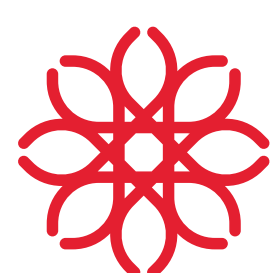




# We move ahead Stronger....!!!

The last 18 months have been filled with challenges for each one of us, be it individuals or businesses. The impact of COVID-19 was damaging for various sectors, organizations, and the economy alike. Despite the challenges, Dhanvarsha has made substantial progress. Testament to that are the milestones achieved and recognition the company has received.

We have been able to cater to the financial needs of our customers in these dire times and not let the pandemic affect our business goals. We are grateful to all our team members, partners and investors who have contributed and come together in difficult times like these.



## Dhanvarsha

*Newsletter - August 2021*

# Here's some BIG NEWS...!!

Dhanvarsha enters into a Co-lending partnership with Central Bank of India to offer MSME Gold Loans

[Read here](#)

Dhanvarsha Finvest announces capital infusion of INR 658.3 million led by Aviator Emerging Market Fund to bolster lending to MSME's

[Read here](#)

## Recognition & Accolades

Mumbai's Esteemed Lender Serving Unserved & Underserved MSME Clients India's top 10 Financial Service Providers - 2020

[Read here](#)



Rohanjeet Singh Juneja, Karan Desai from Dhanvarsha Finvest Ltd. share their journey of empowering & funding underserved Indian entrepreneurs.



[Watch video here](#)

# Business Update

- Total loan book as of July 2021 is ~INR 1.6 Bn.
- Disbursements in April, May, June and July have predominantly been in loans backed by gold and first loss default guarantee (FLDG).
- As of July 2021, Dhanvarsha had over 15,000+ borrowers; 300+ financial inclusion stores through which we source and originate loans and other financial services products; and 24 experiential centers anchored around our gold and business loan product.
- Our borrower count has grown 85% quarter over quarter while our Women Borrower base has grown 64% in the quarter. More than 20% of our borrowers are women.
- We have supported more than 2800 borrowers in 'Essential goods' sectors (i.e. Agriculture, Education, Food, FMCG, Medical, Kirana/General Stores, Transport, FMCG, IT, E-Commerce & Telecommunication).
- Robust collections led by our focus on 'essential goods' businesses and customers.
- The organisation has been on the forefront raising equity and debt capital from prominent investors and large lenders; growing partnerships; and innovations in product offerings.
- The most recent capital infusion was led by Aviator Emerging Market Fund (AEMF) which include a marquee list of international investors such as Porter Collins and Vincent Daniel.
- Our business model has also been validated by lenders like HDFC, SBI, NABARD, Northern Arc, CSB Bank, Bank of India, Central Bank of India, AK Capital, MAS Financial, Citrus Global, and Calypso Global Investment Fund as lenders and partners in the last twelve months.
- Dhanvarsha issued its first covered bond instrument of INR 150 million rated A with stable outlook by CARE. These bonds are secured by gold loan receivables and were issued in June 2021.

# *Fintech Journey* at Dhanvarsha

Consumers in India are embracing digital like never before. The rapid growth of e-commerce, smartphones and the internet itself coupled with the pandemic over the last year means that customers are now used to ordering products and services within the comfort of their homes. There is no reason financial services are going to be any different.

We at Dhanvarsha believe in the “**Jobs to be Done**” theory. This theory says that consumers do not choose a product instead they choose to solve a problem when they buy a product. When translated into the need for credit this means that customers don’t buy loans, they instead choose to take a loan to solve a problem or meet an aspiration. We have already been using technology that helped us verify the identity of a customer at the click of a button, scan bank statements in a few seconds, get documents signed by using a simple mobile OTP and register repayments digitally. These we believe are table stakes that any NBFC needs to be competitive in today’s environment. Now with the singular focus of offering the best user experience i.e. paperless, presence less and instant loans, we have doubled down on our efforts to digitize our entire eco-system by revamping our loan origination, loan management and collections infrastructure.



We are building a new platform in partnership with an API first technology company which already serves the lending infrastructure needs of market leading fintechs and lenders. We expect this platform to be fully deployed by the end of September of this financial year. This platform will support all our current products and since it is low code and fully configurable, we will be able to rapidly deploy, test and scale new products without any coding or development efforts. This will be one of our largest investments in this financial year, however we believe that this investment will more than pay for itself by allowing us to scale our lending efforts with minimal increase in operational expenses.

The other trend that has clearly emerged over the past few years is the rise of the Fintech and Big Tech companies. These players have disrupted the financial services eco-system and are now both collaborating and competing with banks and NBFC's alike for the consumer's share of wallet. We believe that loan origination will largely shift to these players while risk and collections will remain the bastion of incumbent lenders. Our new platform which follows an API first philosophy will enable us to collaborate seamlessly and rapidly with these new market participants which will fuel our growth over the next few years.

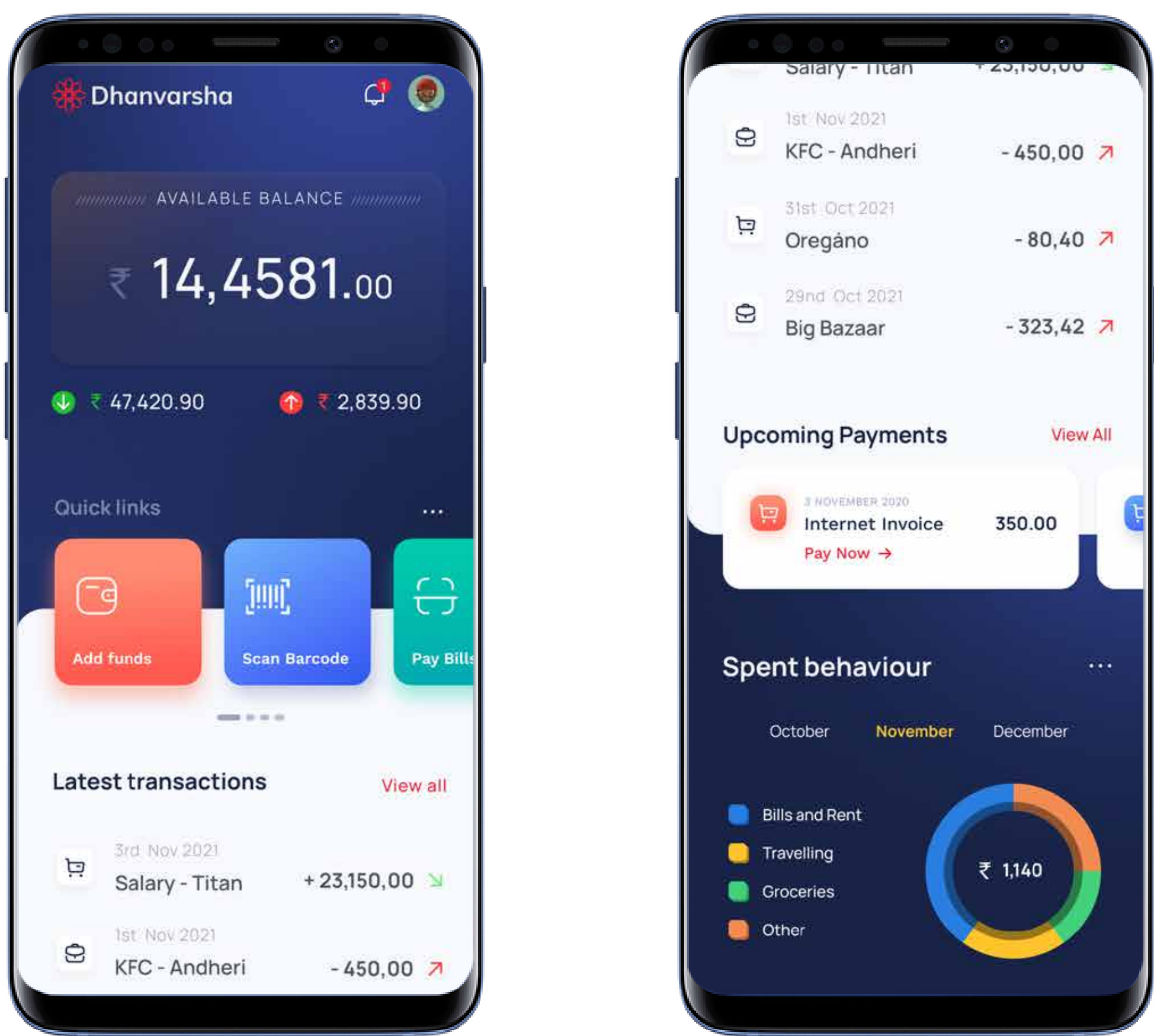


# Upcoming Tech Projects

The company has invested into major tech projects to meet our vision of digitally enhancing the scale of financial inclusion in India. It is noteworthy that from inception until today, our system has clocked in over 375,000 digital applications. Our upcoming tech projects are highlighted below.

## Dhanvarsha NEO Bank

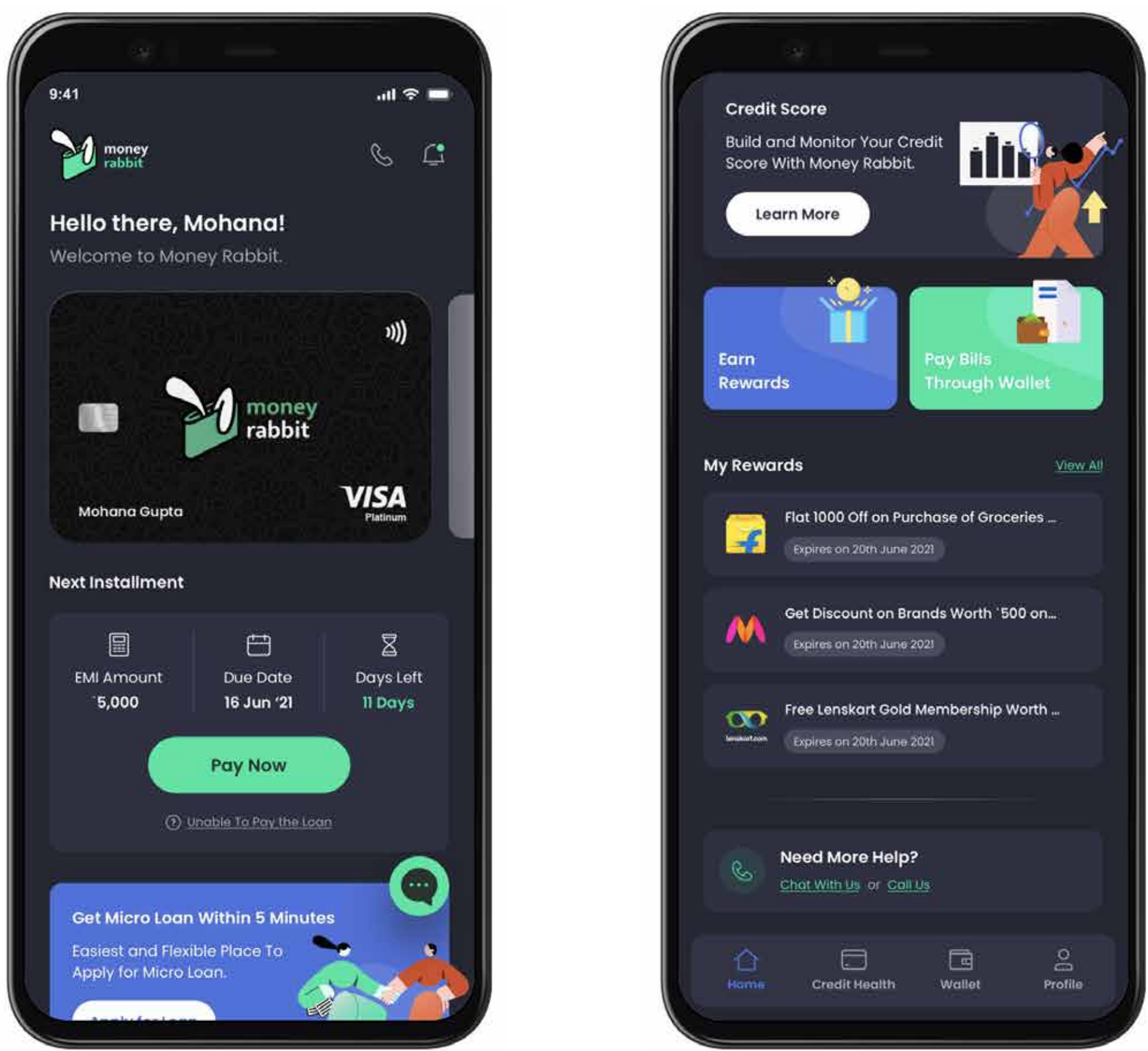
The first big tech asset for Dhanvarsha is an MSME focused Neo Banking platform. While we are in the business of providing loans to MSME borrowers, it is imperative we look at serving our ever-growing customer base with a seamless & financially inclusive experience which does not start and end with lending. Instead, we are looking to assist them with a seamless banking experience that most traditional banks can't offer. That's why our NEO bank will be a FinTech partner of a traditional bank that helps provide services to the underbanked. In this type of a partnership and engagement, we as a FinTech will utilise a wrapper around various services and products of our partner bank and cater to MSME customers. We will be obsessively customer-oriented to provide highly personalised services to our customers.



# Money Rabbit

Dhanvarsha is all set to launch it's MONEY RABBIT app by November 2021, our dynamic omni-channel credit health builder digital lending platform powered by our very own Alternate Data Engine focussing on MSMEs and blue collared workforce. The platform is specifically designed to cater and add value to the lower middle-income segments. Customers can get access to customized cards that can be used with a flexible wallet and bill payment system along with affordable credit lines. Our alternate engine captures real-time data which is self-evolving, robust and developed in-house by our passionate technology, data science and risk analytics team. This engine post getting access to data captures accurate insights about consumer behaviour giving us an upper hand over Bureau Data which is always backdated. Hence using our Alternate Data Engine to analyse and price loans for consumers is predictive and proactive as opposed to be reactive.

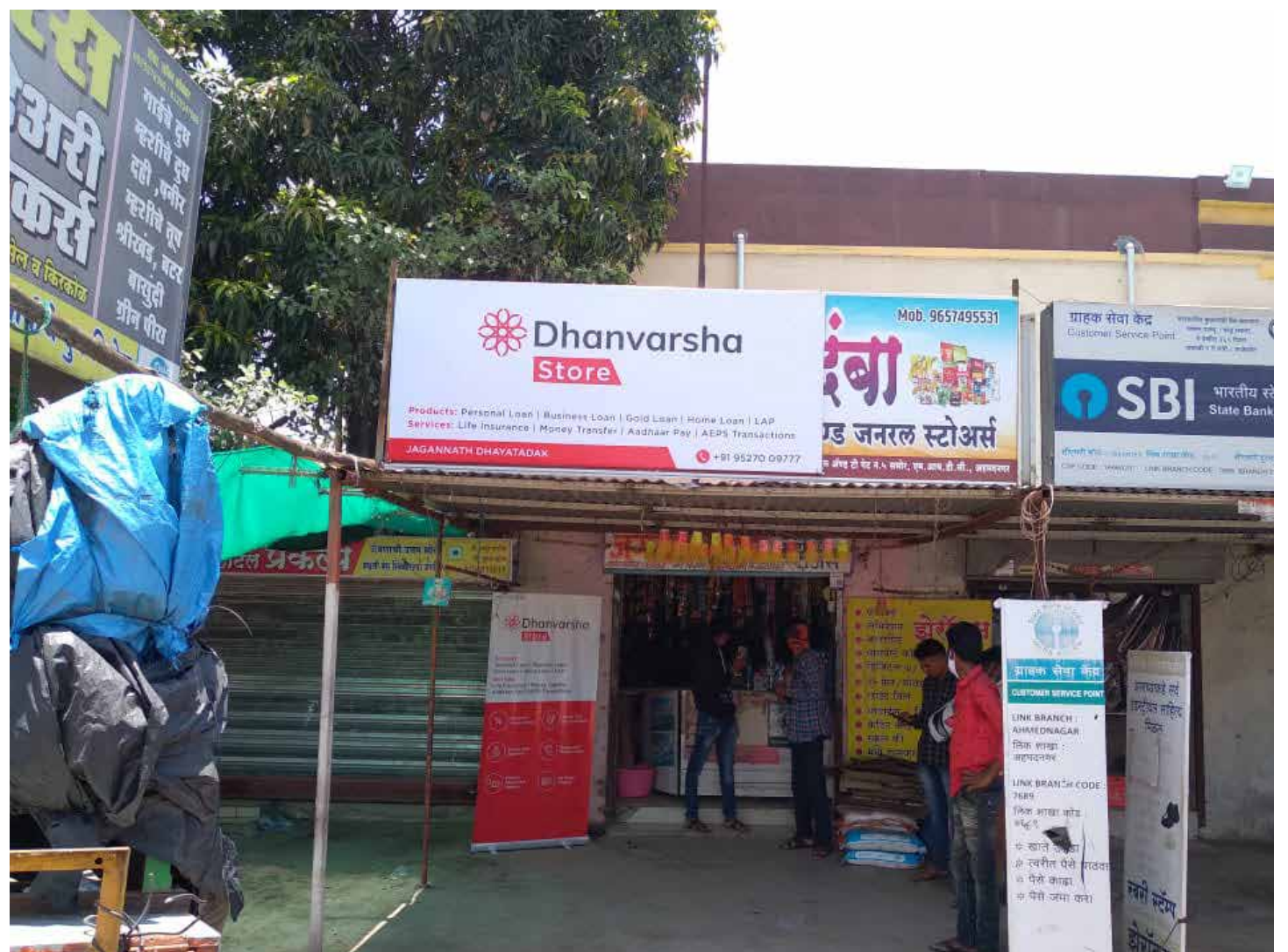
Along with lending and wallet features, our MVP will be a Credit Health Check tool. The biggest advantage of this service along with other modules is to provide an entire ecosystem for the consumers credit health and financial wellness along with the ability to borrow, pay, save, and invest – all in one app. Money Rabbit will also engage our users with cashbacks and rewards which will be featured and marketed to increase Daily App Usage and Stick-ness.



 *Watch our Digital Offerings here*

# Dhanvarsha Financial Inclusion Stores: Distribution with Scale

- Financial inclusion stores is a capex light business where Dhanvarsha equips convenience stores, chemists, small retailers etc. to become distribution agents for the company.
- These stores help distribute not just our lending products but also other services like micro insurance, healthcare, bill pay, money transfer, AEPS etc. with a white label service provided by Dhanvarsha.
- Stores get paid a recurring fee based on quantum of disbursements and transaction volume undertaken by their customers.



The company has onboarded ~300+ Financial Inclusion Stores until August 15<sup>th</sup>, 2021. We expect to have ~1,500 Stores by 2022.

<sup>1</sup>Projected plan may vary based on the Covid-19 situation at that prevailing time

# *Product* Update

## Gold Loans

We now have 25 operational experiential centers in Maharashtra, Goa, Delhi NCR and Madhya Pradesh. We currently have 5298 customers with an average ticket size of INR 0.11 Mn.





# Dhanvarsha

partners with



Dhanvarsha recently entered into a partnership with Central Bank of India to offer Gold Loans to MSME's. We are proud to have partnered with Central Bank of India, one of the largest public sector Banks in India, to fulfil the needs of these small business borrowers. We are confident that our efforts together will go a long way in providing much needed credit to good MSME borrowers, in turn reviving the economy.



# In the current fiscal year, our goal is to increase presence of our experiential centers in Maharashtra, Goa, Delhi NCR and Madhya Pradesh.

Significant AUM and earnings growth led by experiential centers build out and franchise model in Maharashtra.

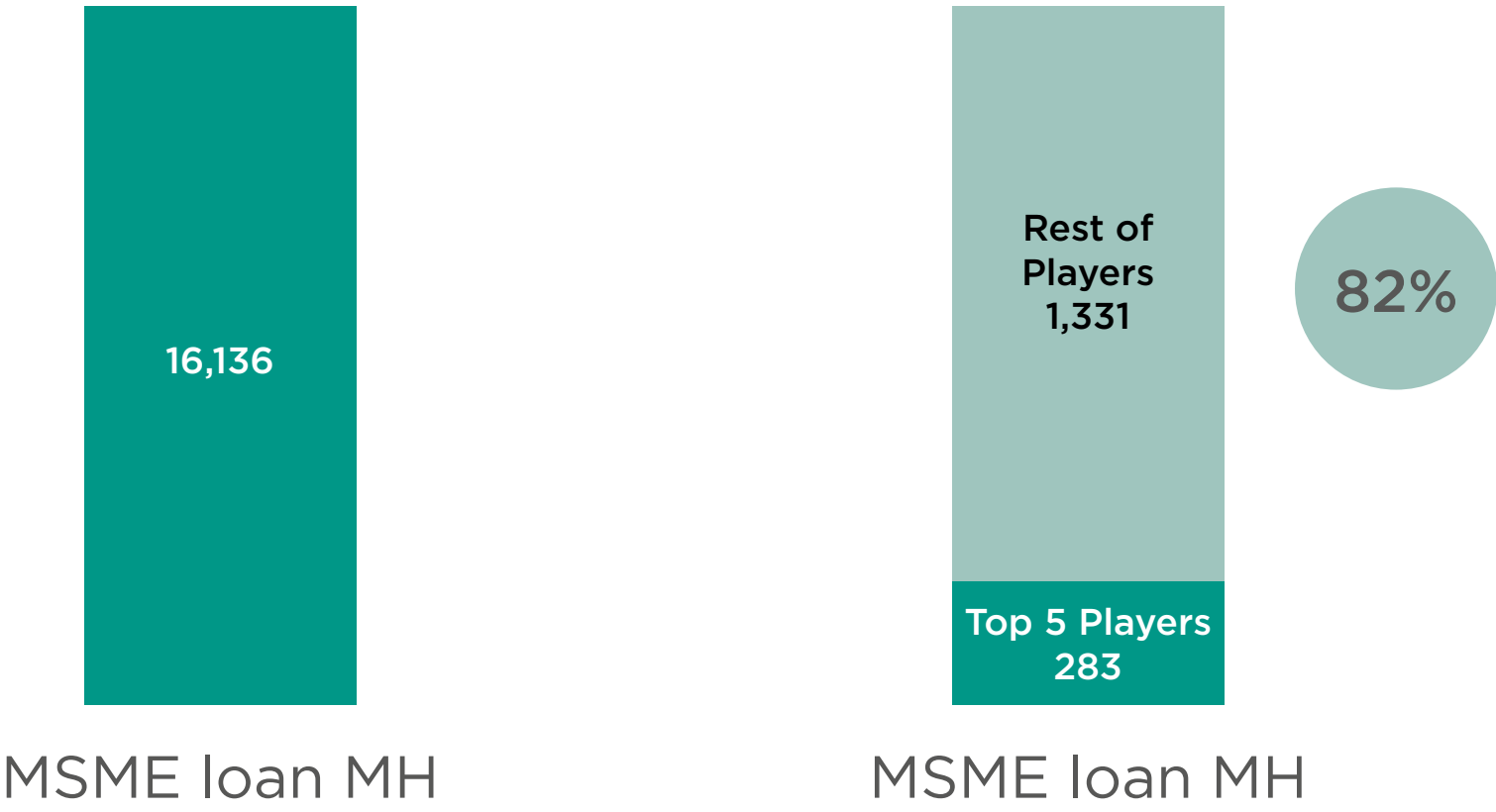
Maharashtra is home to ~7 million or 11% of India’s MSME businesses.

Market share of small and mid size lenders in Gold and MSME loans in Maharashtra is extremely fragmented.

We firmly believe there is a significant opportunity for us to gain extremely profitable market share with capital efficiency and superior risk adjusted margins.

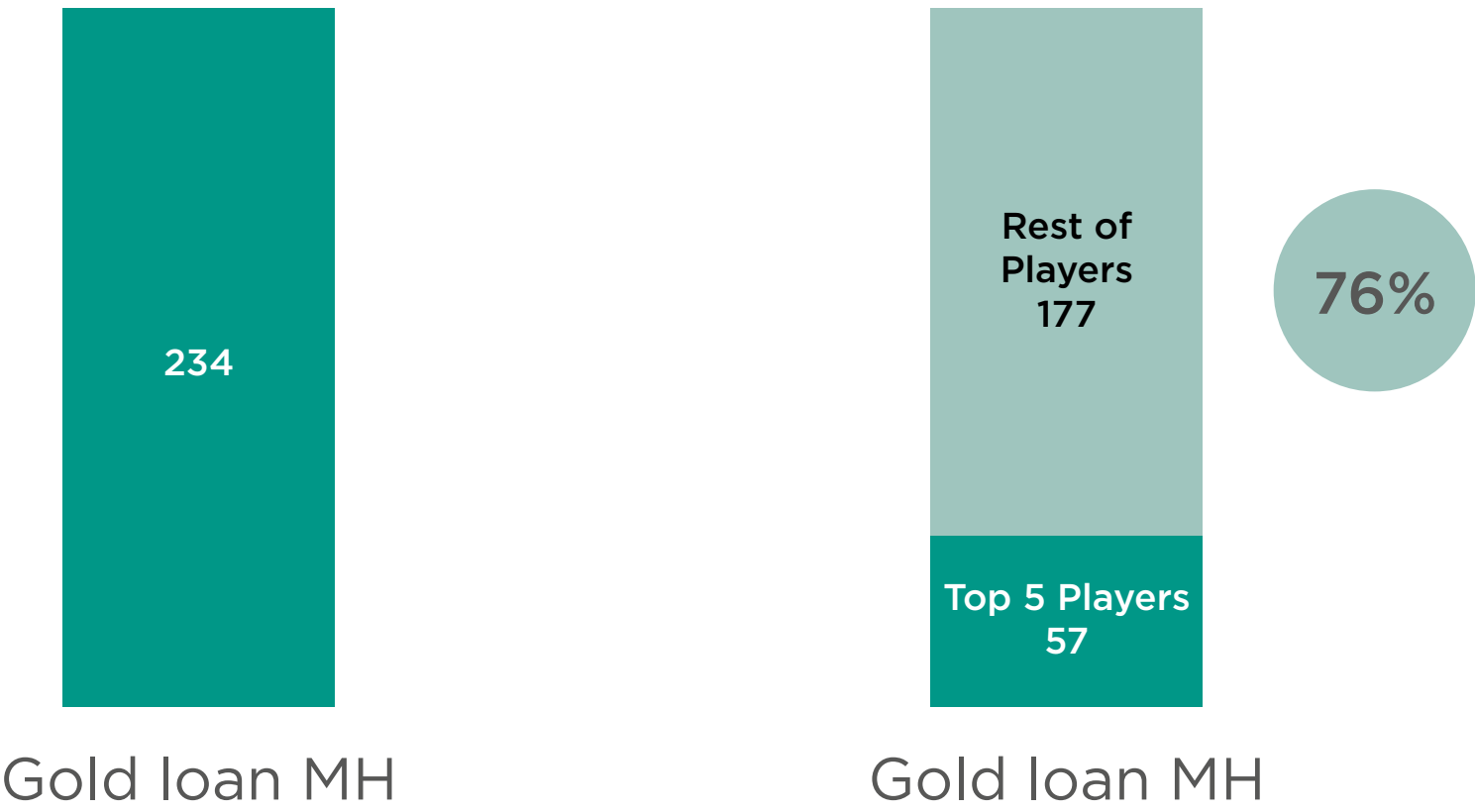
## MSME Loan Market Share - Maharashtra

In INR Bn



## Gold Loans Market Share - Maharashtra

In INR Bn





Mira Road Branch



Dilshad Garden Branch

# **Dhanvarsha** **GOLD LOAN** Let's make life simpler



Noida Branch



Kolhapur Branch



Pune Branch

# Customer Speaks!



Customer Name :  
**Mr. Irfan Ismail Qureshi**  
Customer Profile :  
**Sah Foods**

“

I run a business in the name of Sah Foods in Bandra west. We are into the business of processing of foods and supply to the hotels. I needed 3 lakh funds urgently to get the raw material for one urgent order of the hotel. I had no option of taking any funds from anywhere else than taking a gold loan as it is a quickly processed loan. I called Mr. Rajanikant Som Branch Manager of Andheri branch as he has helped me in the past to get the loan which I used for my business. He immediately helped me in arranging the gold loan of full 3 lakh in no time that to at a very competitive interest rate than other loans in the market. It hardly took 20-25 mins to get the loan and with minimum documentations like just my KYCs and business documents. I was amazed with the service of Dhanvarsha and I assure you for giving Dhanvarsha's reference in all my business circle.



Customer Name :  
**Mr. Tarun Sharma**  
Customer Profile :  
**Freelancer of fish supply**

“

I am a freelancer of fish supply business. I recently started this business few months back. I needed funds to setup my office so I tried to get the loan from my existing bank but due to new business I could not get the loan. One of my friend referred me to Dhanvarsha for taking loan against gold as he also took loan from them. I visited your Malad branch to take the information and found gold loan very easy and helpful as it is with minimum documentations. Dhanvarsha also takes very good safety and security measures for their customer's gold so I thought of taking the loan from Dhanvarsha rather than just keeping my gold in the bank locker. Your branch staffs assisted me so well that I managed to raise funds for my business setup by taking loan from you twice. I am very happy with the service provided by you and your loan process time.

# Culture Matters!

**We seed a culture of Co-ownership at Dhanvarsha!**

While every employee is entitled to several benefits, we have made a choice to make our employees co-owners of the organisation by offering them ESOP's.

With this sense of ownership which is given to employees irrespective of their grades and designation, there is improved ownership for organisational goals and efficient decision-making.

*“Responsibility equals accountability equals ownership. And a sense of ownership is the most powerful weapon a team or organisation can have.”*

**Pat Summit**



# Employee Stories



Being one of the first few employees at Dhanvarsha, I have been involved in all the good & testing times of the organisation. The top management has always put emphasis on two important points – Ownership and Rewards. Personally, it has been a great learning curve working in multiple departments & taking on multiple responsibilities. At Dhanvarsha, opportunity is up for grabs for anyone who is capable, willing, and hungry for it. Dhanvarsha took a giant leap when it offered all vintage employees (from office boy to the top management) ownership in the business by offering them ESOPs. As an employer, Dhanvarsha stood with the employees during the two darkest phases for NBFCs – IL&FS fiasco and Covid. It is fair to say that it is one of the only corporates where emotional quotient and employee empowerment still plays a huge role in defining company values & trust. Cheers to Dhanvarsha for many more success stories.

---

***Sumeet Khanna***

*General Manager - Credit*



I have completed almost four years at Dhanvarsha, and it has been a memorable experience so far. I have been with the company from day 1; the learning experience at Dhanvarsha has been tremendous. I have learnt how mediocrity is never an option and superior performance has no barrier. I have seen the ups and downs including the after effect of September 2018 and lock down from March 2020. I have seen all the people who have contributed their blood and sweat into making what Dhanvarsha is today. I have experienced great freedom to think and execute out of box ideas to maximise personal goals with organisational goals. We are a growing organisation of young and energetic people with fertile mindsets. The top management encourages and empowers two-way communication by welcoming unique innovative ideas at all levels and verticals. Dhanvarsha gives equal opportunity to its employees to grow not only in rank and file but also as co-owners of the company. Co-ownership is nurtured by offering an ESOP policy to every employee who have shown superior performance and loyalty. ESOP's have been offered even to the office boy who has been with the company since the beginning. There is no dearth of opportunity at Dhanvarsha for the right person with the right mindset.

I thank the management for making each one of us an integral part of Dhanvarsha by letting us think and work as co-owners and inspire us to build things and improve on a continuous basis.

---

***Mahendra Kumar Servaiya***

*Principal Officer and Credit Head*



I started my innings with Dhanvarsha back in 2017 and it gives me a great sense of contentment to see where the company and I am today. I joined as an intern, but the company gave me a platform to perform, make mistakes and put forward my views. This helped bring out the best in me by providing me a platform to express myself in a meritocratic work environment.

Dhanvarsha endorses an open culture for their employees and believes in the TEAM ideology (Together Everyone Achieves More). The company recognizes all the efforts employees put in and rewards them in the best possible manner. This has enabled Dhanvarsha stand out in the industry as they consider all their employees as family and offer ownership in the business by offering ESOPs.

I am honoured to be a part of this institution not as an employee but as a co-owner and entrepreneur. This sense of ownership motivates each one of us to bring out the best in each other which in turn benefits the organization and us, personally.

---

***Vivek Dugar***

*Assistant Vice President - Sales*



# Women Empowerment

## A big YES to Gender Diversity at Dhanvarsha!

We feel proud as an organisation to have more than 25% women employees and growing. It gives us immense pleasure to see inspired women at leadership and managerial positions take the lead and achieve business goals with sheer commitment.

We aim to have a minimum of 40% women strength at Dhanvarsha in the coming years and offer equal opportunities to deserving women leaders.

*“A women is a full circle. Within her is the power to create, nurture and transform”*

---

**Diane Mariechild**

# Environment, Social and Governance (ESG) Committee

Dhanvarsha in close assistance from Deloitte has developed an ESG disclosure framework covering its operations to uphold the driving values of "lending heart, lending hand and lending head" in everyday business practices. Deloitte conducted an ESG due diligence process to identify policy and procedure gaps and recommendations items to be addressed as per international ESG standards. We performed peer benchmarking based upon the publicly available resources and undertook a stakeholder engagement and materiality assessment to identify our key performance indicators to measure our annual performance on ESG metrics going forward. We are committed to our ESG Performance Roadmap by revisiting and upgrading the goals and targets set at the beginning of each year and measure our performance against the same.

## ESG Committee Members:

Designation	Existing Members	Category of Director
Chairperson	Mr. Rakesh Sethi	Independent Director
Member	Mr. Rajiv Kapoor	Independent Director
Member	Mr. Rohanjeet Singh Juneja	Joint Managing Director

The Environmental, Social and Governance Committee’s (“ESG committee”) purpose is to support the organization’s commitments towards the environment, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the organization in compliance to the national and international legal frameworks. The ESG committee is a cross-functional Board level committee of Dhanvarsha. The committee will provide guidance, leadership, and necessary oversight for:

- Embedding ESG aspects into the business strategy
- Developing, implementing, and monitoring interventions and related policies
- Engaging with the stakeholders by overseeing communications concerning ESG aspects
- Monitoring and assessing development and improving the organization’s understanding of ESG aspects
- Ensuring efficient and timely disclosure of ESG aspects to stakeholders

