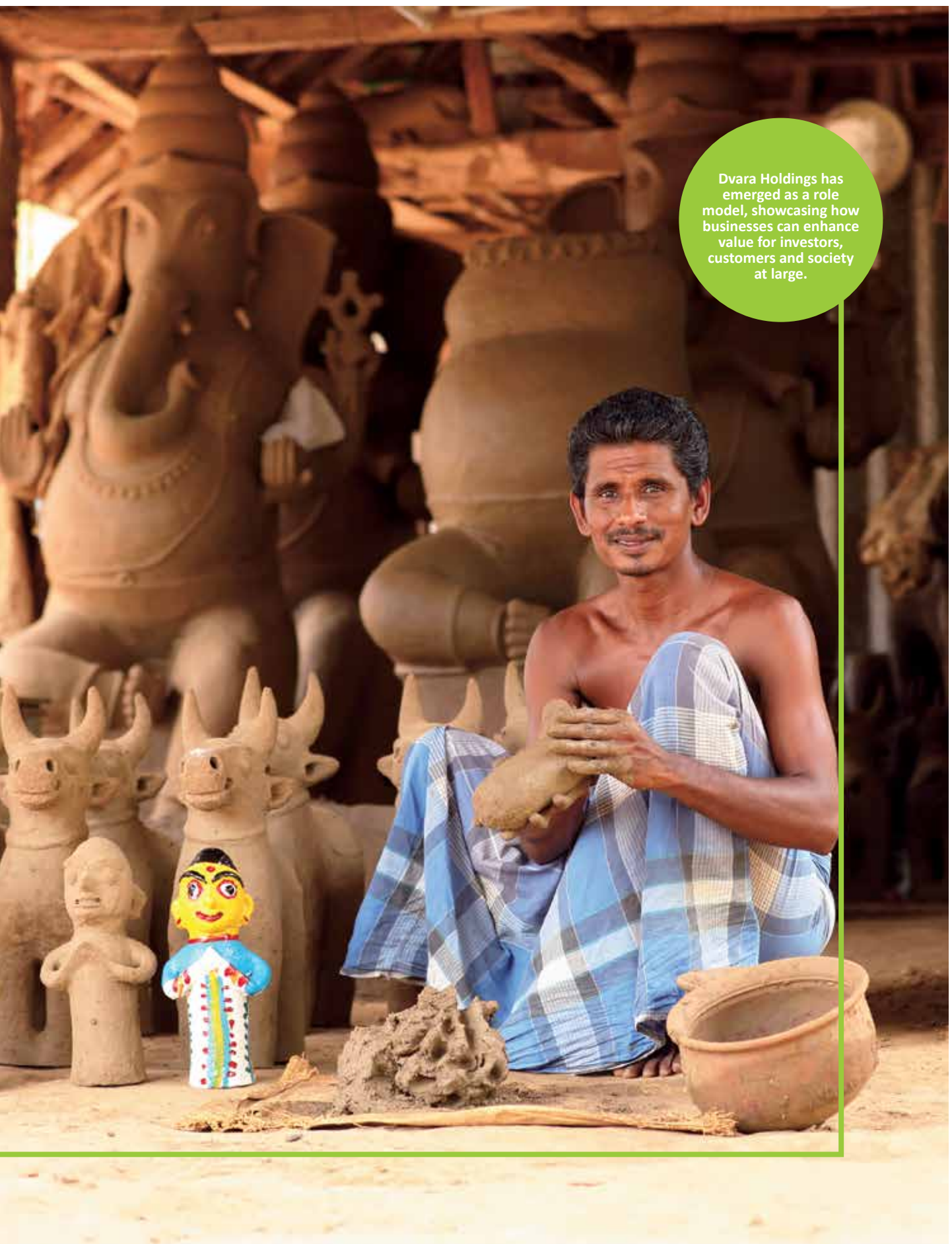
Overview

In the last 15 years, Dvara Holdings' business model delivered consistently positive results in impact-oriented and commercial outcomes. The company not only created positive social outcomes in its areas of presence but also posted positive returns year-on-year.

The company made significant strides on the social front through the promotion of financial inclusion and providing access to financial services in underserved communities. The company's inclusive products (microloans, insurance, savings accounts, goal-based investments and market linkages etc.) empowered rural and urban individuals and their livelihoods. Dvara Holdings enhanced the economic well-being and resilience of its customers.

Dvara Holdings prioritises financial sustainability, demonstrating its ability to reconcile social impact with profitability. The company's deep market understanding, and robust management practices enabled it to navigate the challenges of serving marginalised populations while protecting its financial stability.

This combination of social responsibility and financial performance has attracted socially conscious investors. By aligning the interests of shareholders with the needs of communities, Dvara Holdings has emerged as a role model, showcasing how businesses can enhance value for investors, customers and society at large.



Dvara Holdings has emerged as a role model, showcasing how businesses can enhance value for investors, customers and society at large.



Driving change: Reflections and vision for the future

Overview

The year 2023 was our fifteenth and probably the right time to review the success of our existence.

At Dvara, we always believed that the rationale of our existence would need to be dovetailed with the prevailing socio-economic reality and government policy direction. The ground realities would provide us with a rationale to exist; the government policy would provide us with an incentive to keep investing in our business. Within this strategic corridor, we created a compatible operating model, staying relevant with changing times and evolving when necessary.

The principal achievement of the last 15 years is that we survived with growing success, stayed true to our knitting and adapted to evolving circumstances. Considering that these 15 years were marked by the global meltdown of 2008, national liquidity crisis, demonetisation, government change and the pandemic, our principal achievement was one of responsive strategic recalibration.

We perceived, we adapted, and we evolved: this was our biggest achievement of the last 15 years.

Recalibrating

The socio-economic changes of the last 15 years have probably been the most extensive across the last century.

These are some of the reasons why: the rising use of smartphones, increase in consumer-friendly apps, growth in rural aspirations, willingness to buy from the e-marketplaces and turn to the internet for awareness and empowerment have been some of the remarkable developments of the last decade and a half.

During this period, India has grown, emerging as the fifth largest global economy. The irony is that even as we are possibly the fastest growing major economy, the most populous country and the third largest country by purchasing power parity, India suffers from extensive income inequity. Amidst the presence of a significant number of ultra-high net worth individuals in India, millions still live below the poverty line.

When we went into business there was a priority to bring every adult Indian into the banking net, which would result in a seamless transmission of government schemes to individual accounts (bypassing intermediaries). Besides, it was felt that a bank account for every Indian would provide a financial foundation on which individuals could become economically more productive and enhance their life quality. The result is that in the first stage of our existence, the Dvara objective consisted of two important words: 'financial inclusion.'

When the financial inclusion mandate appeared to be fulfilled following the rapid rollout of bank accounts for citizens, India entered the next stage of its inclusion priority. The priority was now not on mere inclusion (which had progressed and achieved a momentum); the priority was now on generating positive financial outcomes. It was now no longer enough to own a bank account; it was important to graduate the bank account into a financial platform around which the individual would

transact, start a livelihood, own assets and invest surpluses. This second stage – financial well-being – would have sustained had it not been for something unexpected that transpired from early 2020 onwards – the pandemic.

The pandemic of 2020 graduated our operating model into its third dimension. The health crisis of two years enhanced awareness that in a country like India, it would be limiting and restricting to address only financial well-being. The interconnectedness of challenges became apparent more clearly than ever: a vulnerability on the health front was threatening financial well-being. The result is the need for a more holistic focus that takes a 360-degree view of the semi-urban and rural reality. This sweeping perspective is summarised in two words: ‘well-being’. At Dvara, well-being is the capacity to address every area influencing life quality, health being the most adjacent in preventing low-income individuals from slipping into debt.

Our capacity to transform and deepen our relevance has been the first big achievement in 15 years.

Delivering sustainable outcomes

Until not too long, when we presented our credentials to an external audience, the first reaction was ‘But surely you cannot be making any money.’

Given this background, one of our principal achievements as a socially responsible enterprise is that we are financially profitable. Even as we are growing – and hence are in the capex-intensive cycle of our existence – we continue to report attractive margins and profits.

This validates what we always believed: that it is imperative for a socially responsible enterprise to be profitable to be taken seriously by stakeholders; that good intent must be backed by attractive profitability; that a profitable socially responsible enterprise is probably most potent in reporting the biggest good for the largest number.

In 2022, we had not only touched around 70 Mn lives – the equivalent of

Australia and Canada combined. Our portfolio NAV grew at a CAGR of ~17% since inception in 2008. Our thesis on providing long-term patient capital to solve systemic issues in the financial ecosystem rewarded us multifold in the last couple of years. Our latest cohort of new age technology companies with an impact initiative has an average operating life of just over two years and forms as much as 25% of our total NAV.

By the close of the year under review, we had demonstrated that our socially responsible enterprise was commercially viable and sustainable, a foundation for responsible scalability. By reporting quality earnings and quantum revenue growth, we have reconciled two challenging priorities of the modern world, underlining our responsibility.

Our strengths

Our optimism is derived from the strengths that we have aggregated during the last 15 years.

One, we enjoy a visible brand that is synonymous with words like ‘impact’ and ‘credible’ and ‘successful.’ We have stayed true to our mission across the last 15 years, and I cannot think of a more credible reference to our existence.

Two, we have endured and succeeded during the last 15 years, a validation of our domain understanding.

Three, we represent the coming together of three distinctive personalities – we bring to our socially responsible enterprise the focus of social outcomes (as espoused by most NGOs); we have generated positive returns (the outcome of the private equity investor in us) and we advocate public policy (where we act like an independent think tank). This combination makes us unique within the Indian financial landscape.

Four, our senior management has been with the company for more than a decade, resulting in strategic stability and relationship consistency.

Five, we have demonstrated the capacity to adapt nimbly and strategically in response to changes in the operating landscape, graduating from the manual to electronic in our

customer engagement and from the need to commission physical rural branches to a village-wise human representation.

Six, our relatively asset light approach makes us strategically agile; most of this agility is expected to play out across the foreseeable future.

Outlook

The big question is where we are headed.

Now that our operating model has been validated, the time has come to scale our business with speed. To venture into the realm of prospective private equity might seem straightforward, private equity firms usually have a life of around seven to eight years; impact investment companies take about a decade to mature followed by rapid growth. That we need patient capital is an understatement; what we need to do is prospect such capital, become fund managers and deploy with a decadal perspective, secured by the knowledge that for the first decade returns could be staggered but more than recouped following maturity. Our credentials as fund managers are strengthened by the results we deliver, akin to the proof of the pudding being in the taste. If we could have grown our socially responsible enterprise from scratch to this point with credible outcomes – during the more challenging phase of our existence – then we would be better placed to apply the same principles and grow our enterprise faster and scale better from this point onwards.

Conclusion

As we mark 15 years, we are proud of our enterprise’s social impact: touching millions of lives, achieving a robust financial bottom line that drives reinvestment, attracts similar-minded investors, and leads us to effective policy advocacy and future growth.

We stand at the cusp of one of the largest social impact opportunities in the world and we are prepared.

Samir Shah,
Co-Founder
& Executive Vice-Chair

The big picture of why we exist

The reality

27

% of financially literate Indians

230

Mn, total number of unbanked adults

17

%, Indians accounting for global unbanked population

5.1

% of financial assets in India's GDP

70

% of Indians with bank accounts but did not make a single digital payment

Our role

In the face of market failures, Dvara exists to address inherent inefficiencies.

We exist to help India's underbanked and underserved population achieve financial well-being.

We exist to provide them with precious livelihood capital.

We exist to provide them with the means – advice, encouragement, and discipline – to transform their lives.

Dvara transcends the role of a traditional investment firm, committed to enriching the lives of India's underbanked and underserved communities.

With a vision of holistic transformation, Dvara reaches out to urban and rural populations, aiming to create a meaningful change in their lives.

This is what we do

We address the financial needs of the underserved population across business, asset management, agriculture and health – a holistic life-transforming solution.

We offer them with the opportunity to invest in a range of investable asset classes.

We provide debt access for under-banked individuals and businesses.

We provide a comprehensive platform for banking services to the newly banked to empower them towards financial wellness.

We provide financial solutions to small and marginal dairy farmers.

We provide access to customised financial and advisory agricultural services for stakeholders across the agriculture value chain.

We offer a comprehensive investment service that facilitates middle- and lower-income households to purchase gold.

We provide health finance and other smart financial solutions for our customers and their families.

We facilitate credit for every viable MSME business in the country through innovative technology platforms.

These are our outcomes

Our customers are creating viable livelihoods.

They are building income-generating assets.

They are spending on living in formal home structures.

They are sending their children to better schools.

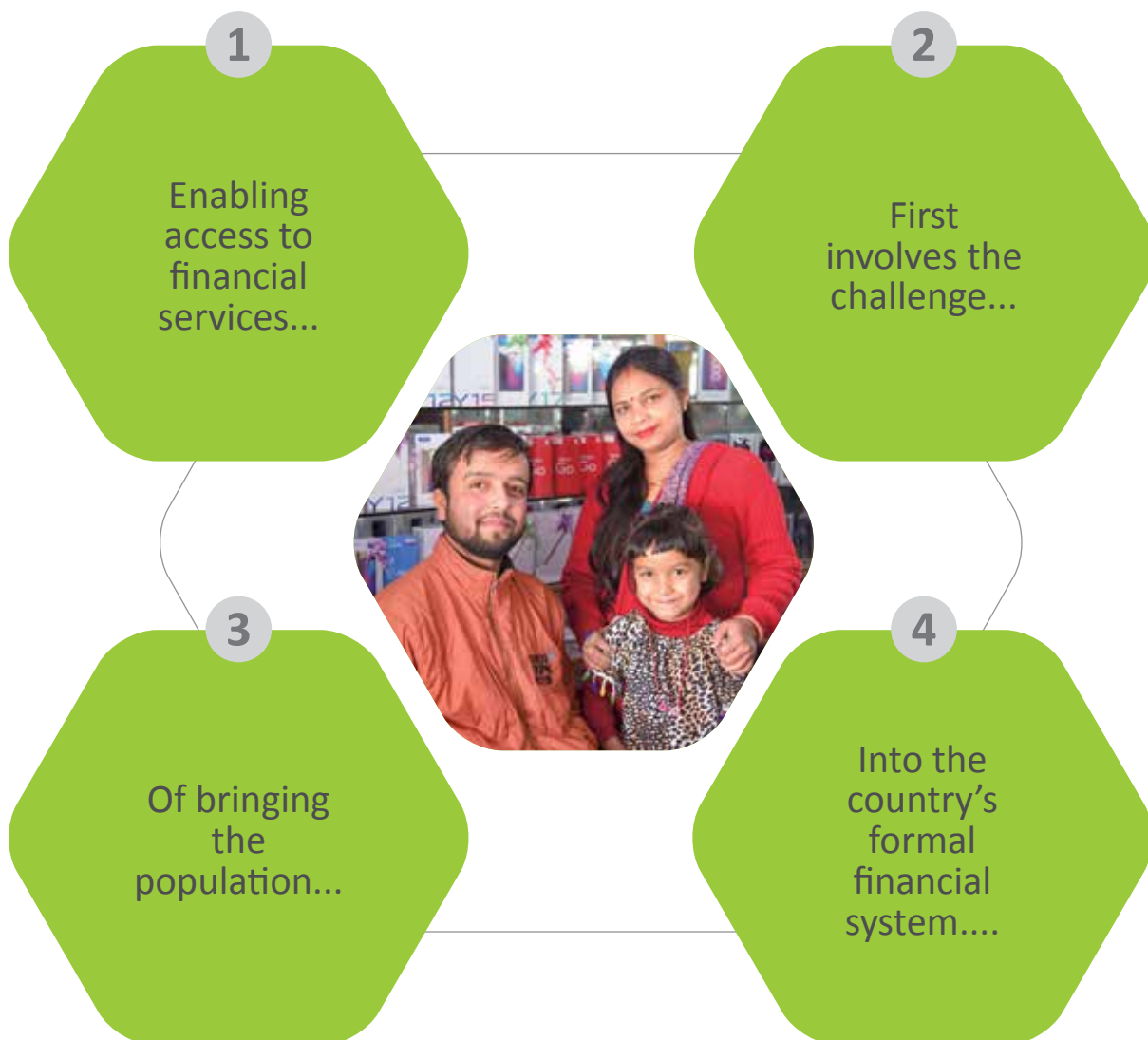
They are seeking better health safeguards.

They are employing local labourers and resources.

They are seeking better health safeguards for natural assets (cattle).

They are becoming inspirations in the geographies of their presence.

The Dvara philosophy



What Dvara's Impact Report seeks to communicate



Why ours is not just another investment company

We have positioned ourselves to be more than an investment company.

We have created a unique personality in response to a challenging business - values of a mission-driven organisation, mind of a private equity investor and foresight of an independent think tank.

We adapted and evolved across some of the most challenging financial cycles of the last 15 years – and succeeded.

We are engaged in a socio-commercial endeavour directed to providing financial access to the underbanked.

Our timely evolution across 15 years

Our phase 1 focused on building the rails for financial inclusion – rural finance (Dvara KGFS), building wholesale debt capital markets (Northern Arc Capital), tech-fin for financial inclusion (Dvara Solutions) and deep research cum policy advocacy in financial inclusion (Dvara Research).

In phase 2, we decided to continue the work on extending the rails with robust features. In addition, we focused on specific excluded communities (small holder crop and dairy farmers, urban gig economy workers, rural small businesses), through Dvara E-Dairy, Dvara E-Registry, Dvara SmartGold, and Dvara Money. Product Innovation (gold-based savings, alternate data based written credit for agriculture and dairy), platform innovation (banking-as-a-service), livelihoods (crop and dairy advisory services) and market access (connecting small holder crop and dairy farmers to input and output markets with embedded finance).

In phase 3, Dvara Health Finance is the latest addition to the third cohort of the Dvara Venture Studio program. This is targeted at those who earn at least INR 25,000 monthly, who cannot afford the commercial healthcare insurances and are deprived of BPL government schemes. We are solving this problem with a unique blended program of health care services and chronic disease management interventions. Our mission is in ensuring that every individual and enterprise gets complete access to financial services with every addition of a new Dvara startup.

A business that cares is a good business



‘Financial services’ is what we do; transformation partner is who we are

Dvara's numbers are proof

Our model of institution building has yielded quality results on investment returns and mission impact. Our portfolio NAV has grown at a CAGR of ~17% since inception in 2008. All our portfolio companies are focused on SDG goals and have ESG embedded in their business models.

The game-changing Dvara eco-system

This represents a potent intervention to transform the inequity of the ages



Overview

A successful and growing livelihood represents an effective platform graduating one towards prosperity in the shortest time.

However, there are two challenges in the creation of livelihoods.

One is the lack of access to adequate and timely financial services. The other is the absence

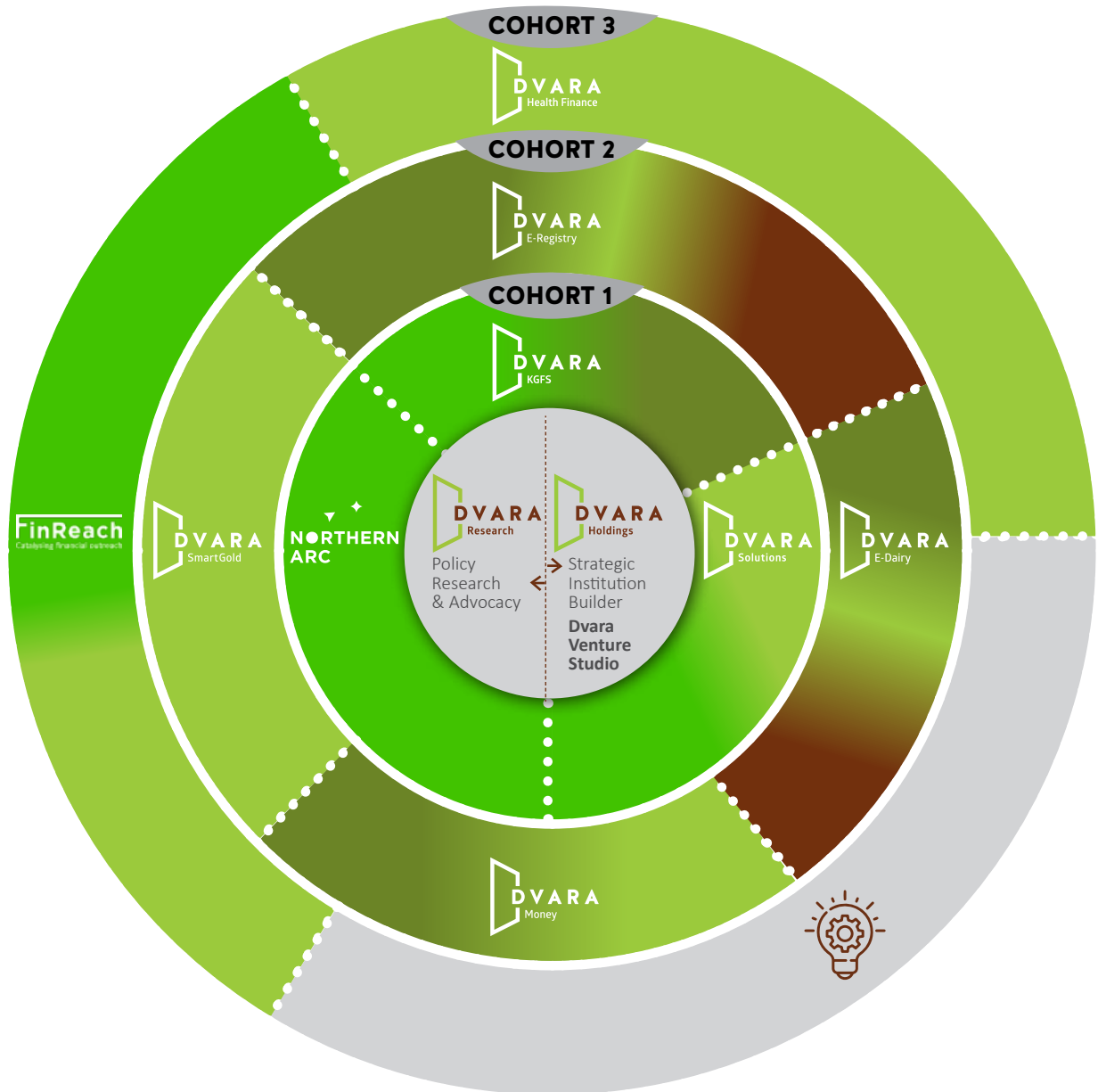
of an eco-system that provides advice, support and confidence.

At Dvara Holdings, we have addressed these challenges through the creation of an innovation-driven eco-system - Dvara Venture Studio.

Dvara Venture Studio brings to its customers the complement of an experienced team possessing domain knowledge and the disruptive agility of a start-up.

Dvara Venture Studio acts as an active impact investor that enables financial inclusion by partnering with the Dvara Holdings-driven EIR (Entrepreneur-in-Residence) program and scaling start-ups.

The result is that Dvara Venture Studio shrinks the time taken to launch, stabilise and scale these micro-businesses.



Building rails
(Dvara Solutions, Dvara KGFS, NSCL, FinReach)

Product / platform innovation
(Dvara Money, Dvara E-Registry, Dvara E-Dairy, Dvara Solutions, Dvara SmartGold, Dvara Health Finance, FinReach)

Ideas we are excited about
Small Cities, Dvara Fund, Private UBI, AI for Financial Inclusion, Market Making for Inclusion Assets

High-quality origination (Excluded Segments)
(Dvara KGFS, Dvara E-Registry, Dvara E-Dairy, Dvara Money)

Livelihoods and market access
(Dvara E-Registry, Dvara E-Dairy)

Making a positive difference

The Dvara eco-system comprises validated interventions that make a positive difference



Cohort 1



Dvara Kshetriya Gramin Financial Services (KGFS) offers a range of financial services leveraged by digital technology, trained employees, managed resources and a branch-based KGFS model across remote rural India.

Numbers

1,500

INR Crores in AUM

290+

 Bank branches and
presence across
India

12,000+

Villages across six states

3500+

 Merchant
networks


This fintech company (through its flagship product Perdix) automates end-to-end processes of a financial institution, catering to a range of asset classes offering a comprehensive suite of modules, APIs and products. Dvara Solutions is among the pioneering entities to venture into the liquidity platform space, tapping into co-lending prospects within the lending space.

Numbers

4+

 Mn customer
accounts under
management

25+

 Financial
institutions

8,500

 INR Crores,
total AUM


This non-banking finance company (formerly IFMR Capital) provides access to debt for under-banked individuals and businesses. Its platform connects over 100 non-bank financial institutions to mainstream debt investors through a combination of capital, products and partnerships.

Numbers

9000+

 INR Crores,
AUM

1

 INR Trn, amount
enabled since
inception

65+

 Mn,
lives impacted

70

 %, women borrowers
as % of total borrowers

Cohort 2

This intervention provides financial services to the newly banked, empowering them towards financial wellness. The Spark Account, a mobile-based application, offers users personalised and curated financial solutions, helping navigate their financial journey and achieve goals.

Numbers**59,000+**Spark
accounts created**28+**Number of Spark
Dost Centers**60,000+**Number
of ITR filings through the
Spark portal

This intervention provides financial solutions to small and marginal dairy farmers. It builds an ecosystem platform, deploying new-age technologies and providing access and scale in financial services and cattle management services.

Numbers**4,400+**

Disbursed loans

25,000+

Surabhi IDs issued

800,000+Total number of
downloads**200,000+**Monthly
active users

This intervention provides a digital platform that enhances accessibility to customised financial and advisory agricultural services, for all stakeholders in the agriculture value chain, by leveraging technologies like mobile, geographical information system and machine learning.

Numbers**50,000+**Farmers
benefitted**2,500+**

Villages covered

4,000+

Agri loans



This intervention offers comprehensive investment service that allows middle and lower-income households to purchase gold in small flexible installments.

Numbers

2,000+

Number of smart agents

1.13 Lakh

Customers on-boarded on the platform

45+

Kgs, volume of gold savings

Cohort 3



This intervention provides access to basic financial services for health financing to ensure a better health outcomes of account holders and their families through regular access to general physicians and insurance for significant events.

Numbers

3,400+

Individual adult members

1300+

Households covered



This intervention aims to facilitate credit accessibility for every viable MSME business in the country. It enhances credit availability to unserved/underserved MSMEs as well as established MSMEs, who enjoy access to the formal financial system.

Numbers

158+

INR Crore, loans sanctioned

How Dvara transformed lives across its portfolio companies



Ajit's family in Mhaswad, Satara District, Maharashtra, was health-screened for only INR 50-a-month, through the NEEM initiative by Dvara Health Finance, which helped take proactive action and save considerably larger treatment costs and time.

Jyotish credits Dvara E-Registry's Doordrishti services for his higher crop output, through a hassle-free, low-cost loan of INR.50,000 during the Kharif season, without collateral.

Sathish, a food delivery executive, started his investment journey by investing in gold in small amounts using his Spark Account and insurance that introduced him to other services such as micro-credit, insurance, banking services and income tax filing services.

Manokari, a home-maker, was facing difficulties in saving for her daughter's marriage. With Dvara SmartGold's micro-savings plan, she started to invest in gold using small amounts.

Ravi was able to pay his hospital bill without straining his finances because of his decision to avail of a group health insurance scheme for farmers through Dvara E-Registry.

Sarla was able to access an emergency loan for her small business through the NACL platform without any hassle, owing to a women-friendly credit policy.

Ankit, a dairy farmer, started using the Surabhi app that helped him increase milk production by using crucial data points such as cattle health, feed management and breeding etc.

Vishnu's relationship with money transformed after he downloaded the Spark app that taught him the importance of prioritising financial goals and creating a savings plan.

Vikram was able to expand his shop with the help of the financial guidance and credit access provided by Dvara KGFS.

Shiv, the Whole-time Director and CTO of IIFL Samasta Finance Limited acknowledged that Dvara Solutions, offers a competent team and a flexible yet stable platform, taking care of all his company's technological needs.

The Dvara Holdings business model: Building for Bharat



When we entered business by introducing financial access to an underserved population, a number of questions were raised on whether we needed to balance our presence in a nascent landscape with that in an existing market. We responded with a contrarian approach: a singular focus and subject matter specialisation that now makes Dvara Holdings one of the best equipped to enhance the financial well-being of its customers in the geographies of its presence.

Overview

Building for Bharat is the most sustainable and largest business opportunity in today's India.

This is a story sitting at the bottom end of the curve with multi-decade growth possibilities for good reasons.

There are various indicators that Bharat is likely to be a larger and more enduring economic growth story that could complement urban prosperity in graduating the country to a desired GDP of US\$5 Tn by the end of the decade.

The vastness of Bharat – an estimated population of 1.43 Bn by the close of FY 2022-23 – represents a growth story with not just implications limited to India, but with a ripple effect that can be felt the world over.

The Bharat story drivers

Building for Bharat is likely to be an enduring growth theme for good reasons.

One, even as India has emerged as the fifth largest economy and the fastest growing among major economies, nearly two-third of India's population remains financially under-provided or excluded.

Two, some manifestations of this financial exclusion comprise inadequate access to financial instruments and savings products; at best the products sold are typically urban products applied on the rural and semi-urban (which make up a majority of the Indian population) landscape with virtually no customisation.

Three, much of India in the semi-urban and rural regions is under-served by the large commercial banks, resulting in an absence of trusted financial institutions and a formal savings culture.

Four, most Indians travel long distances to access banks or financial intermediaries, eroding the time that could otherwise be allocated towards a productive livelihood.

Five, the Indian economy is sitting at the cusp of an unprecedented opportunity, marked by higher farm realisations, strong services sector, increased appetite for better lifestyle and a willingness to borrow and invest in livelihood creation.

Six, a decisive platform has emerged – digitalisation – that makes it possible for organised finance to reach far-flung

areas without a corresponding increase in branch, people and travel costs.

Seven, a large number of the population is under-penetrated; as of 2021, 66 Mn Indians are new to credit and do not even possess a CIBIL history 76 years after Independence. (Source: Outlook).

Eight, a significant number of the Indian population has become digitally active through vernacular WhatsApp and YouTube, enhancing aspirations of a better life quality.

Right company, right time

At Dvara Holdings, we recognise that with unprecedented opportunity comes great responsibility.

To assume that we are engaged in the business of simply providing financial products is to miss the scope and rationale of our existence.

We are engaged in widening prosperity, enhancing incomes across the people we touch and unleashing the rich potential resident within two-thirds of India's population.

At Dvara Holdings, we are bringing to our business a consistency of discipline that will make it possible to achieve our rich potential.

While most investment companies have a traditional bottom-line drive approach, Dvara Holdings focuses on the vast upstream opportunity related to products and services for income generation, wealth creation and financial well-being.

A number of players in this field commissioned brick and mortar

infrastructure to interface with customers across the areas of their presence; Dvara Holdings has invested in an omni-channel customer approach, widening its access and convenience.

Most investment companies focused on portfolios and transactions to generate fees and commission income; Dvara Holdings focuses on providing a holistic solution across the customer's lifetime, graduating from a service provider to a friend-philosopher-guide.

Conclusion

The complement of context and strategy ensure that Dvara Holdings is at the right place at the right time in the right sector with the right focus.

What makes Dvara Holdings distinctive is that an exclusively rural-urban intervention is transpiring for possibly the first time in an organised and formalised manner within the country.

This widening presence could generate a multiplier effect in terms of products, outcomes and breadth of livelihoods addressed.

We believe that when you multiply this by thousands of customers engaged in a range of vocations, what could emerge is a local livelihood eco-system that catalyses the local economy and represents a decisive step towards prosperity.

This strategic clarity provides Dvara Holdings with a framework on which to build the business in a profitable and sustainable way into the long-term.

Becoming future-ready



Geographic Diversification

Expanding across India, our businesses are creating a nationwide footprint, fostering financial inclusion in diverse regions.



Portfolio Diversification

Our range of financial solutions covers sectors such as health, agriculture, dairy, micro-businesses and MSMEs, addressing varied financial needs comprehensively.



Omnichannel Strategy

By merging physical presence with a digital outreach, we aim to maximise value, offering customers a seamless experience.



Branch Expansion

Building on cost-effective models, we are creating more accessible hubs, emphasizing scalability and community reach.





Transparency and Growth

Our commitment to clear growth metrics and a transparent incentivisation structure, aligns team objectives with the company's goals.



Algorithm-Driven Financial Solutions

Enhancing our reliance on algorithms, we aim for unbiased and efficient financial recommendations, ensuring an impartiality in customer service.



Community-Based Recruitment

Hiring locally enriches our understanding of regional financial landscapes, ensuring that our services are finely tuned to local needs.



Employee Well-being

We prioritise an environment of growth and care for our employees, fostering a culture of open communication, continuous learning, health awareness, and career advancement.



Financial inclusion and Dvara Holdings



In a world marked by wealth concentration, wealth decentralisation and democratisation represent the largest business opportunities.

The global per capital income was US\$12,167 in 2021.

The Indian per capita income was estimated at around US\$2500 in FY 2022-23.

The top 5% of the Indian

population owns more than 60% of the country's wealth whereas the bottom 50% of the population possesses only 3% of the country's wealth.

This indicates a vast headroom for sustained growth in incomes towards the Indian average, in line with the global benchmark of per-capita income.

At Dvara Holdings, our understanding is that any

company catalysing mass wealth creation possesses a short runway and a multi-decade possibility.

Dvara Holdings' focus on wealth creation at the bottom of the country's economic pyramid addresses the largest population-based economic transformation opportunity in any country.

Social responsibility and Dvara Holdings



At Dvara Holdings, our focus does not begin and end with financial inclusion.

Our business is not merely about enhancing incomes; it is about something larger.

It is about correcting the social inequity of the centuries.

It is about empowering the mindset of individuals to become controllers of their destinies.

This is how we see Dvara Holdings growing role in an evolving India.

One, capital access was for long reserved for specific segments of society. Those without capital continued to remain providers of labour, never recruiters.

Two, those who remained providers of labour could never save or borrow enough to build their livelihoods.

At Dvara Holdings, we did not merely provide standalone financial offerings – allocated to the creation of hands-on livelihoods – but went a step beyond.

We provided customers with the means to reinvest those surpluses into financial instruments that would help them build financial assets for the first overtime.

The ability to fund income creation and income multiplication (through financial instruments) has resulted in a unique proposition for Dvara Holdings to provide a wealth creation and wealth management solutions for customers across its portfolio companies.

Dvara Holdings. Extending beyond the usual



Dvara Holdings is the first in its sector to champion customer-centric financial inclusion in remote India, aiming to bring high-quality financial services to the underserved.

Dvara innovated by introducing digital wealth management platforms in semi-urban and rural regions, broadening financial opportunities.

It pioneered the transition from basic loan services to offer a wide array of financial products and services, catering to diverse needs.

Dvara led the way in providing

digital solutions for small and marginal dairy farmers, improving financial and cattle management.

The company was among the first to introduce neo wealth management services for the newly banked, nurturing financial wellness.

Dvara excelled in offering personalised, curated financial solutions, assisting individuals in navigating their financial journeys and achieving their goals.

Recognizing the agricultural sector's needs, Dvara created a digital platform to enhance access to financial and advisory services,

benefiting all agriculture value chain stakeholders.

It introduced a unique and comprehensive gold savings plan, enabling households to integrate financially through flexible savings.

Dvara made strides in making credit more accessible to viable MSME businesses, supporting economic growth.

The company also addressed critical gaps in health financing, enabling a broader access to quality healthcare services.

Dvara Holdings. A focus on 'focus'



Three words make Dvara Holdings distinctive.

The words are 'comprehensive financial solution.'

During the last few decades, several institutions have provided financial solutions for the underbanked; this financial intervention is not new.

However, the difference between most agencies and Dvara Holdings

is that of **focus**.

Most companies that provided financial solutions were urban-focused with a nominal semi-urban and rural presence. These companies addressed financial solutions in these areas through back-to-back relationships with other companies or with a short-term perspective of shoring up their priority sector lending obligation.

Dvara Holdings is among the first impact investors whose portfolio companies are lending to focus on the underbanked population – completely and comprehensively.

The result is a distinctive Dvara Holdings specialisation, which corresponds to the vastness of the country, the majority of the population living beyond tier-I geographies and a multi-decade wealth creation possibility.

Dvara Holdings. Addressing unprecedented 'F' and 'D' realities.





Dvara Holdings environment has evolved into the most exciting in decades.

The two words that have made it so are 'Financialisation' and 'Digitalisation'.

Financialisation refers to the movement of the world from physical assets as a convenient store of value to the creation of financial instruments. Even as recent as a couple of decades ago, most people with investable surpluses sought to put their money into physical assets over financial alternatives. The last few years have been marked by a new trend; there is now a traction for investments in financial instruments addressing the specific needs of individuals and family members with accompanying benefits of liquidity, returns and security.

Digitalisation refers to the digital delivery of financial instruments, purchase convenience, service, support and information. The result is that digitalisation has emerged as the most powerful tool of

market expansion and penetration, democratizing the ownership of financial instruments.

At Dvara Holdings, we are playing the role of an evangelist.

We are not only advocating our customers investments in financial instruments; we are reaching and servicing customers through a digital platform designed around access and convenience.

The result is that Dvara Holdings is not merely engaging with its newly-banked customers; it is empowering them to make a big leap in aspirations; it is according them the same personalised respect and attention reserved for a high net-worth customer.

The Dvara Holdings service benchmark and the extensive financial under-penetration are fusing into a compelling business foundation, promising a multi-decade growth journey.

Strategic foundation

The growing Dvara relevance

The greater the global uncertainty, the more relevant our socio-economic solution

Overview

In the 15 years we have been in existence, we have been witness to a number of macroeconomic events - the global meltdown of 2008, national liquidity crisis, demonetisation, government changes and the pandemic.

These macroeconomic structural shifts cause a number of businesses to discontinue operations. However, Dvara emerged stronger with each challenge, validating an overriding reality: The company was at the right place at the right time.

The 2008 global meltdown caused the global housing market shakeout followed by the default of major US banks, leading to a global recession, which affected funds flows across countries.

Dvara Holdings went into business to provide financial services to the underserved rural and semi-urban Indians, who were not as extensively affected by the meltdown.

The Government of India introduced the Pradhan Mantri Jan Dhan Yojana in 2014 to draw the under-privileged into the formal banking system.

Dvara Research acted as the Technical Secretariat to the RBI Committee in designing holistic financial services for small businesses and low-income households.

Major events and policies

The Government of India demonetised currency denominations of INR 500 and INR 1000 in 2016.

This created an unprecedented market for digital payments. Dvara capitalised by building a digital backbone to facilitate customer transactions.

The pandemic-induced lockdown in 2020 caused a global suspension of businesses and social distancing, boosting digital payments.

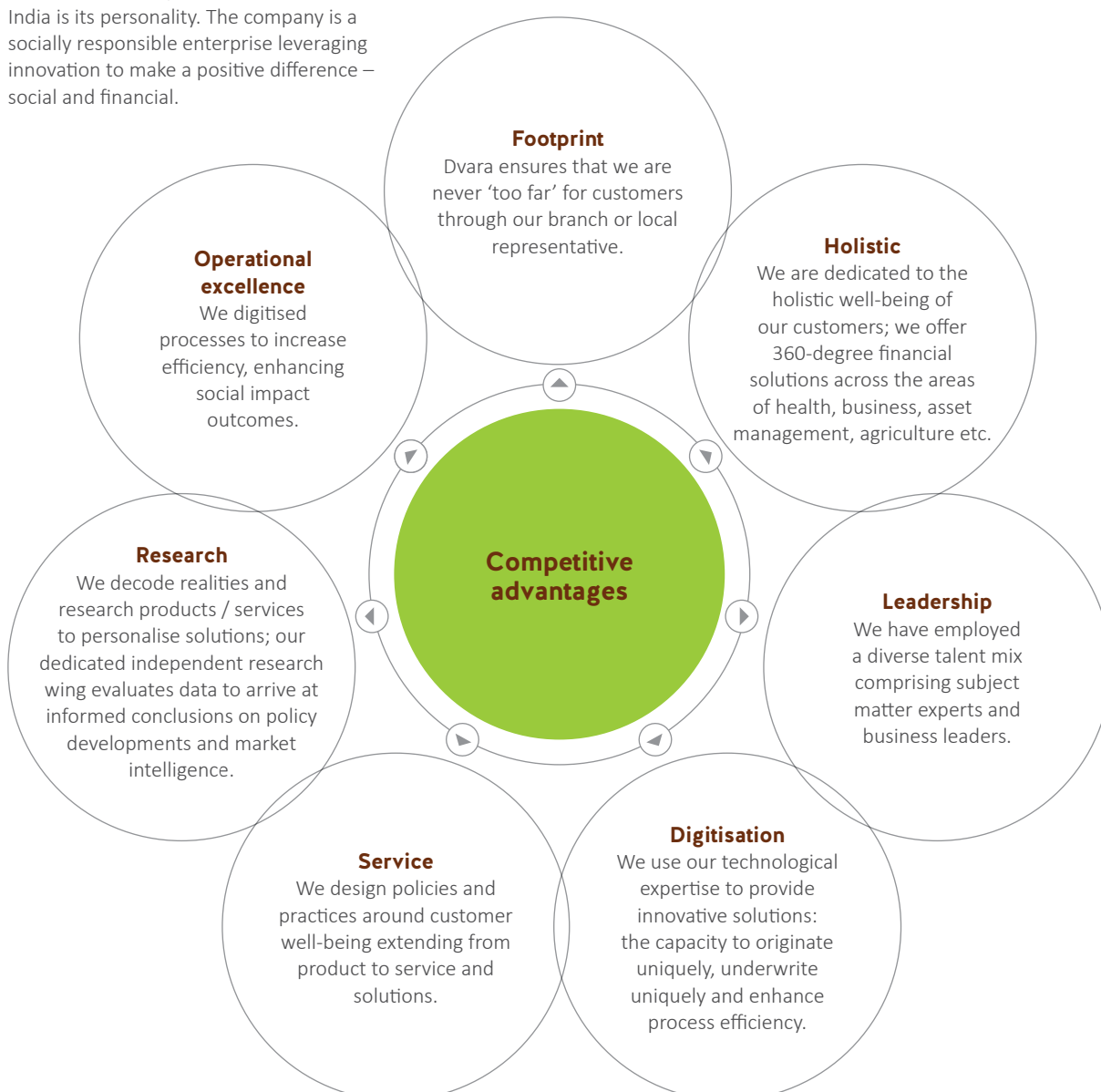
Dvara Holdings, through its various portfolio companies, extended support to existing customers while on-boarding new customers through digital means. The result is that the company's business grew in the face of this setback, transforming a challenge into an opportunity.

Our business principles

Dvara: Different in vision, structure and implementation

Overview

What sets Dvara apart in rural and urban India is its personality. The company is a socially responsible enterprise leveraging innovation to make a positive difference – social and financial.



Technology-first solutions



Dvara Holdings' portfolio capabilities

- Ability to design a range of algorithms (regression classification, clustering and forecasting) to address business needs.
- Ability to leverage the use of cutting-edge technologies (artificial intelligence, facial recognition and voice recognition) to enhance systemic effectiveness.
- Credible data protection policy coupled with robust data protection, enhancing customer confidence.
- Increase customer lifetime value by evaluating customers' financial well-being and recommending products from the PGPD (Plan-Grow-Protect-Diversify) framework through data science.
- The Surabhi score compiles multiple data points and provides it to institutions to help farmers access services like credit, insurance etc.
- NEEM platform delivers a variety of health-related services such as online consultation, storage of medical data and records, tracking medical interventions and an intelligent protocol-based decision support system for the healthcare providers.

How Dvara Holdings' portfolio uses technology for enhanced customer well-being

Perdix, Dvara Solution's flagship product, is a techfin platform with a partnership across 25+ financial institutions with a total of INR 8,500 Crores in AUM.

The Surabhi ID technology, Dvara E-Dairy's pseudo-Aadhaar for cattle, can identify the incorrect match and flag it to the claims department of Iffco Tokio, saving insurance claim money. DED's helps provide unique identification for cattle across India and creates mutually beneficial situation for institutions and farmers.

UPI123, a voice call-capable UPI functionality offered by Dvara E-Registry, facilitates direct fund transfers using a basic mobile phone.

Doordrishti, a mobile and web-based platform developed by Dvara E-Registry, empowers farmers, FPOs and partner organisations to utilise traditional and non-traditional data for the digitalisation of farmer and FPO land holdings and business operations. It also offers tailored agricultural products and services.

KhetScore, an AI-driven agricultural scoring system developed by Dvara E-Registry, utilises data from multiple satellites for comprehensive remote evaluation of historical and current farming activities.

KhetScore Now provides real-time farm performance reports, gathering real-time data to offer primary and secondary insights for remote monitoring of crops and land plots.

Environment-Social-Governance

Dvara Holdings and its ESG commitment



Overview

The abbreviation being increasingly used across the world to appraise and filter companies is 'ESG'. ESG has emerged as a litmus test used by analysts, opinion makers, governance agencies, media, communities and bankers to appraise the quality of corporate managements.

This has helped extend the appraisal discipline beyond the Balance Sheet; in a number of instances, this appraisal has been extended to ESG with the perspective that soon the effects of high/low compliance will translate to the Balance Sheet.

At one level, ESG is the abbreviated form of Environment-Social-Governance. The Environment segment of the business addresses the various initiatives taken by the Company to moderate its carbon footprint through a more responsible utilisation of finite resources coupled with extensive compliances. The Social component of ESG comprises a mix of the Company's relationships – with vendors (land, capital equipment and raw materials), employees, customers and communities. The Governance component comprises a review of how the Company intends to manage its business, comprising an understanding of processes, practices and systems.

Dvara Holdings and ESG

At Dvara Holdings, we believe that ESG links to enhanced competitiveness and sustainability. This competitiveness, among other measures, is manifested in top line growth, cost reduction, minimised regulatory and legal interventions, increased employee productivity and optimised investment returns.

The essence of ESG has been seeded into our business intent. As a part of the ESG journey, we will continue to strengthen our platform and reinforce our presence as responsible corporate citizen.

The Environment component at our Company ensures that our business consumes environmentally responsible resources, consumes only as much as is moderately needed, recycles waste, consumes moderate fossil fuels and builds resistance to climate change.

The Social component addresses the need to invest in employees, vendors, customers and community engagement, a framework of relationships that protects the

Company from unexpected supply or demand or production shocks.

The Governance commitment comprises the articulation of business strategy, values, codes of conduct, Board responsibilities and composition as well as the organisational commitment to UNGC principles.

Our environment commitment

The company has made significant contributions to environment conservation through its various portfolio companies. The farming community comprises a major part of the company's clientele, whom the company supports through various initiatives. It is committed to tracking the carbon footprint and GHG reduction impact of its investments. Through our partnership with a third party expert, we employ industry leading assessment practices.

Environment initiatives

Dvara recognises the importance of a sustainable future wherein the soil retains nutritive and production value into the long-term. Considering that

the farm represents the principal rural asset, there is a premium on protecting its regenerative value.

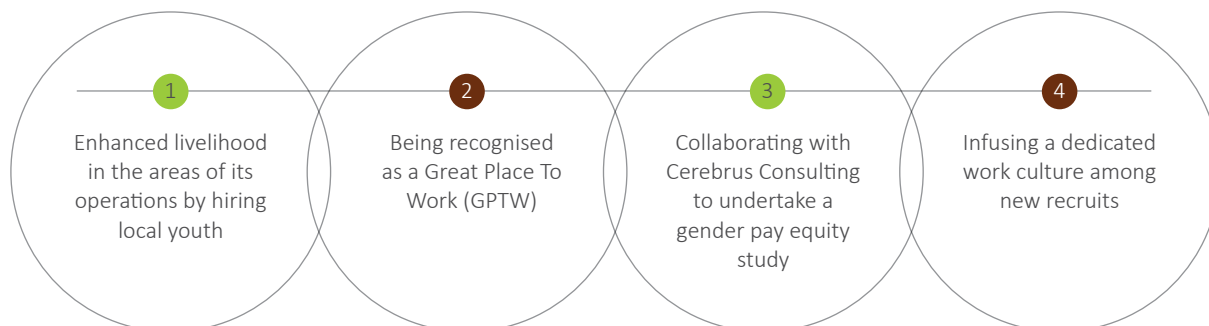
Dvara is helping the farming community in the areas of its presence with best farming practices translating into sustained farm productivity. Dvara E-Registry advises farmers in the preservation of this fundamental natural resource through the following initiatives: crop rotation, controlled pesticide use, soil and water conservation, appropriate tillage and other global best practices.

Dvara E-Registry partnered GrowIndigo in the area of carbon credits. E-Registry's FPO provides soil testing support to farmers, helping them arrive at soil nutritional composition, leading to informed cropping decisions.

Dvara-E-Dairy's goal of prudent cattle management helps reduce morbidity and improve resource utilisation while reducing the emission of greenhouse gases.

Our social commitment

Individuals form the bedrock of advancement within Dvara Holdings. We place a great importance on investing in our employees to ensure sustainable growth. Our strategy for managing our workforce centres around employee development, safety, leadership and the well-being of their families. Our operational democracy makes employees feel valued and empowered. The company reinforced its positioning as a responsible employer through the following initiatives:



At Dvara Holdings, we recognise the significance of social impact in our investment decisions. These are some key areas where we actively promote and support positive change:

Gender equality: We are committed to fostering gender equality in the industries we invest in. We understand that traditionally male professionals have had a dominant presence, and the corporate landscape has seen a disproportionate focus on male-founded companies. As part of our commitment to gender equality, we are broadbasing our managerial team. At Dvara Holdings, women make up 42% of our staff and hold an equitable 50% representation on the Board. Dvara Holdings has an equal representation in the leadership team at 50% compared to other venture capital firms in India at 15%. Our Board members influence practices to promote gender balance within our Group constituents. We go the extra mile in mentoring women with potential to reach C-level positions.

Job creation: Through strategic investments, we not only support the growth and scaling up of our Group companies but also contribute to job creation and retention. Dvara Holdings has a workforce of 3,578 employees, with 86% stationed in rural areas. We take pride in our role as enablers of job opportunities and economic growth in the regions we operate.

At Dvara Holdings, our focus extends beyond financial returns and we actively work towards creating a positive and inclusive impact on society. We strive to promote social equity, diversity and job creation, contributing to a more sustainably equitable future for all.

Governance-strengthening

At Dvara, governance is doing the right things more than doing things right. At Dvara, the one word that we have placed at the centre of our business model is 'integrity'. We resolved that when stakeholders referred to us, they would do so with respect and trust. At Dvara, ethical respect is the result of the fact that we will continue to do the right things in the right way (gender respect, zero tolerance for sexual harassment, impatience with ethical transgressions, recruit without prejudice, appraise without partialness, respect for people dignity and environment integrity). We have invested in our business for the long-term. We will grow our business around a framework of policies (including executive compensation). We will continue to focus on our existing business segment, enhancing specialisation. We will focus on controlled growth as opposed to one-off profitability spikes. We place a premium on Board composition, comprising achievers of standing. We will remain a business driven by professional talent, processes, systems and compliances. We will hold our transparency commitment dear – whether it is in the form of honest appraisals with our people or how we communicate our financial performance with financial stakeholders.

Our governance commitment

Dvara values diversity on its Board, considering it crucial for a competitive edge. A diverse Board leverages varied skills, regional expertise, industry

backgrounds, gender perspectives, and other distinctions. Among Dvara Holdings' four Directors, two are women. Most other Dvara entities have Independent Directors, offering unbiased insights into Company goals.

The Board of Directors oversees Company operations and sets strategic goals to realise its vision. It establishes policies and ensures their implementation. For FY 2022-23, meeting dates are pre-scheduled and

communicated in advance. Directors have the option to join via video conferencing. Agenda papers are sent beforehand. Urgent proposals need Chairperson's and Directors' approval. Paperless meetings use secure email circulation of comprehensive agendas for effective decision-making.

Board minutes are prepared and shared with Directors for their feedback. Once approved by the Chairperson, resolution extracts are

sent to relevant departments for action. Updates on pending decisions are regularly reported to the Board.

The Companies Act, 2013 allows electronic communication. Due to Covid-19, MCA permits electronic shareholder communication. The Company updates shareholders' email IDs and primarily uses email for notices and reports. Physical copies are sent on request.

The Company upholds ethical conduct and has a system to report illegal activities. This includes procedures like Delegation of Authority. Statutory and Internal Auditors play a crucial role in this vigil mechanism. They review Company activities and report any deficiencies or irregularities. The Company provides a quarterly compliance report to the Board during meetings.

At Dvara Holdings, governance enhances our ability to seize opportunities. Our governance commitment is built on the following factors:

Board composition

Dvara Holdings prioritises a diverse and structured Board that brings varied perspectives and expertise to effective decision-making.

Executive compensation

Dvara Holdings implements fair and transparent executive compensation policies aligned with performance, promoting accountability and incentivizing long-term success.

Transparency and integrity

Dvara Holdings upholds a culture of transparency and integrity, ensuring that all stakeholders are informed and trust is maintained through open communication and ethical practices.

Ethical business conduct

At Dvara Holdings, ethical business conduct is paramount. We adhere to the highest standards, ensuring honesty, fairness and responsibility. This commitment is reflected in our programmes like the Whistle Blower's Policy and Prevention of Sexual Harassment Committee, which address moral deviations. We focus on various aspects to drive the success and sustainable growth of our companies.

Intellectual property

We place significant emphasis on assessing and capitalizing on intellectual property opportunities within each company we invest in.

Reporting and transparency

We uphold a rigorous and transparent approach when it comes to reporting financial and ESG (Environmental, Social, and Governance) information of our investees and regulators. Through this practice, we aim to maintain openness and accountability

Corporate policies

We ensure that our investees maintain robust and appropriate corporate policies that are regularly updated and implemented effectively. All the portfolio companies, without exception, have a comprehensive code of conduct and corporate policies in place, signifying our dedication to fostering ethical and responsible business practices.

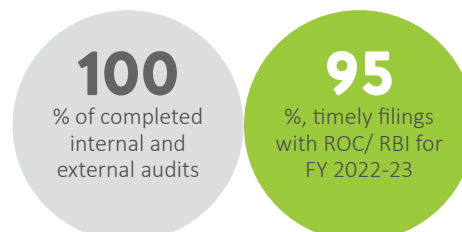
Independent Board members

We believe in the importance of strong governance. To that end, we advocate at least one Independent Board member to be present in our portfolio companies.

Board composition metrics



Audit and compliance metrics



Dvara Holdings and Sustainable Development Goals (SDGs)

SDGs contribution by Cohort One



Dvara KGFS has emphasised the significance of financial services in driving transformation in the lives of individuals without access to the formal financial sector. Leveraging robust technological support, efficient resource management and a skilled workforce, Dvara KGFS provides a range of services, embracing the 'Wealth Management Approach' through its distinctive branch-based KGFS model. This model caters to the financial needs of remote rural areas across the country.



The lack of reach and coverage by financial institutions has been identified as one of the reasons for the sluggish progress in financial inclusion. Addressing this challenge, Dvara Solutions is on a mission to empower financial institutions to become highly customer-centric in a cost-effective manner. By leveraging their platform, Dvara Solutions aims to bridge the gap and enhance access to financial services for a broader segment of the population.



Northern Arc, formerly known as IFMR Capital, stands as the flagship company of our group, initially promoted by us and now backed by significant institutional investors, including Accion, Leapfrog, IIFL, SMBC, Affirma and Eight roads. Our vision is to be a trusted platform facilitating the seamless flow of finance from capital providers to users in a reliable and responsible manner.

SDG contribution by Cohort Two



India's gig economy employs a significant portion of the country's workforce, with many individuals engaged in short-term and non-permanent platform-based work. Recognizing the unique financial needs of this demographic, Dvara Money strives to become the trusted partner for financial wellness, particularly for urban low-income households. Our goal is to provide reliable and accessible financial services to support the financial well-being of this crucial segment of the population.



One prevalent characteristic shared by rural livelihood sources is their informal nature, resulting in the lack of regular monthly cash flows. Dvara E-Registry is dedicated to addressing this challenge by facilitating the distribution of financial products to rural India. Utilizing a strategic combination of macro and micro alternative and traditional data, our aim is to bridge the information gaps between clients and providers. By doing so, we empower rural communities with better access to financial services and opportunities for growth.



Dvara SmartGold empowers households to establish a robust financial safety net by providing uniquely crafted gold micro-savings plans. Through our modern and interactive digital platform, customers gain access to valuable insights, information, and an easy-to-use application. With Dvara SmartGold, individuals can conveniently save in gold and secure their financial future with a reliable and accessible solution tailored to their needs.



Dvara E-Dairy Solutions is committed to empower every small and medium dairy farmer in India by offering comprehensive financial and cattle management solutions. Our goal is to enable these farmers to participate and thrive in the growing dairy economy. Leveraging cutting-edge technologies, we provide suitable digital solutions that cater to the unique needs of dairy farmers. Through our innovative offerings, we aim to uplift the dairy sector and contribute to the prosperity of farmers across the country.



Each year, approximately 10% Indians face the risk of falling into poverty due to hospitalisation. Additionally, many experience significant financial stress or are compelled to forgo necessary medical care. Dvara Health Finance (DHF) is dedicated to bridging critical health financing gaps and facilitating access to high-quality healthcare. Our ultimate objective is to enhance financial security and health outcomes for individuals and families across the nation. By offering comprehensive health financing solutions, DHF strives to alleviate the burden of medical expenses and promote overall well-being for all.

300+

INR Crores, investment across SDGs

Dvara addresses prominent SDG goals in a responsible manner



3 GOOD HEALTH AND WELL-BEING



Dvara Health Finance pioneered in assisting rural and low-income groups in achieving good health – physical and financial, each contributing to the other.

An increasing availability of mobile phone and internet has made it easier for rural individuals to access healthcare information and take informed decisions. Rural Indians are increasingly willing to pay

for superior healthcare, comprising preventive and therapeutic care.

DHF launched a subscription, covering a maximum of four family members for INR 50 per month in exchange for health screening and regular care. It launched the NEEM program with Mann Deshi Bank, the first cooperative bank in India to address the financial needs of

more than 400,000 women in rural Maharashtra.

This NEEM platform delivers health-related services like online consultation, storage of medical data and records, tracking medical interventions and protocol-based decision support system for healthcare providers. DHF onboarded 1000+ paying customers (household accounts) and

3,400+ individual adult members from 25 Maharashtra villages.

Total health screenings (crossed 1,200 individuals with a focus on diabetes, hypertension and BMI>25. DHF's unique combination comprises savings,

insurance and other products (under development) that addresses the entire family around a singular platform.

Dvara E-Registry launched a group health insurance scheme for shareholder farmers and

family members. This insurance scheme represents a complete package; the farmer benefits through insurance cover during hospitalisation, accidental death cover, education fees for two children based on the insurance policy.



Dvara Holdings prioritises women's empowerment and gender equality around the conviction that even a reasonable shift from status quo for nearly half the rural population can enhance economic productivity and prosperity. More than 70% of the borrowers on the NACL platform are women which reflects their dedication in creating a meaningful impact, enhancing credit access for women. NACL raised US\$50Mn

through the issuance of NCD from the Dutch Entrepreneurial Development Bank FMO to support MSMEs and women entrepreneurs, providing customised credit directly via partners.

Dvara KGFS recently launched all women branches in Thanjavur and Madurai that provide a nurturing space for our female workforce to collaborate, learn and excel. At Dvara, we have a dedicated SHE (Safety, Health and Empowerment) Committee

to address gender-related concerns, ensure safety and commend and encourage the achievements of our women.

All loans are disbursed to women to ensure a proper utilisation of funds for WASH (Water, Sanitation and Hygiene) projects in their households and communities. Mature women above 36 years comprise 15% of the total women beneficiaries, underlining their importance in decision-making for WASH initiatives in rural areas.

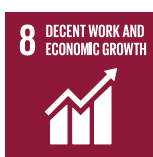


Dvara KGFS, in partnership with Water.org, offers WASH (Water, Sanitation and Hygiene) Loans, that help improve access to clean water sources, build proper sanitation facilities and promote hygienic practices in rural India across economic backgrounds. These loans

offer affordable interest rates that empower beneficiaries to invest in essential WASH infrastructure, such as water wells, filtration systems, toilets, and handwashing stations.

Dvara KGFS disbursed 3,52,399 loans amounting to INR 1623.33 crores. Out of these,

11,949 loans were specifically designated for WASH projects. States like Odisha and Karnataka contributed 42% and 37% respectively to the total WASH loan disbursements, showcasing the initiative's commendable geographical reach.



Dvara Holdings actively contributes to SDG 8, aiming to bolster economic growth and create productive employment. Its subsidiary, Dvara E-Dairy (DED), is at the forefront of enhancing rural livelihoods through livestock management. Utilizing Surabhi ID technology, DED has made significant strides in cattle identification, leading to cost savings in insurance claims. This technology's impact is evident in DED's rapid growth, marked by over 800,000 app downloads and 200,000 active monthly users. Additionally, DED's comprehensive loan portfolio, valued at INR 20 Crores, demonstrates its commitment to supporting

the agricultural sector. The Surabhi app, instrumental in cattle management, has issued 25,000 IDs across 10 Indian states, facilitating better health management, productivity, and access to financial services.

In a parallel initiative, Northern Arc Investment Managers (NAIM), a subsidiary of NACL, raised INR 65 Crores from the Belgian Investment Company (BIO). This funding is aimed at supporting impact enterprises in developing countries, with a significant portion allocated to enhancing farm productivity. NAIM has extended 5.2 Mn loans, contributing to the purchase of fertilisers, equipment and

livestock, bolstering agricultural productivity.

Complementing these efforts, Dvara KGFS has leveraged its vast network of over 7000 village-level entrepreneurs. By implementing an omnichannel strategy, KGFS has not only enhanced customer experiences but also bolstered traditional brick-and-mortar operations. This strategic move has empowered rural agents, offering them opportunities to evolve into entrepreneurs or mini banking agents within their communities, thus fostering economic growth and creating new job opportunities in rural areas.



Partnerships: At Dvara Holdings, partnerships have helped widen the participation of MSMEs and other small-scale industries in economic development.

Under SDG 9, Dvara Holdings has significantly advanced in industry, innovation, and infrastructure through strategic partnerships. Dvara Solutions is evolving into a robust embedded finance platform, building upon its liquidity platform and co-lending services. Its collaboration with IIFL Samasta and Canara Bank aims to facilitate financing for MSMEs. Additionally, Dvara KGFS's partnership with MAS Financial Services in co-lending has expanded its reach. Further enhancing its platform, Dvara Solutions has onboarded two additional originators, fostering risk-sharing and engagement in priority sector lending. Dvara Money's collaboration with Fino Payments Bank led to the opening of over 59,000 Spark accounts in urban areas, integrating customers into the formal economy with services like micro-credit and banking. These Spark accounts are now central to customers' financial transactions. The establishment of 28+ Spark Dost Centers in key cities like Bengaluru and Mumbai has furthered this reach.

Research and data: Dvara is deepening research in dairy farming through DED, in healthcare through DHF and in innovative product launches through DER.

DER provides creditworthy farmers with loans and insurance in collaboration with partner financial institutions. It uses data generated by the Doordrishti platform's analytics stack and combines it with farm and farmer specific geo-spatial and weather analytics. It provides end-to-end farm loan

management to collaborate with the financial institutions, starting with farmer acquisition, onboarding continuing through credit underwriting, loan disbursement, monitoring and risk management and collection.

Farm assessment is facilitated through the KhetScore and KhetScoreNow analytics that provide historical and real time data for accurate assessment. KhetScore is a comprehensive farm report on the historical performance of land parcel. Khetscore is a proprietary technology to gauge farmer creditworthiness based on historical site level analysis of 11 parameters through inhouse algorithms – number of crops sown in three years, crop health, crop nutrition, soil moisture, plant moisture, mechanical damage, cultivation area, and other meta data like temperature and rainfall during that period, drought and flood incidence and farmer credit score (if available).

This data is critical in the areas of credit underwriting, and optimising claim settlements for financial institutions. The end-to-end procedure is facilitated by DER as a Business Correspondent through its team, which allows financial institutions to engage with farmers without having to be physically present, expanding their reach.

In an impact report survey on assessing Dvara E-Registry's FPO-led empowerment, it evaluated how technology and financial accessibility have transformed the lives of smallholder farmers in India. The study, encompassing 25 FPOs across states like Maharashtra, Madhya Pradesh, and Rajasthan, commenced

in October 2022. It reveals that 70% of farmers surveyed are satisfied with their FPO experience, with 31% extremely satisfied. DER's comprehensive services aim to enhance the effectiveness and sustainability of FPOs. Involving 1498 farmers, the report highlights that approximately 70% are new to credit, underscoring DER's role in bridging gaps left by traditional financial institutions. Farmers benefit from competitive rates for agricultural inputs and produce, improving their financial stability and market competitiveness.

Farmers receive customised crop advisories according to their soil, crop sown, sowing date, crop duration and block level weather forecast (including advisories on pre-sowing, land preparation, seed treatment, sowing, nursery preparation, irrigation management, flowering, harvesting, and post-harvest practices).

Crop advisories are one of the premium services that DER offers to shareholder farmers via the Doordrishti mobile application. Out of 1498 farmers surveyed, 69.3% farmers indicated they are receiving agro advisories through their Krishak mobile application or messages. Some 70 percent of farmers believe that these agro advisories help them minimise the cost of agri inputs; about 62 percent mentioned additional advantages (increased productivity and loss prevention).

DER communicates daily spot prices from 2000 major Agricultural Produce Market Committees (APMCs) for over 70 agri commodities. It provides futures prices of agri commodities listed on derivatives platform. Of 1498 farmers surveyed, 64.8 percent

farmers admitted that they used price information received through the Krishak mobile application or through the FRs. Of those who received information, more than 50 percent indicated that price information helped negotiate better with traders and middlemen.

DER employs technology and partnerships across the value chain coupled with continuous handholding to offer solutions to farmers and FPOs. Through the technological interventions (remote sensing, GIS, AI and ML), we provide farm-level analytics and actionable insights to FPOs and farmers.

Spark Biz, by Dvara Money, is the newest product under the Spark ecosystem exclusively built for MSMEs in India deprived of basic banking services. In its initial phase, Dvara Money aims to address problems related to opening new current accounts, obtaining credit and managing business operations effectively.



Dvara Holdings' commitment to SDG 13, Climate Change, is evident in its advocacy of sustainable farming. Dvara E-Registry's FPO supports soil testing and collaborates with GrowIndigo in carbon credit initiatives.

The partnership between Grow Indigo and Dvara E-Registry marks a significant step in promoting climate-smart

agriculture. This collaboration in Madhya Pradesh encourages farmers to adopt regenerative practices, linking them to carbon markets. The initiative aims to reduce greenhouse gases, improve soil health, and increase crop yields. It represents a pioneering effort in integrating technology with sustainable farming, leading to transformative changes in

agriculture and providing a more prosperous and sustainable future for farmers and the planet.

Meanwhile, Dvara E-Dairy focuses on efficient cattle management to reduce greenhouse gas emissions. These practices contribute to enhanced farm productivity and economic prosperity.



Dvara recognises the importance of catalytic partnerships in its financial journey.

- Dvara Solutions teamed with a leading non-banking financial company (assets under management exceeding INR 8,000 crores) to utilise the Perdix Liquidity Platform (LP: co-lending as a service) - an unmatched private marketplace for the lender, marked by productive relationships with originators.
- Dvara SmartGold's partnership with South Indian Bank empowered the offering of gold savings and loan products to customers, utilising the bank's vast network of 1000+ branches to offer customers benefits.
- Dvara Health Finance's partnership with 1Bridge, a social enterprise transforming the last-mile delivery of

e-commerce through village entrepreneurs, offered NEEM accounts to customers through its network and enhancing health outcomes.

- Dvara Money's partnership with National Payments Corporation of India helped obtain a TPAP license, becoming one of few companies working towards the launch of UPI-first accounts and helping create a robust account offering for Urban Bharat.
- Dvara E-Registry works with partners to identify aquaculture farmers to adopt fish welfare standards and willing to engage in pond testing services and training (expected to enhance productivity of farmers associated with Doordrishti).
- Dvara E-Registry signed an agreement with Shivalik Small

Finance Bank to originate small and marginal farmer loans using AI and remote sensing proprietary khetscore and its multi-lender FPO Digital Platform Doordrishti.

- Dvara-E-Dairy partnered Agriculture Insurance Company, a PSU owned by the Ministry of Finance, to collaborate on technology, adopt non-invasive methods and scalable solutions for cattle identification and underwriting.
- A key feature that sets KGFS apart is the ability to onboard different LMS users (along with Perdix users) onto the platform. Originators connect with multiple lenders, without having to deal with the complexities around loan schedules, sharing of calculations and integration requirements.



10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village,
Taramani, Chennai 600113, India | W: dvara.com