

August 07, 2020

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeeboy Towers,
Dalal Street, Mumbai – 400001.

Scrip Code: 540268

Dear Sir / Madam,

Subject: Outcome of Board Meeting

In compliance with Regulation 29 and Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors of Dhanvarsha Finvest Limited (“**the Company**”) at its meeting held today i.e. August 07, 2020 (commenced at 10.00 a.m. and concluded at 11.00 a.m.) has *inter-alia*, approved the following:

1. Issue and allotment of Equity Shares on conversion of un-secured Loan (“**Intercorporate deposit**”) of Rs.10,30,00,025/- (Rupees Ten crore Thirty lakhs and Twenty-five Only) into 925,427 (Nine Lakhs Twenty-five Thousand Four Hundred and Twenty-seven only) Equity Shares on preferential basis to Wilson Holdings Private Limited (formerly known as ‘Truvalue Agro Ventures Private Limited), Promoter of the Company (“**Promoter**”) at a price of Rs.111.30 per Equity Share, subject to it being in compliance with the minimum price calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and of the applicable provision(s) of Companies Act, 2013, subject to approval of the Members and other requisite regulatory approvals, including execution of necessary documents to effect the same, such as notice of postal ballot to be sent to the Members for their approval. Please see **Annexure 'A'** for further details;

2. Issuance of 40,43,127 (Forty Lakh Forty-Three Thousand and One Hundred And Twenty-Seven Only) unsecured compulsorily convertible debentures (CCDs) to the Promoter having face value of Rs.111.30 or minimum price calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through preferential allotment to the Promoter of the Company in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and of the applicable provision(s) of Companies Act, 2013, including execution of necessary documents to effect the same, such as subscription agreement, notice of postal ballot to be sent to the Members for their approval, etc. The aggregate Investment on such CCDs is Rs.45,00,00,000/- (Rupees Forty-five Crores Only), which shall be convertible into equivalent number Equity Shares of the Company at a conversion price of Rs.111.30/- per Equity Share, subject to it being in compliance with the minimum price in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, within 18 months from the date of allotment of CCDs, subject to approval of the Members and other requisite regulatory approvals. Please see Annexure 'B' for further details;

3. Issuance of up to 58,04,133 (Fifty-eight Lakh Four Thousand One Hundred and Thirty-Three Only) unsecured compulsorily convertible debentures (CCDs) to Turning Leaf Fund I Pte. Ltd. (“Investor”) having face value of Rs.111.30, subject to it being in compliance with the minimum price to be calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through preferential allotment to the Investor in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and of the applicable provision(s) of Companies Act, 2013, including execution of necessary documents to effect the same, such as subscription agreement, notice of postal ballot to be sent to the Members for their approval, etc. The aggregate Investment on such CCDs is Rs.64,60,00,000/- (Rupees Sixty-four Crores Sixty Lakhs Only), which shall be convertible into equivalent number Equity Shares of the Company at a conversion price of Rs.111.30/- per Equity Share within 18 months from the date of allotment of CCDs, subject to approval of the Members and other requisite regulatory approvals. Please see **Annexure 'C'** for further details;

4. Issuance of up to 17,96,945 (Seventeen Lakh Ninety-Six Thousand Nine Hundred and Forty-Five Only) Convertible Warrants to Wilson Holdings Pvt. Ltd., Mrs. Minaxi Mehta, KMPs, and other investors of the Company having face value of Rs.111.30, subject to it being in compliance with the minimum price to be calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through preferential allotment to the Investor in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the applicable provision(s) of Companies Act, 2013, including execution of necessary documents to effect the same, such as subscription agreement, notice of postal ballot to be sent to the Members for their approval, etc. The aggregate Investment on such Convertible Warrants is Rs.20,00,00,000/- (Rupees Twenty Crores Only), which shall be convertible into equivalent number Equity Shares of the Company at a conversion price of Rs.111.30/- per Equity Share within 18 months from the date of allotment of Convertible Warrants, subject to approval of the Members and requisite regulatory approvals. Please see **Annexure 'D'** for further details.

5. Execution of the Amendment to the Shareholders Agreement (“SHA”) with the Promoter and Investor, in order to set out the *inter-se* rights and obligations of the parties in relation to the proposed investment in the Company by the Promoter and the Investor and other matter incidental thereto, including amendment of Articles of Association of the Company to give effect to the provisions of the SHA, subject to approval of the Members. Please see **Annexure 'E'** for further details;

Pursuant to the aforesaid amendments to Shareholders Agreement and investment through unsecured CCDs and investment through Share Warrants, the Company would not be giving effect to the transactions envisaged in Resolution Nos. 1, 2, 3 and 5 of the Postal Ballot Notice dated June 30, 2020 and would be conducting instead, separate Postal Ballot to take Members approval in respect of aforesaid matters.

Please find attached hereto a copy of **Press Release** dated August 07, 2020. We request you to kindly take the aforesaid intimation on record.

For **Dhanvarsha Finvest Limited**



Fredrick Pinto
Company Secretary
A-22085

Encl: As above



Disclosure of information pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

Annexure 'A'

**Issuance of equity shares on a preferential basis to the Promoter pursuant to conversion of loan
(see item 6 above)**

Type of securities proposed to be issued	Equity shares
Type of issuance	Preferential Issue
Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	925,427 (Nine Lakhs Twenty-five Thousand Four Hundred and Twenty-seven only) Equity Shares pursuant to conversion of un-secured Loan (Intercompany deposit) of Rs.10,30,00,025/- (Rupees Ten crore Thirty lakhs and Twenty-five Only) into
In case of preferential issue, the listed entity shall disclose the following additional details to the stock exchange(s):	
i. names of the investors;	Wilson Holdings Private Limited (formerly known as 'Truvalue Agro Ventures Private Limited)
ii. post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors;	N.A
iii. in case of convertibles-intimation on conversion of securities or on lapse of the tenure of the instrument;	N.A




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Annexure 'B'

Issuance of Compulsorily Convertible Debentures on a preferential basis to the Promoter

Type of securities proposed to be issued	Compulsorily Convertible Debentures ("CCDs") convertible into equity shares
Type of issuance	Preferential Issue
Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	40,43,127 (Forty Lakh Forty-Three Thousand and One Hundred and Twenty-Seven Only) unsecured CCDs The aggregate Investment on such CCDs is Rs.45,00,00,000/- (Rupees Forty-five Crores Only).
In case of preferential issue, the listed entity shall disclose the following additional details to the stock exchange(s):	
i. names of the investors;	Wilson Holdings Private Limited (formerly known as 'Truvalue Agro Ventures Private Limited)
ii. post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors;	N.A
iii. in case of convertibles-intimation on conversion of securities or on lapse of the tenure of the instrument;	N.A




Disclosure of information pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

Annexure 'C'

Issuance of Compulsorily Convertible Debentures on a preferential basis to Turning Leaf Fund I Pte. Ltd.

Type of securities proposed to be issued	Compulsorily Convertible Debentures ("CCDs") convertible into equity shares
Type of issuance	Preferential Issue
Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	58,04,133 (Fifty-eight Lakh Four Thousand One Hundred and Thirty-Three Only) unsecured CCDs The aggregate Investment on such CCDs is Rs.64,60,00,000/- (Rupees Sixty-four Crores Sixty Lakhs Only).
In case of preferential issue, the listed entity shall disclose the following additional details to the stock exchange(s): i. names of the investors; ii. post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors; iii. in case of convertibles-intimation on conversion of securities or on lapse of the tenure of the instrument;	Turning Leaf Fund I Pte. Ltd. N.A N.A




Disclosure of information pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

Annexure 'D'

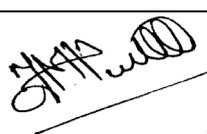
Issuance of Convertible Warrants to Wilson Holdings Private Limited, Mrs. Minaxi Mehta and certain KMPs and other investors of the Company on a preferential basis

Type of securities proposed to be issued	Warrants convertible into equity shares													
Type of issuance	Preferential Issue													
Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	17,96,945 (Seventeen Lakh Ninety-Six Thousand Nine Hundred and Forty-five Only) Convertible Warrants in aggregate The aggregate Investment on such Convertible Warrants is Rs.20,00,00,000/- (Rupees Twenty Crores Only).													
In case of preferential issue, the listed entity shall disclose the following additional details to the stock exchange(s):	<table border="1"> <thead> <tr> <th>Name</th> <th>No. of Warrants</th> </tr> </thead> <tbody> <tr> <td>1. Mrs. Minaxi Mehta;</td> <td>4,49,236</td> </tr> <tr> <td>2. Wilson Holdings Private Limited;</td> <td>4,49,236</td> </tr> <tr> <td>3. Rohanjeet Singh Juneja;</td> <td>3,59,390</td> </tr> <tr> <td>4. Mr. Karan Neale Desai;</td> <td>3,59,390</td> </tr> <tr> <td>5. Ellios Advisors LLP</td> <td>179693</td> </tr> </tbody> </table>		Name	No. of Warrants	1. Mrs. Minaxi Mehta;	4,49,236	2. Wilson Holdings Private Limited;	4,49,236	3. Rohanjeet Singh Juneja;	3,59,390	4. Mr. Karan Neale Desai;	3,59,390	5. Ellios Advisors LLP	179693
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iii. in case of convertibles-intimation on conversion of securities or on lapse of the tenure of the instrument;	N.A													



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**Annexure 'E'
Execution of Amendment to the Shareholders Agreement**

Names of parties with whom the agreement is entered	Turning Leaf Fund I Pte. Ltd. ("Investor"), Wilson Holdings Private Limited ("Promoter"), and the Company
Purpose of entering into the agreement	To record the terms and conditions of the investment by the Promoter and the Investor into the Company
Shareholding, if any, in the entity with whom the agreement is executed	The Company does not hold any shareholding in the Promoter or in the Investor. The Promoter currently holds 52.32% of the share capital of the Company.
Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure, etc.	The original SHA, sets out the <i>inter se</i> rights and obligations between the parties for the management of the Company, including management rights, transfer restrictions and exit rights. The terms of the original SHA have been summarized in our board meeting intimation dated June 15, 2020. Pursuant to this amendment to the SHA there are no significant changes in the SHA except to record the revised commercial arrangement between the parties, details of which have been provided in Annexure B and C above.
Whether the said parties are related to Promoter/Promoter Group/ group companies in any manner. If yes, nature of relationship	The Promoter of the Company, i.e., Wilson Holdings Private Limited (formerly known as 'Truvalue Agro Ventures Private Limited), is one of the parties to the Shareholders Agreement.
Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	No, the transaction would not be a related party transaction.
In case of issuance of shares to the parties, details of issue price, class of shares issued	Please see Annexure 'B' and 'C' above.
Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc	N.A.
In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof.	See details above.  

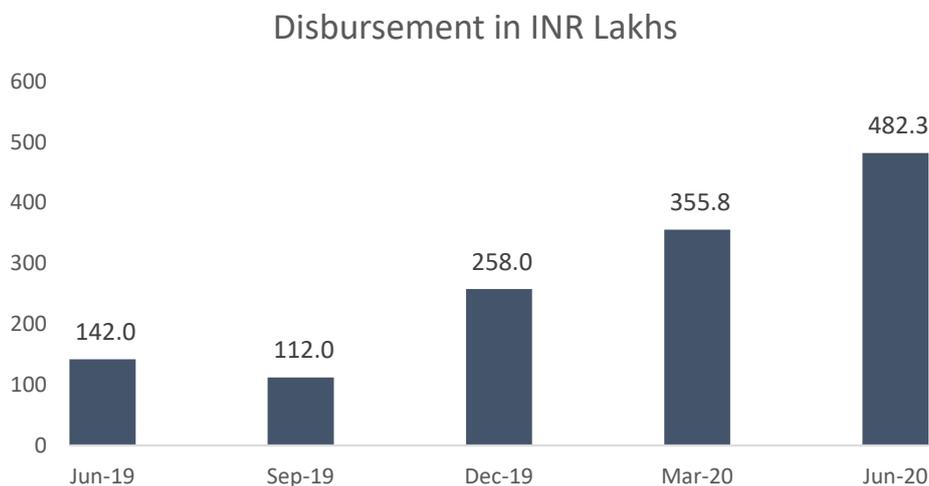
In a materially positive development that will further enhance the capital base and boost profitability beyond what was originally envisaged, Dhanvarsha today announced a higher capital infusion with improved terms on the previously announced definitive agreement that was signed with **private equity funds managed by Turning Leaf Asset Management (TLAM) and promoter group Wilson Holdings Private Limited to infuse INR 110 crores of capital into the company at a value of INR 297 crores**. Based on the amended agreement that was approved by the Board of Directors of the Company today, the combined infusion will be increased to INR 130 crores and interest on the compulsory convertible instrument prior to conversion will be much lower at 2% and not 10% that was originally announced on June 15, 2020. Subject to customary closing conditions, post infusion Dhanvarsha will boast of net-worth in excess of INR 170 crores, which is a significant milestone for the company. The transaction is expected to close by the end of September post which the promoter group will own 49.9% of the company while the Turning Leaf Asset Management will own 20.2%.

It is noteworthy that the enhanced capital commitment of INR 20 crores is being infused by the Promoter/Promoter group and key management of the group demonstrating their confidence in the business model. Furthermore, the significant reduction in interest on the CCD should translate to an annual profit before tax boost of approximately INR 8 crores.

In terms of business, as you may know, Dhanvarsha re-commenced lending operations in the last week of May post the COVID-19 outbreak and disbursed INR 4.82 crores in loans in the fiscal first quarter of FY21 to borrowers in the Medical, Kirana & General Stores and services industry whose businesses have withstood the challenge of COVID-19. The average ticket size of loans was 9.8 lakhs and lending was done to borrowers under the company's stringent credit norms and policies from a pipeline comprising of 630 cases of over INR 25 crores.

Disbursements have grown every quarter since September 2019 with increasing granularity and over 96% of loans qualifying for PSL.

Table 1: Disbursement volume quarter on quarter



In July, the company had a historic month with approximately INR 8.3 crores of disbursements to 267 borrowers translating to an average ticket size per loan of INR 3.11 lakhs. Note, July's run rate is more than 2x of what the company disbursed in all of fiscal 4Q20.

Lastly, the company prides itself on an extremely strong underwriting and collections platform. With imminent infusion of equity and debt, our current growth plans will continue to focus on the essential goods sectors that we have always concentrated on since we believe asset quality will remain strong in these products

