

 Early Warning System

FMO-62893

Dvara Kshetriya Gramin Financial Services Private Limited



## Quick Facts

Countries	India
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	C
Borrower	Dvara Kshetriya Gramin Financial Services Private Limited
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 13.00 million
Loan Amount (USD)	\$ 13.00 million



## Project Description

According to FMO, their investment of USD 20mIn, will be used for the growth of Dvara's microfinance portfolio towards female or young microentrepreneurs, women-owned micro enterprises, supporting the themes of gender and inclusive finance, and climate resilient agriculture. The investment will support Dvara KGFS to grow and optimize its performance, while also making available customized technical assistance in strategic areas. A part of the loan will also be earmarked for green qualifying products.

Through Dvara KGFS, FMO can contribute to reducing inequalities, climate resilience and women empowerment in underserved regions in India. By offering longer term funding FMO has additionality and can provide stability and diversity to the company's funding profile.

## ENVIRONMENTAL AND SOCIAL CATEGORIZATION RATIONALE

Dvara KGFS is categorized as an E&S C-risk client. FMO analyses risks from different perspectives and assessments. In the case of microfinance investments, the E&S classification is typically low because the exposure generally is limited to retail and micro-entrepreneurs. The risks that might come with microfinance investments, such as over-indebtedness, transparency of interest rates, responsible pricing, is covered by FMO in other assessments such as Client Protection Principles (CPPs). Dvara does not have exposure to activities on FMO's exclusion list or IFC-PS triggered transactions. It also has a complaint mechanism in place for both staff and clients and reports transparently on E&S related issues.



---

## Investment Description

- Netherlands Development Finance Company (FMO)



---

## Private Actors Description

Established in 2008, Dvara KGFS is a non-deposit taking systemically important NBFC (regulatory category NBFC-ND-SI) headquartered in Chennai, India. The company's mission is to maximise the financial wellbeing of individuals and small enterprises in India by providing access to financial services. Dvara KGFS uses a customer-centric, technology-enabled business strategy to provide financial products to women and microenterprises in rural /semi-rural areas. It has a network of 378 branches in 107 districts spanning across 10 states in India and targets low-income and underserved rural/semi-rural populations.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Dvara Kshetriya Gramin Financial Services Private Limited	Client	Finance



---

## Contact Information

*No contact information provided at the time of disclosure.*

### ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: [disclosure@fmo.nl](mailto:disclosure@fmo.nl)

### ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>