

BHANDARI & ASSOCIATES

Company Secretaries

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FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
DHANVARSHA FINVEST LIMITED
CIN: L24231MH1994PLC334457

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Dhanvarsha Finvest Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31ST March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31ST March, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



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- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008[#];
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009[#]; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018[#];

[#] *The Regulations or Guidelines, as the case may be were not applicable for the period under review.*

- vi. The rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Non-Systemic, Non-deposit taking Non-Banking Financial Company with Classification as 'Investment & Credit Company', are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India and
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

The Stock Exchange, BSE Ltd. has levied a fine on the Company vide their email dated January 18, 2021 and February 05, 2021 for delay in submitting disclosure of related party transactions as per Regulation 23(9) of Listing Regulations for half-year ended 30th September, 2020 and the Company has paid the same.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



We further report that during the audit period, the Company has undertaken following material events / actions –

1. The members' approval has been obtained through Postal Ballot, on 19th June 2020 for altering the Memorandum of Association of the Company by inserting a new sub-clause in Main Objects of the Company.
2. The members' approval has been obtained through Postal Ballot, on 2nd August 2020 for making offer or invitation to subscribe to Secured / Unsecured Redeemable Non-Convertible Debentures including but not limited to subordinate debt, bonds, and/ or other debt securities, etc., on a private placement basis up to Rs.90 crore, in one or more tranches, during the period of one year from the date of passing of this Special Resolution by the Members.
3. The members' approval has been obtained at Annual General Meeting held on 21st September, 2020 for-
 - a. Authorising the Board to give loans, give any guarantee, or provide security in connection with a loan, in the ordinary course of business and acquire the securities of any other bodies corporate in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of Rs.200 crore.
 - b. Creation, offer, issue and allotment on preferential basis, in one or more tranches, to Wilson Holdings Private Limited, 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 Share upon the conversion of the unsecured loan outstanding as on date.
 - c. Creation, offer, issue and allotment, to Wilson Holdings Private Limited, by way of preferential allotment on private placement basis, 40,43,127 unsecured compulsorily convertible debentures of the Company having a face value of Rs.111.30 aggregating to Rs.45crore, with right to convert the CCDs within a period of 18 months from the date of allotment, at a conversion price of Rs.111.30 per Equity Share.
 - d. Creation, offer, issue and allotment up to 17,96,946 Convertible Warrants having face value of Rs.111.30 per warrant, for an aggregate amount not exceeding Rs.20crore, with right to convert and be the Warrants within a period of 18 months from the date of allotment at a conversion price of Rs.111.30 per Equity Share.
4. The members' approval has been obtained at Extra-ordinary General Meeting held on 4th March, 2021 for-
 - a. Creation, offer, issue and allotment, in one or more tranches, by way of preferential allotment on private placement basis, 20,50,000 unsecured compulsorily convertible debentures having a face value of Rs.400, for an aggregating Rs.82 crore, to various non-promoter investors with right to convert the CCDs within a period of 18 months from the date of allotment, at a conversion price of Rs.400 per Equity Share.
 - b. Introduction and implementation of DFL Employees Stock Option Scheme – 2021 through employee welfare trust to be set up by the Company and the Board of Directors of the Company to be authorised to create, grant, offer, issue and allot under the Scheme, in one or more tranches, a maximum of 18,90,000 Employee Stock Options.



- c. Authorising the Board of Directors of the Company to create, grant, offer, issue and allot, in one or more tranches such number of Employee Stock Options under 'DFL Employees Stock Option Scheme – 2021' within the limit prescribed therein to or for the benefits of the permanent employees including Directors, of any subsidiary company(ies) of the Company.

**For Bhandari & Associates
Company Secretaries**

Manisha



Manisha Maheshwari
Partner

ACS No. 30224 |C. P. No. 11031
Mumbai| August 18, 2021
UDIN: A030224C000803062

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

To,
The Members,
DHANVARSHA FINVEST LIMITED
CIN: L24231MH1994PLC334457

Our Secretarial Audit Report for the Financial Year ended March 31st March, 2021 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries

Manisha



Manisha Maheshwari
Partner
ACS No. 30224 | C. P. No. 11031
Mumbai | August 18, 2021
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