

December 12, 2020

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

**Scrip Code: 540268**

Dear Sir / Madam,

**Subject : Investor Presentation**

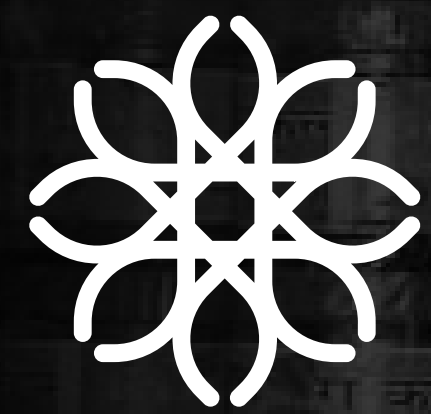
Please find enclosed herewith the updated Investor Presentation to be circulated by the Company to business relationships. We request you to kindly take the above submission on record.

For **Dhanvarsha Finvest Limited**



**Rohanjeet Singh Juneja**  
Joint Managing Director  
DIN: 08342094





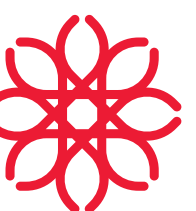
# Dhanvarsha

Challenger NBFC



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# Deep sectoral expertise in MSME essential goods segments

## MSME Focussed Lender

Serving the underserved and underbanked sector which has >63 Mn MSME's

## Pristine Balance Sheet

Unlevered and liquid balance sheet. Marquee lenders

## Significantly Tech Enabled

Leveraging technology to make traditional business faster, more efficient with strong risk mitigation tools.

## Solid Promoter Backing

80 year old legacy of the promoter group. Material capital contribution to the business

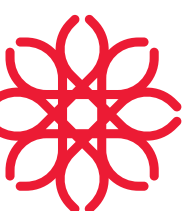
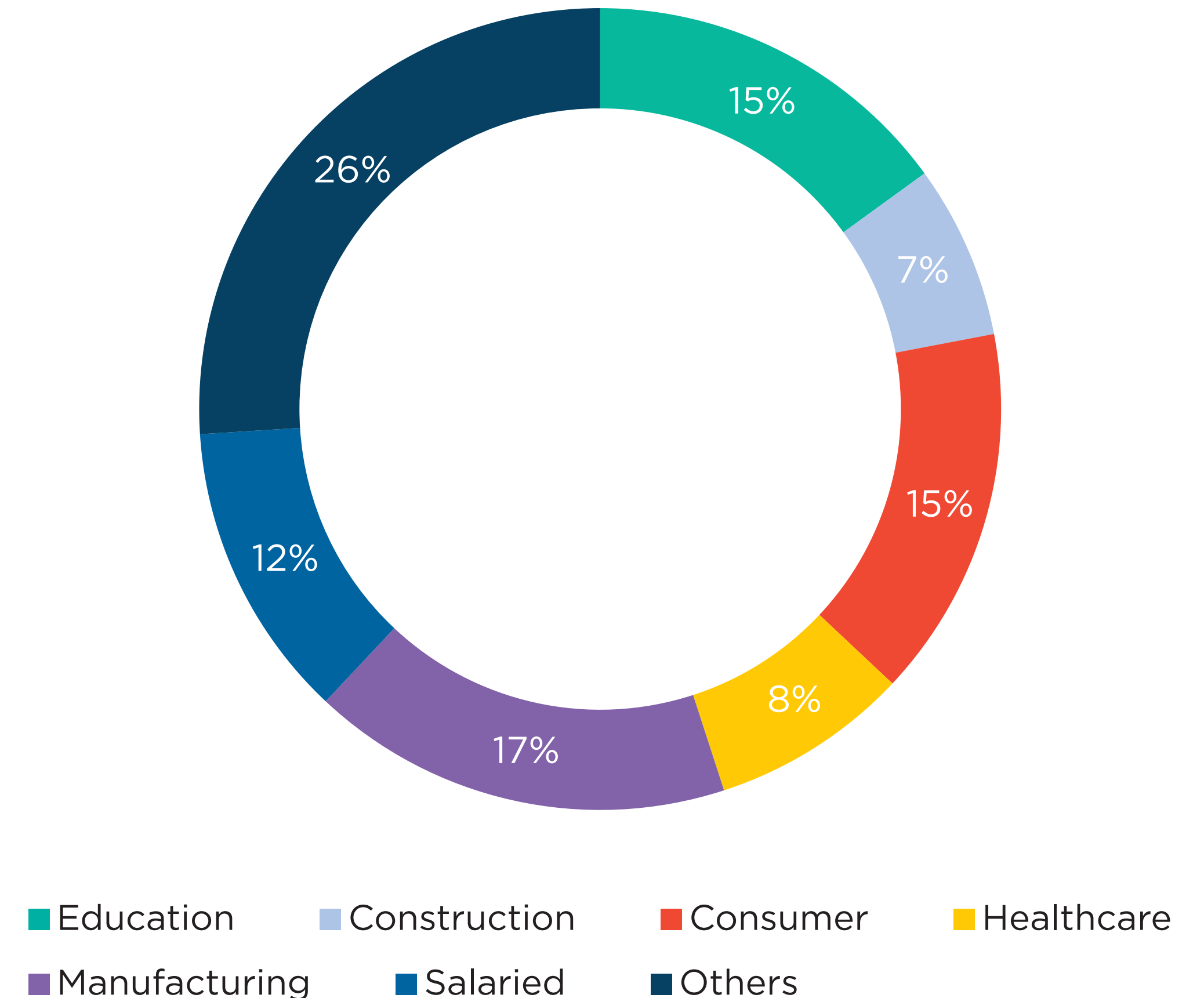
## Substantial Sourcing Strength

Model is tuned for quick scale up

## Strong Corporate Governance

Independent & Eminent Board; Professional Management

MSME Exposure by Category

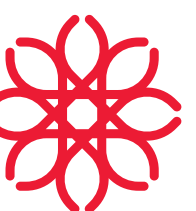


# Model built on superior risk adjusted profitability

Product features	Loan against property	Gold loan	Business loan	Personal Loan	Credit builder loan*
<b>Yield</b>	15.0%	21.0%	21.0%	20.0%	27.0%
- Funding Cost	(12.0%)	(12.0%)	(12.0%)	(12.0%)	(12.0%)
<b>Net Interest Spread</b>	<b>3.0%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>8.0%</b>	<b>15.0%</b>
- Credit Cost	(0.5%)	(1.0%)	(3.0%)	(2.0%)	(8.0%)
<b>Risk Adjusted Spread</b>	<b>2.5%</b>	<b>8.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>7.0%</b>
+ Other Income	2.0%	0.5%	2.5%	1.0%	5.0%
<b>Total Risk Adjusted Revenue</b>	<b>4.5%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>7%</b>	<b>12.0%</b>
- Operating expenses	(2.5%)	(3.0%)	(2.5%)	(1.5%)	(4.0%)
<b>Pre-tax ROA</b>	<b>2.0%</b>	<b>5.5%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>8.0%</b>
<b>Average Ticket Size (INR)</b>	5 lakhs to 50 lakhs	Up to 25 lakhs	1 lakh - 10 lakh	1 lakh - 10 lakh	5 K - 1 lakh
<b>Basis of Credit Approval Type</b>	Mortgage of property	Purity of gold Avg. 20 KT to 22 KT	Cash flow analysis	Banking statement	Banking statement
<b>Repayment Type Frequency</b>	Monthly amortization	Monthly / Quarterly	Monthly amortization	Monthly amortization	Monthly amortization

Company aspires to operate at a blended ROA upward of 5%

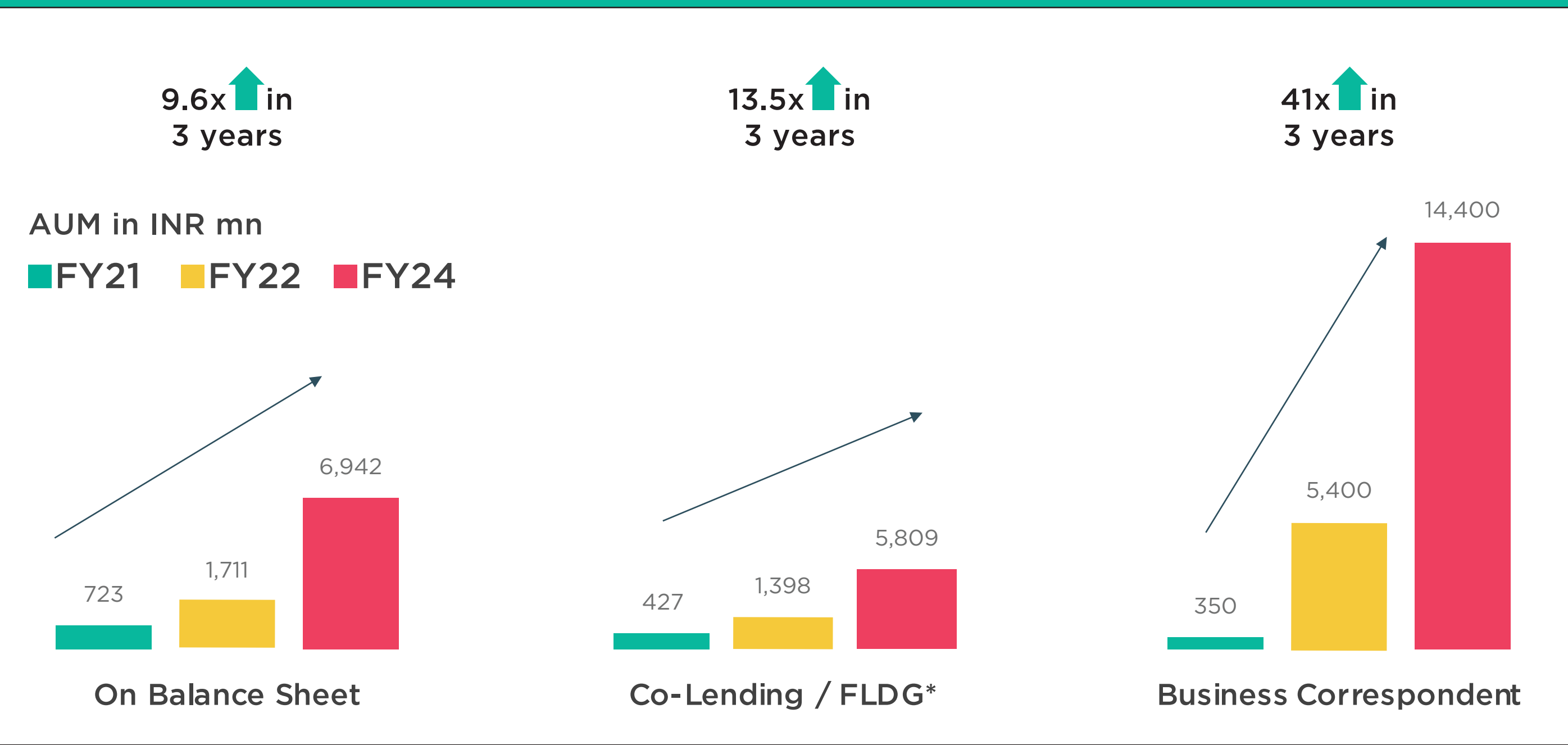
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\* Credit builder loans will be offered via the company's Moneyrabbit platform

# We are poised to tap the large & underserved opportunity

## Dhanvarsha is a Challenger NBFC akin to Challenger Banks in the UK








## Growth avenues

- Focus Products – MSME Business and Gold Loans.
- Tie up with medical, education and microfinance platforms for FLDG which minimizes asset quality risks
- End to End consumer app offering credit builder loans to salaried individuals\*\*\*
- Tie up with large Marquee lenders as a Business Correspondent given unique sourcing & collection strategy

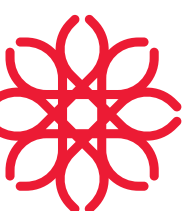
**Total AUM could grow at 24x\*\* from current AUM with Capital efficiency and Risk mitigation**

\* Co-lending with FLDG are on balance sheet while Business Correspondent is off balance AUM where the company does not consume capital  
 \*\* Company aspiration could be achievable only if funding is attained and BC relationships stay intact  
 \*\*\* Credit builder loans will be offered via the company's Moneyrabbit platform







# Dhanvarsha is one of the few NBFC's that have raised equity since April 2020...

NBFC	Equity Capital Raised / Proposed to be raised since April 2020
 <b>ARMAN FINANCIAL SERVICES LTD.</b>	No Equity capital raised
	No Equity capital raised
	<ul style="list-style-type: none"> <li>• Raised 2% of existing net worth in a rights issue</li> <li>• Plan to raise an additional 8%</li> </ul>
	No Equity capital raised
	<ul style="list-style-type: none"> <li>• Successful completion of INR 640 mn capital raise from promoters &amp; key mgmt.</li> <li>• Represents 194% of FY20 and 66% of post money net worth</li> </ul>

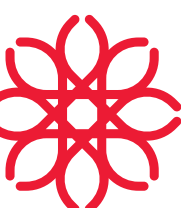
**Company has successfully raised 194% of FY20 Net Worth since April 2020 despite the global pandemic**



# ...And won the trust of lenders by securing long tenure term loans

NBFC	Term Loans	TLTRO + PCGS + CP + Sell down
 <b>ARMAN FINANCIAL SERVICES LTD.</b>	70%	30%
 <b>UGRO CAPITAL</b>	71%	29%
 <b>SATIN CREDITCARE NETWORK LTD.</b> <small>Reaching out!</small>	36%	64%
 <b>MAS FINANCIAL SERVICES LTD.</b> <small>EXCELLENCE THROUGH ENGAGEMENT</small>	86%	14%
 <b>MUTHOOT CAPITAL</b>	8%	92%
 <b>Dhanvarsha</b>	<b>100%</b>	<b>0%</b>

**Dhanvarsha has raised long duration term loans from banks despite the global pandemic**





# Pristine balance sheet with debt from marquee lenders

Equity (INR MN)	
Equity Share Capital	464.8
Infusion by promoter group and Key Management	500.0
<b>Total Equity</b>	<b>964.8</b>

+

Debt (INR MN)	
Credit line from HDFC	40.0
Credit Line from Bank of India	250.0
Credit Line from SBI*	300.0
<b>Total debt</b>	<b>590.0</b>









Robust pipeline of debt to be raised from marquee lenders  
in the next 3 months for on-ward lending to MSME's

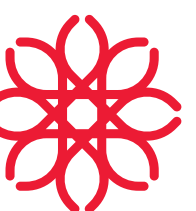
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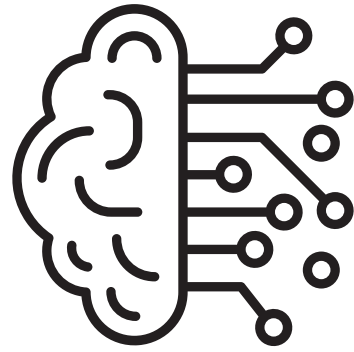
\*Sanctioned but not yet disbursed.

# Granular Loan growth with low leverage & improved asset quality

NBFC	AUM Growth Apr 20 – Sept 20	Debt / Equity Q2 FY21	Net NPA% Q2 FY21
 <b>ARMAN FINANCIAL SERVICES LTD.</b>	-18%	3.3x	0.2%
 <b>U GRO CAPITAL</b>	14%	0.3x	1.2%
 <b>SATIN CREDITCARE NETWORK LTD.</b> <small>Branching out!</small>	-6%	3.6x	(1.0%)
 <b>MAS FINANCIAL SERVICES LTD.</b>	-11%	2.9x	1.2%
 <b>muthoot CAPITAL</b>	-14%	3.5x	4.4%
 <b>Dhanvarsha</b>	<b>61%</b>	<b>0.8x</b>	<b>1.24%</b>



# Proprietary technology platform allows for significant scale & risk mitigation



## The proprietary lending engine - MYRA

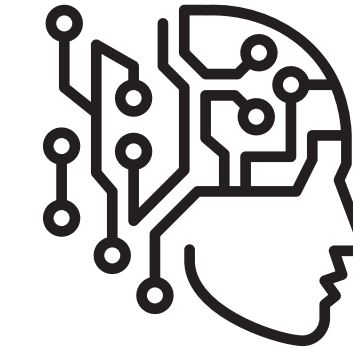
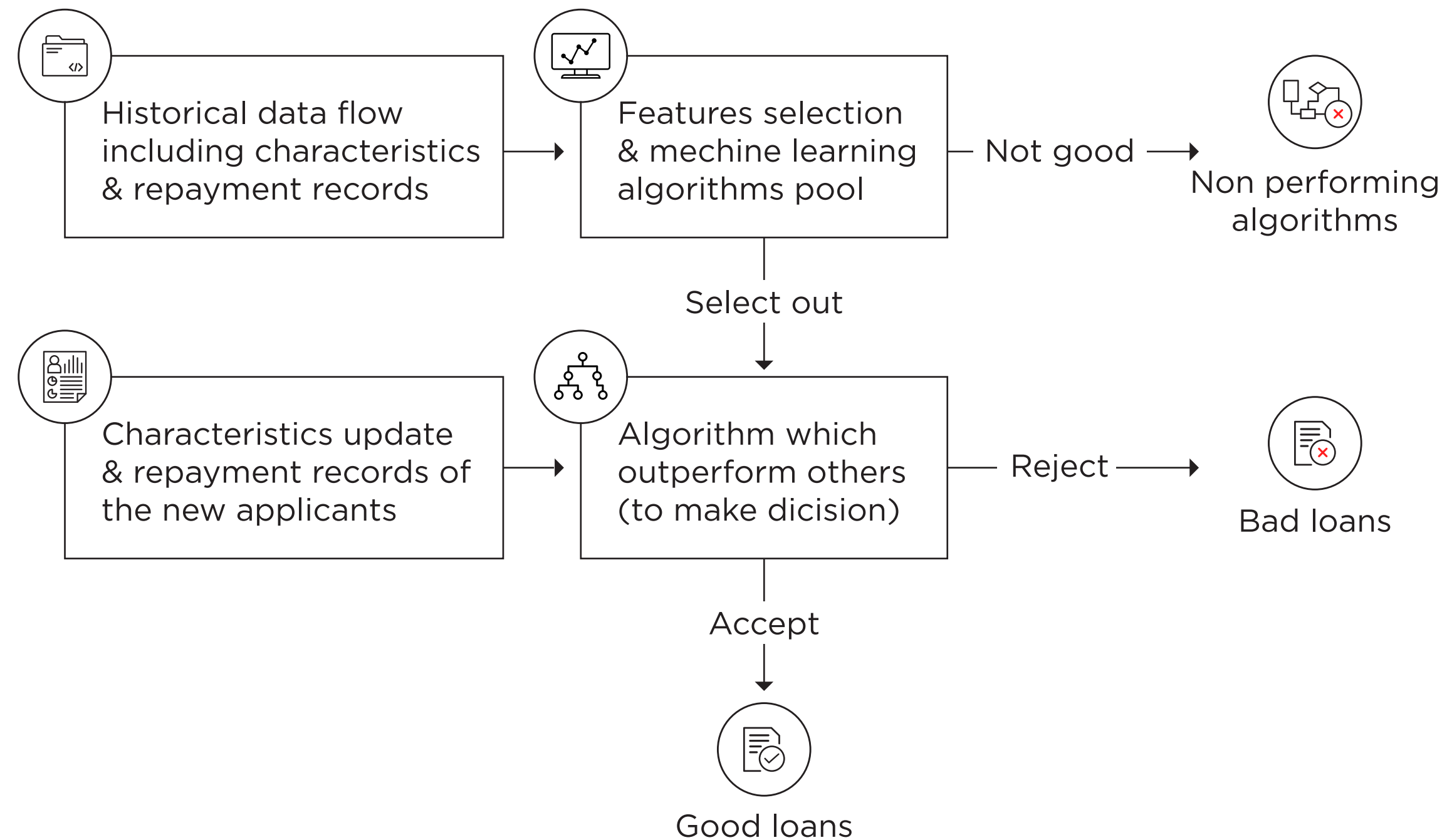
Customized scoring model

Leverage multifaceted customer data metrics to predict loan servicing ability

Credit decisioning geared towards accuracy & profitability

Helps achieve significant scale in origination & fulfillment.

Minimize risk of personal bias or human error



## AI based advisory risk engine - AIRA

Leverages alternative data to generate scenario based warning signals





Improves efficacy of early warning signs, at risk portfolio, and NPA account management.

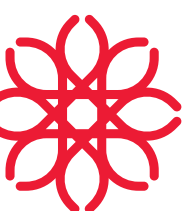
Helps design resolutions by utilizing machine learning techniques.

Improves collection efficiency and retention ratios in different risk buckets.



# Partnerships





<p><b>Lenders</b></p>	  
<p><b>MSME lending FLDG partners</b></p>	      
<p><b>Education lending FLDG partners</b></p>	    
<p><b>Distribution partners</b></p>	   <p>and 100+ partners</p>
<p><b>Social Capital partners</b></p>	    
<p><b>Insurance partners</b></p>	  
<p><b>Auditors</b></p>	 

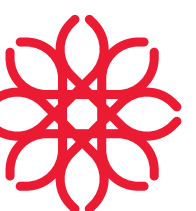


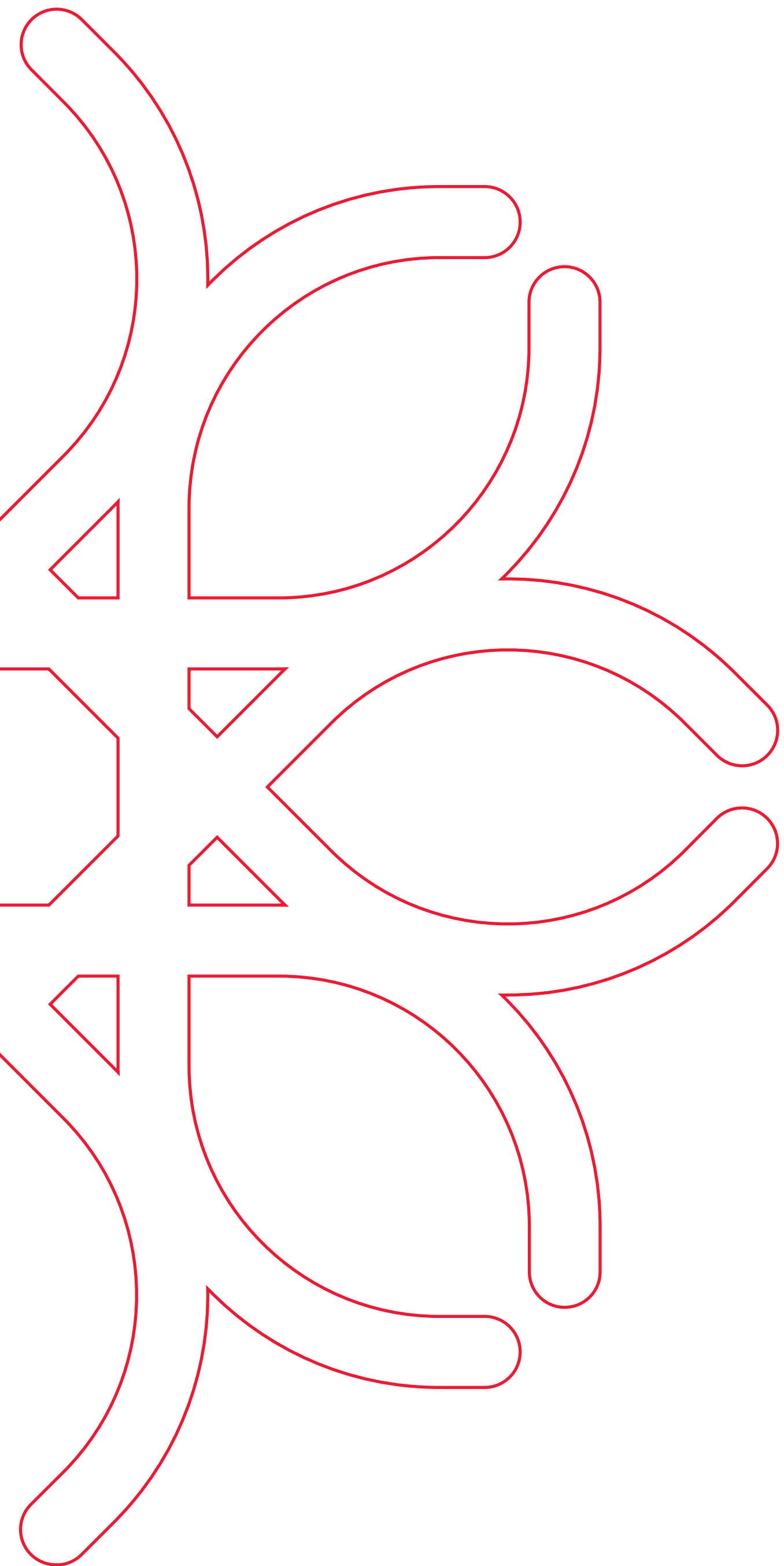


# Focus on Governance & Best Practices

## Substantial management ownership in the company\*

Independent and Eminent Board comprising of industry stalwarts				High governance standards	
<p><b>Rakesh Sethi</b> Non-Executive Chairman <i>Past experience:</i> Over 38+ years of experience, Ex CMD of Allahabad Bank, ED of PNB</p>	<p><b>Manjari Kacker</b> Independent Director <i>Past experience:</i> IRS professional Retired as Member of the CBDT, in the rank of Special Secretary to the Govt. of India</p>	<p><b>Rajiv Kapoor</b> Independent Director <i>Past experience:</i> Former Senior executive at VISA Inc. 36+ years experience in corporate advisory, consulting, sales and marketing</p>	<p><b>Nirmal Momaya</b> Independent Director <i>Past experience:</i> Entrepreneur with 30+ years of experience BoD at Camlin Life Sciences</p>	Stat Audit	<b>Haribhakti &amp; Co. LLP</b>
				Internal Audit	<b>Bansal Bansal &amp; Co.</b>
				Secretarial Audit	<b>Bhandari &amp; Associates</b>
				 Head of Credit is a banking veteran with 32+ yrs experience	 Dedicated Collections Cell headed by a legal expert
				 Loans above ₹2 Crore to be approved by BOD	 No Related Party Loans
<p><b>KP Raghuvanshi</b> Independent Director <i>Past experience:</i> 1980 batch IPS Officer Served as Commissioner of Police (Thane) from 2011-14 Currently Strategic Advisor to RBI</p>	<p><b>Rohanjeet Juneja</b> Joint MD <i>Past experience:</i> An investment banker, hedge fund manager and Head of Strategy &amp; Research for an HFC and NBFC with 17+ years of experience, in India &amp; US</p>	<p><b>Karan Desai</b> Joint MD <i>Past experience:</i> Ex-investment banker with 15+ years of experience across Bank of America, PwC and Centrum Capital</p>			





**Thank You**

