

## Independent Auditor's Certificate

The Board of Directors

**Dhanvarsha Finvest Limited**

2<sup>nd</sup> Floor, Building No.4, DJ House  
Old Nagardas Road, Andheri (East),  
Mumbai, Maharashtra - 400069

Dear Sirs,

**Ref: Certification of compliance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 and amendments thereto in relation to proposed preferential issue of equity shares and compulsorily convertible debentures.**

1. We, the Statutory Auditors of Dhanvarsha Finvest Limited ("the Company") having its registered office as mentioned above, have been requested by the Company, vide mandate letter dated June 30, 2020, to certify that the proposed preferential issue of equity shares on conversion of unsecured loan and Compulsorily Convertible Debentures (collectively referred to as "Preferential Issue") are in compliance with the requirements of "Chapter V - Preferential Issue" of Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosures Requirement) Regulations 2018 as amended from time to time ("the ICDR Regulations"). In accordance with Regulation 163(2) of the ICDR Regulations, the certificate is to be placed before the general meeting of the shareholders considering the proposed preferential issue.

### Management's Responsibility

2. The preparation of the Statement in accordance with chapter V of the ICDR Regulations is the responsibility of the Management of the company including the preparation and maintenance of relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis preparation; and making judgement that are reasonable in the circumstances.
3. The compliance of the requirements of the ICDR Regulations in respect of Preferential Issue is the responsibility of the Management of the Company and provides all relevant information to the concerned.

### Auditor's Responsibility

4. Pursuant to the requirements of the ICDR Regulations, it is our responsibility to provide a limited assurance whether proposed Preferential Issue is being made in accordance with the requirements of the ICDR Regulations.
5. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained from a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
6. The following documents have been furnished by the Company in this regard:
  - a) Certified true copy of special resolution passed by the Members through Postal Ballot on June 19, 2020 for granting option to Wilson Holdings Private Limited, Promoter of the Company ("Promoter") for converting its outstanding or overdue unsecured loan whichever is higher into equivalent number of fully paid equity shares in satisfaction of the amount of loan;

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- b) Notice received from the Promoter dated June 05, 2020 for conversion of its unsecured loan amounting to Rs. 10,30,00,025 into fully paid equity shares of the Company;
- c) Certified true copy of the resolution passed by the Board of Directors at its meeting dated June 15, 2020 approving the following:
  - i. Issuance and allotment of up to maximum of 925,427 equity shares of face value of Rs.10/- each fully paid up, at an issue price of Rs.111.30 per equity share including premium of Rs.101.30 per equity share on preferential basis to the Promoter, consequent conversion of unsecured loan, subject to the approval of the Members of the Company and requisite regulatory approvals;
  - ii. Issuance of up to 40,97,035 unsecured Compulsorily Convertible Debentures of the Company ("CCDs") having a face value of Rs.111.30 with the aggregate amounts not exceeding Rs.45,59,99,996/- for cash, on preferential basis to the Promoter with right to apply for and convert and be allotted 1 equity share of face value Rs.10/- each of the Company for each CCD within a period of 18 months from the date of allotment of CCDs at a conversion price of Rs.111.30 per equity share, on preferential basis to Promoter, subject to the approval of the Members of the Company and requisite regulatory approvals;
  - iii. Issuance of up to 58,02,850 unsecured Compulsorily Convertible Debentures of the Company ("CCDs") having a face value of Rs.111.30 with the aggregate amounts not exceeding Rs.64,58,57,205/- for cash, on preferential basis to Turning Leaf Fund I Pte. Ltd. ("Investor") with right to apply for and convert and be allotted 1 equity share of face value Rs.10/- each of the Company for each CCD within a period of 18 months from the date of allotment of CCDs at a conversion price of Rs.111.30 per equity share, subject to the approval of the Members of the Company and requisite regulatory approvals;
- d) Postal Ballot Notice dated June 30, 2020 containing the proposed Special Resolution(s) and the corresponding Explanatory Statement under Section 102 of the Companies Act, 2013 seeking approval of the Members of the Company for the preferential issue at an issue price of Rs.111.30 per equity share including premium of Rs.101.30 per equity share ("Issue Price");
- e) Valuation report from registered valuer with respect to proposed preferential issue on conversion of unsecured loan;
- f) The "Relevant Date" as per ICDR Regulations for the purpose of determining the minimum issue price for the Preferential Issue is July 3, 2020. The Relevant Date shall be 30 days prior to the deemed date of passing of the Special Resolution(s) i.e., August 2, 2020, which is the date of passing the Resolution in accordance Regulation 161 of the ICDR Regulations read with Section 62 of the Companies Act and the applicable Rules make thereunder;
- g) Confirmation of payment of Annual listing fees for the financial year 2020-21 in respect of equity shares of the Company listed on BSE Limited;
- h) The Statement containing average of the weekly high and low of the volume weighted average price of the Company's equity shares quoted on the BSE Limited during the twenty-six weeks preceding the Relevant Date as per details attached vide Annexure – A-Part I;
- i) The Statement containing average of the weekly high and low of the volume weighted average price of the Company's equity shares quoted on the BSE Limited during the two weeks preceding the Relevant Date as per details attached vide Annexure – A - Part II;

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- j) Demat statements of the Promoter for the last six months preceding the relevant date and weekly beneficial holding statement from January 01, 2020 till June 30, 2020 along with the direct confirmation from the investor that they have not bought or sold any equity shares of the Company during the six months preceding the relevant date ;
- k) Copy of Confirmation from National Securities Depository Limited and Central Depository Services (India) Limited (“Depositories”) w.r.t., lock-in of shares held by the Promoter;
- l) Copy of PAN card of the Promoter and Investor as obtained by the Company; and
- m) Representation from the Management for Compliance with the ICDR Regulations and relevant provisions of the Companies Act 2013.

## 7. We have performed the following procedures:

- a) Read the resolution passed by the Shareholders through postal ballot on June 19, 2020 approving option to the Promoter for converting its unsecured loan into equivalent number of fully paid equity shares in satisfaction of the amount of loan;
- b) Read the notice received from the Promoter dated June 05, 2020 for conversion of its outstanding loan into equity shares of the Company;
- c) Read the resolution(s) passed by Board of Directors of the Company at its meeting held on June 15, 2020 seeking approval of Members of the Company for proposed Preferential Issue;
- d) Read the Explanatory Statement to the notice under Section 102 of the Companies Act, 2013 to ensure that it discloses information as per the requirements stated in Regulation 163(1) and (4) of the ICDR Regulations. However, we have not verified the correctness of the disclosures made;
- e) Read and relied on valuation report obtained from registered valuer with regards to proposed preferential issue on conversion of unsecured loan;
- f) Verified the confirmation of payment of annual listing fees for the financial year 2020-21 in respect of equity shares of the Company listed on BSE Limited to ensure that the Company is in compliance with conditions for continuous listing of equity shares;
- g) Verified the Computation of the average price per equity share as per details attached in Annexure A of Part I and II;
- h) Verified the weekly high and low of volume weighted average prices from the website of BSE Limited;
- i) Verified the Demat statements of the Promoter during the period of six months prior to the relevant date i.e., July 3, 2020 and verified weekly beneficial holding statement from January 01, 2020 till June 30, 2020 and relied on the direct confirmation from the investor that they have not bought or sold any equity shares of the Company during the period of six months preceding the relevant date;
- j) Relied on the copy of confirmation as received from the Depositories w.r.t., lock-in of the shares held by the Promoter and
- k) Verified copy of PAN card of the Promoter and Investor;

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8. Attention is invited with respect to compliance of Regulation 159(1) of the ICDR Regulations, we have relied on the direct confirmation received from the Investor that they have not bought or sold any equity shares of the Company during the period of six months preceding the relevant date in the absence of confirmation from Registrar and Transfer Agent of the Company.
9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

## **Opinion**

11. Based on the procedure performed by us as stated above, and according to the information, explanations & written representation provided to us and read with Paragraph 8 above, nothing has come to our attention that causes us to believe that the proposed preferential issue is not being made in accordance with the requirements of Chapter V of the ICDR Regulations.

## **Restriction of Use**

12. This certificate is issued solely for the purpose of circulating to the Members of the Company and submission to Stock Exchange for obtaining in-principle approval and listing approval for listing of proposed equity shares and CCDs of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing. Haribhakti & Co. LLP shall not be liable to the Company, the BSE Limited or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment. We have no responsibility to update this certificate for any events or circumstances occurring after the date of this Certificate.

For **Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration Number: 103523W / W100048

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**Purushottam Nyati**

Partner

Membership No: 118970

UDIN: 20118970AAAADO7534

Mumbai

Date: July 4, 2020

Encl: Annexure A

**Annexure - A**
**Calculation of Minimum Issue Price as per prescribed under Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**

Deemed Date of passing of Special Resolution by the Members of the Company : August 2, 2020

Relevant Date (the date 30 days prior to the deemed date of passing of the : July 3, 2020

Special Resolution(s) by the Members of the Company)

**Part - I**

Average of weekly high and low of the volume weighted average price of the Equity Shares of Dhanvarsha Finvest Limited quoted on the BSE Limited during the last twenty-six weeks preceding the relevant date i.e., July 3, 2020

Week	From	To	Low	High	Average
1	29-Jun-2020	05-Jul-2020	101.18	119.07	110.13
2	22-Jun-2020	28-Jun-2020	106.01	107.86	106.93
3	15-Jun-2020	21-Jun-2020	93.74	102.17	97.96
4	08-Jun-2020	14-Jun-2020	60.32	77.57	68.94
5	01-Jun-2020	07-Jun-2020	59.53	61.12	60.32
6	25-May-2020	31-May-2020	59.15	59.15	59.15
7	18-May-2020	24-May-2020	59.85	60.15	60.00
8	11-May-2020	17-May-2020	59.85	60.20	60.02
9	04-May-2020	10-May-2020	59.63	60.09	59.86
10	27-Apr-2020	03-May-2020	59.83	60.20	60.02
11	20-Apr-2020	26-Apr-2020	59.72	60.00	59.86
12	13-Apr-2020	19-Apr-2020	59.87	61.15	60.51
13	06-Apr-2020	12-Apr-2020	61.10	61.10	61.10
14	30-Mar-2020	05-Apr-2020	61.06	61.80	61.43
15	23-Mar-2020	29-Mar-2020	60.90	63.44	62.17
16	16-Mar-2020	22-Mar-2020	65.12	72.43	68.78
17	09-Mar-2020	15-Mar-2020	73.00	77.37	75.18
18	02-Mar-2020	08-Mar-2020	78.94	79.91	79.42
19	24-Feb-2020	01-Mar-2020	79.21	80.00	79.60
20	17-Feb-2020	23-Feb-2020	78.90	79.15	79.02



21	10-Feb-2020	16-Feb-2020	79.42	79.95	79.68
22	03-Feb-2020	09-Feb-2020	77.67	79.72	78.69
23	27-Jan-2020	02-Feb-2020	78.93	79.80	79.37
24	20-Jan-2020	26-Jan-2020	79.73	82.65	81.19
25	13-Jan-2020	19-Jan-2020	80.30	81.11	80.71
26	06-Jan-2020	12-Jan-2020	81.08	83.55	82.31
				<b>Total</b>	<b>1912.36</b>
				<b>Average</b>	<b>73.55</b>

## Part - II

Average of weekly high and low of the volume weighted average prices of the Equity Shares of Dhanvarsha Finvest Limited quoted on BSE Limited during the last two weeks preceding the relevant date i.e., July 3, 2020

Week	From	To	Low	High	Average
1	29-Jun-2020	05-Jul-2020	101.18	119.07	110.13
2	22-Jun-2020	28-Jun-2020	106.01	107.86	106.93
				<b>Total</b>	<b>217.06</b>
				<b>Average</b>	<b>108.53</b>

**A] Average of 26 weeks high and low of the volume weighted average price : Rs.73.55**  
**B] Average of 2 weeks high and low of the volume weighted average price : Rs.108.53**  
**Applicable Minimum Price (Higher of the A or B) : Rs.108.53**

For Dhanvarsha Finvest Limited



**M Vijay Mohan Reddy**  
**Company Secretary**

