

DVARA KGFS ACQUIRES VARAM CAPITAL

Dvara KGFS (formerly IFMR Rural Channels and Services), a pioneer in the financial inclusion space, acquired **Varam Capital Private Limited**, a NBFC – MFI, to create growth capacity at Dvara KGFS.

Dvara KGFS, an NBFC, works with a mission to maximise financial well-being of every individual and every enterprise by providing complete access to financial services in remote rural India; Dvara KGFS has strong presence in Tamil Nadu, Uttarakhand, Karnataka and Odisha, spread across 33 districts with 221 branches and more than 8,44,845 enrolled customers today.

Varam Capital has a robust digital and data science capability that aligns well with the KGFS strategy and commitment to using technology and data science to better serve remote rural customers. Varam Capital has a significant presence in Tamil Nadu and Chhattisgarh with 28 branches, presence in 12 districts, having more than 1,28,478 enrolled customers.

Varam customers and its digital capabilities will seamlessly be merged with the KGFS model to enhance the ability of the combined business to grow profitably and serve remote rural customers in the most customer centric way as possible, driven by purpose-built digital platforms and deep learning assisted understanding of the customer.

*Commenting about the acquisition, **Samir Shah, Executive Vice Chair & Group President of Dvara Trust**, said, “We aim to grow geographically and continue to build a strong digital platform and data science architecture that helps us understand our remote rural customers better and thereby offer them a full-service wealth management experience that would eventually create financial freedom to them. The key priority and focus is to execute on the growth strategy of Dvara KGFS. With the additional customers, talent and tech capability from Varam, we feel this enhances our ability to execute with greater confidence”.*

He further added “The portfolios of both the institutions compliment with the current planned growth of Dvara KGFS. They help us to diversify within Tamil Nadu and at the same time diversify outside of Tamil Nadu in our chosen markets. The deal is funded from the strong balance sheet of Dvara KGFS. We have worked very hard over the last few years to strengthen our operational metrics and financial performance that gives us the confidence to explore strategic growth opportunities both organically and inorganically. The growth plans of Dvara KGFS are strongly supported by the excellent commitment of its shareholders”.

Speaking about the value addition of this deal, **Joby, CEO of Varam Capital** said “We see Dvara KGFS as an institution focused on the wealth management approach, multi- product offering and customer centricity. This combined with Varam’s fintech approach will pave way for new growth opportunities. As part of our growth strategy, we will stay focused on our unique USP of remaining remote rural and grow in other states. We are also looking at strengthening Orissa and Jharkhand. Our priority is to build expertise to develop multi product offering, give a lot more focus to Micro Enterprise Loan, affordable housing segments and relook at the entire Jewel Loan portfolio.

Post this acquisition, the board has appointed Mr. Joby as the CEO and Mr. LVLN Murty as the Deputy CEO of Dvara KGFS. Mr. N. T. Arun Kumar also joins as Independent Director to the board of Dvara KGFS. Arun Kumar has decades of world-class technology leadership and will bring immense value to the board of Dvara KGFS. Arun Kumar has been serving on the board of Varam Capital for the past few years.

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