

May 26, 2020

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

**Scrip Code: 540268**

Dear Sir / Madam,

**Subject: Disclosure of material impact of COVID - 19 pandemic.**

**Ref: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**  
**SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015**

This has reference to the Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 read with Circular No CIR/CFD/CMD/4/2015 dated September 9, 2015 issued by the Securities and Exchange Board of India.

In this connection, pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform the material impact of COVID-19 pandemic as under:

- In compliance with the directions issued by Central Government/State Government/Municipal Corporations with a view to prevent and contain the spread of COVID-19 Pandemic, the Company has temporarily shut down all its offices since March 2020 to ensure the safety and wellbeing of all its employees, customers and all stakeholders.
- The Company has been taking all recommended precautions in its operations against the spread of COVID-19, which includes work from home for all employees, disallowing employee travel, maximizing video-conferencing and minimizing contact, emphasis on sanitization, hygiene, health, and social distancing norms to employees and following all government directions on the subject.
- The Company has been working on new products and digitization of its loan disbursement process during the lockdown period. The revised process would be implemented soon with focus on MSME's and providing financing solutions largely to the retail cash and carry segment.
- We continued to receive strong support from our lenders and the Company has entered into a Term Loan Facility Agreement of Rs. 25 crores with a Public Sector Bank on April 29, 2020. The Company had already notified this event to the exchange.

**Dhanvarsha Finvest Limited**

CIN: L24231MH1994PLC334457

**Regd. Off :** 2nd Floor, Bldg. No. 4, D J House, Old Nagardas Road, Andheri (E), Mumbai - 400069, MH.

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- Loan Moratorium Policy
  - In accordance with COVID-19 – Regulatory Package announced by Reserve Bank of India (“RBI”) on March 27, 2020, permitted all lending institutions including NBFCs to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020.
  - The Company had framed COVID-19 Moratorium Policy (“Policy”), approved by the Board of Directors providing its borrowers with an option to either pay all the dues or to avail moratorium for a period of three months for the instalments falling due between March 1, 2020 and May 31, 2020.
  - In case borrowers avail moratorium, the incremental interest charge, and resultant extension of loan tenor will be clearly explained to the borrowers individually.
  - The Company has provided this flexibility to choose to the borrowers since we expect that in many cases, they would like to continue to pay the instalments due to no or marginal impact on their own income sources, and avoid the incremental cost.
  - The asset classification will be according to RBI guidelines.
  - The borrowers will not be reported as defaulters during the moratorium period. The regular reporting to credit bureaus shall commence after the expiry of moratorium period.
  
- Extension of Loan Moratorium
  - RBI vide press release dated May 22, 2020 on Statement on Developmental and Regulatory Policies had stated that in view of the extension of the lockdown and continuing disruptions on account of COVID-19 pandemic, lending institutions should extend the moratorium on term loan instalments by another three months, i.e., from June 1, 2020 to August 31, 2020.
  - Accordingly, the Policy was amended to extend the moratorium by another three months, i.e., from June 1, 2020 to August 31, 2020.
  
- Further, we wish to inform that in accordance with the permissions/guidelines issued by the Central/State Government/Local Authorities, the Company has resumed operations partially, by very limited physical interaction with customers in non-containment areas, largely focusing on digital processing, which would further be increased over the period of time as per the guidelines issued by the Central/State Government/Local Authorities from time to time.
  
- The Company is also putting together a capacity building plan under the title #GettingBack which has components of aiding our borrowers in their cashflow planning and to ensure the continuity of viable businesses.

The Company is a new age technology enabled Non-Banking Finance Company that caters to Micro, Small and Medium Enterprises (“MSME”) and provides financing solutions largely to the retail cash and carry segment. The Company has a loan book of approximately Rs.36.57 crores with more than 400 borrowers as of March 31, 2020. With an average ticket size of loans under Rs. 10 lakhs and low concentration risk across sectors.

Please note that the numbers mentioned above as on March 31, 2020 are provisional unaudited numbers and are subject to review / examination by the Audit Committee and Board of Directors and are also subject to Audit by the Statutory Auditors of the Company. Furthermore, the company is ascertaining the full impact on its business due to COVID-19. Further details will be provided along with full year FY2019-2020 results along with other information that the Company would provide on the business in the aftermath of COVID-19 outbreak to all the stakeholders from time to time. As the situation is evolving and the environment in which the Company operates is very dynamic and the business operations are highly influenced by the decision taken by the Government and Regulators from time to time, any material change in the business from what is reported here will be updated from time to time.

This is for your information and records.

Yours faithfully,  
For **Dhanvarsha Finvest Limited**



**M Vijay Mohan Reddy**  
Company Secretary  
ACS 49289

