TRANSWARRANTY FINANCE LIMITED

TFL/SEC/2022-23/38

09/11/2022

The Manager,
Listing Department.,
BSE Ltd.,
P.J. Towers,
Dalal Street, Fort
Mumbai 400001

The Manager
Listing Department
National Stock Exchange of India Ltd.
Bandra Kurla Complex
Bandra (East)
Mumbai 400051

BSE Scrip Code: 532812

NSE Scrip Code : TFL

Subject: Disclosure of Letter of Offer

We would like to inform you that we have updated the Promoters Subscription clause (vide their Letter dated November 06, 2022) in the Letter of Offer dated November 07, 2022 as compared to the Draft Letter of Offer dated August 05, 2022. We have added the following point:

"**d. at their sole discretion, apply for and subscribe to additional Rights Equity Shares, and any such subscription for Rights Equity Shares shall be over and above their Rights Entitlement.**"

Please find attached Letter of Offer for your Pursual.

Please take the same on your records.

Thanking you,

Yours faithfully,
For Transwarranty Finance Limited

Suhas
Shridhar
Borgaonkar

Digitally signed by Suhas Shridhar Borgaonkar
DN: c=IN, o=Personal, title=4583,
pseudonym=4ADA0B795E216B56C921D5102A7
7A3BD48FC4E00,
2.5.4.20=de831ef2c525a66214b8c3cf5add36159
66192e32dfaab40c60c77cc39ab1b89,
postalCode=400068, st=Maharashtra,
serialNumber=3EDD9FA31890AA4DC16A9BFB98
A2B1D52D4927238EACF481AA212E82D40A308
B, cn=Suhas Shridhar Borgaonkar
Date: 2022.11.09 19:40:16 +05'30'

Suhas Borgaonkar
Company Secretary

CIN: L65920MH1994PLC080220
403, Regent Chambers, Nariman Point, Mumbai- 400021 • Tel: 6630 6090 / 2204 7965
Fax: 6630 0999 / 4001 0999 • e-mail : mail@transwarranty.com • website:www.transwarranty.com

Letter of Offer
Dated: November 07, 2022
For Eligible Equity Shareholders only

TRANSWARRANTY FINANCE LIMITED

Our Company was originally incorporated as "Trans Warranty Finance limited" at Mumbai, Maharashtra as a Public Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation 11-80220 dated August 9, 1994. Consequently, the name of our company was changed to "TRANSWARRANTY FINANCE LIMITED" and fresh certificate of incorporation upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai dated July 8, 2005. Our Company is Registered with RBI as NBFC bearing registration no. B-13.00971. Our Company through Initial Public Offer (IPO) listed on BSE Limited and National Stock Exchange of India Limited vide their listing approval dated February 26, 2007. The CIN of our Company is L65920MH1994PLC080220.

Registered Office: 403, Regent Chambers, Nariman Point, Mumbai – 400021
Tel No: +91 22 2204 7965| **Email**: companysecretary@transwarranty.com | **Website**: www.transwarranty.com
Contact Person: Suhas Borgaonkar, Company Secretary & Compliance Officer

PROMOTER OF OUR COMPANY IS KUMAR NAIR.

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF TRANSWARRANTY FINANCE LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UPTO 2,44,60,568 PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 10 EACH PER RIGHTS EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 2446.06@ LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1(ONE) RIGHTS EQUITY SHARE(S) FOR EVERY 1(ONE) FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON FRIDAY, NOVEMBER 04, 2022 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS ₹ 10 WHICH IS 1(ONE) TIME THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "*TERMS OF THE ISSUE*" ON PAGE 208 OF THIS DRAFT LETTER OF OFFER.

@Assuming full subscription and receipt of all Call Monies with respect to the Rights Equity Shares..

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE*(Revised)	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	3	NIL	3
On One or more subsequent Call(s) as determined by our Board and, or, the Rights Issue Committee at its sole discretion, from time to time	7	NIL	7
Total	10	NIL	10

* For further details on Payment Schedule, see "***Terms of the Issue***" on page 208.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The securities being offered in the Issue have not been recommended nor approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer, Specific attention of the investors is invited to "***Risk Factors***" beginning on page 22 of this Draft Letter of Offer before making an investment in this Issue

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are listed on BSE Limited ("BSE") and National Stock Exchange of India ("NSE") (the "Stock Exchanges"). Our Company has received "In-Principle" approvals from BSE and NSE for listing the Rights Equity Shares through their respective letters dated October 07, 2022 and August 23, 2022. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India **Tel No.:** +91 81049 85249 **Fax No.:** 022 2618 6966 **E-mail ID:** mb@fedsec.in **Website:** www.fedsec.in **Investor Grievance E-Mail ID:** mb@fedsec.in **Contact Person:** Yash Kadakia **SEBI Registration Number:** INM000010163	**LINK INTIME PRIVATE LIMITED** C-101, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 **Tel. No**: 022- 4918 6200 **E-mail Id:** transwarranty.rights@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Mr. Sumeet Deshpande **SEBI Registration No:** INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON:	TUESDAY, NOVEMBER 15, 2022
LAST DATE ON MARKET RENUNCIATION*	WEDNESDAY, NOVEMBER 23, 2022
ISSUE CLOSES ON:#	TUESDAY, NOVEMBER 29, 2022

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*

 # Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Contents

SECTION I - GENERAL

CONVENTIONAL AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective applicant only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

*The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled "**Our Industry**", "**Statement of Special Tax Benefits**", "**Financial Statements**" "**Outstanding Litigation and Defaults**" and "**Terms of the Issue**" beginning on pages* 66,59,81,198 and 209 of this Letter of Offer, *respectively, shall have the meaning given to such terms in such sections.*

CONVENTIONAL / GENERAL TERMS

TERM	DESCRIPTION
Transwarranty Finance Limited / TFL / We / us / Our Company / the Issuer	Transwarranty Finance Limited, a company incorporated as a Public Limited Company under the provisions of the Companies Act, 1956 and having its registered office at Flat No.403, 4th Floor, Regent Chambers, Nariman Point, Mumbai 400021.
Companies Act	The Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
AOA / Articles / Articles of Association	The Articles of Association of Transwarranty Finance Limited, as amended from time to time.
Audited Financial Statements / Financial Statements	The Audited Standalone and Consolidated financial statements of our Company as at and for the year ended 31 March 2022 and Unaudited Financial Results for the quarter ended June 30, 2022
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013.
Auditors / Statutory Auditors	The current statutory auditor of our Company is S S KHAN & CO.
Board / Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted from time to time including any Committees thereof as the context may refer to.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Suhas Borgaonkar.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Ramachandran Unnikrishnan.
Equity Shares/Shares	Equity Shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof.
Eligible Shareholders	Eligible Equity Holders of the equity shares of Transwarranty Finance Limited as on record date.
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company from time to time.
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please see to section titled "***Our Management***" on page 78 of this Letter of Offer.
ISIN	International Securities Identification Number is INE804H01012.
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies

TERM	DESCRIPTION
	Act, 2013. For details, please see "***Our Management***" on page 78 this Letter of Offer.
MoA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter /	Kumar Nair
Promoter Group	Anitha Plakkot, Cheralath Chandran, C. D. Padmini Devi, Karthikeyan Karkatvallil, Indiradevi, Nair Leena Kumar, Jayachandran K.
Registered Office	Flat No.403, 4th Floor, Regent Chambers, Nariman Point, Mumbai 400021.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI (LODR) Regulations and Section 178 of the Companies Act, 2013.
Roc/Registrar of Companies	RoC-Mumbai, 100, Everest, Marine Drive, Mumbai-400002, Maharashtra.
Stock Exchange / Designated Stock Exchange	Our company is listed on both BSE Limited and NSE India. Designated stock exchange is BSE Limited.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI (LODR) Regulations Section 178 of the Companies Act, 2013.
Subsidiaries	Our Company has following subsidiaries: 1. Vertex Securities Limited (VSL). 2. Vertex Commodities and Finpro Private Limited (VCFPL). 3. Transwarranty Capital Market Services Private Limited.

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Additional Rights Equity Shares	The Right Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment, Allot or Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited.
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment.
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/

Term	Description
	electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price for the Application.
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Banker to the Issue Agreement	Agreement dated October 21, 2022 amongst our Company, the Lead Managers, the Registrar to the Issue and the Banker(s) to the Issue for receipt of the Application Money from Applicants/Investors making an application, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement.
Bankers to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Banks and the Refund Account Bank to the Issue.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "***Terms of the Issue***" beginning on page 209 of this Letter of Offer.
Call	The notice issued by our Company to the holders of the Right Equity Shares as on the Call Record Date for making a payment of the Call Monies.
Call Monies	The balance amount payable by the holders of the Rights Equity Shares pursuant to the payment schedule of Rights Equity Shares, being Rs. 7 per Rights Equity Share after payment of the Application Money. For further details, see "***Terms of Issue***" beginning on page 180 of this Letter of Offer.
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call.
Common Application Form / CAF	The application form used by Investors to make an application for Allotment under the Issue.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes .
Designated Stock	BSE Limited

Term	Description
Exchange	
Draft Letter of Offer	This draft letter of offer dated August 05, 2022 filed with Stock Exchanges.
Eligible Shareholder(s) Equity	Holder(s) / Beneficial Owner of the Equity Shares of our Company as on the Record Date.
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application.
Escrow Collection Bank, Allotment Account Bank(s) or Refund Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, ICICI Bank Limited.
IEPF	Investor Education and Protection Fund.
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, November 04, 2022, and the Renouncee(s).
ISIN	International Securities Identification Number.
Issue	This issue of up to 2,44,60,568 Equity Shares for cash at a price ₹ 10 per Equity Share aggregating to Rs. 2446.06 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1(one) Equity Share for every 1(one) fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record date that is on November 04, 2022 *#Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.*
Issue Agreement	Agreement dated July 29, 2022 entered into between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	Tuesday, November 29, 2022
Issue Opening Date	Tuesday, November 15, 2022
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ 10 per Equity Share.
Issue Proceeds / Gross Proceeds	Gross proceeds of the Issue.
Issue Size	Equity Shares of face value of ₹ 10 each for a cash at a price of ₹ 10 per Rights Equity Shares aggregating to Rs. 2446.06 /-*/- Lakhs.* *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity SharesShares
Lead Managers	Fedex Securities Private Limited.
Letter of Offer / LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI;
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see "***Objects of the Issue***" beginning on page 53 of this Letter of Offer.
NRI(s)	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations.
Non –Institutional Investor(s)	An Investor other than a Retail Individual Investor and a Qualified Institutional Buyer.
NSE	National Stock Exchange of India Limited.

Term	Description
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before November 23, 2022.
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being Friday, November 04, 2022.
Refund Account Bank	The Banker to the Issue with whom the refund account will be opened, in this case being ICICI Bank Limited.
Registrar to the Issue / Registrar	Link Intime India Private Ltd.
Registrar Agreement	Agreement dated July 29, 2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Retail Individual Investors/ RIIs	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000.00/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Renouncee(s)	Any person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date.and closes on November 23, 2022, in,i case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Rights Entitlement(s) / RE's	The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 1(one) Equity Share for every 1(one) Equity Share held by an Eligible Shareholder; The Rights Entitlements with a separate ISIN 'INE804H20012' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=

Term	Description
	yes&intmId=34 , or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.
SEBI Rights Issue Circulars	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being National Stock Exchange of India Limited and BSE Limited; and BSE Limited being the designated stock exchange.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter / Fraudulent Borrower	Company or person, as the case may be, categorised as a wilful defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or Fraudulent Borrower issued by RBI.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

INDUSTRY RELATED TERMS

TERM	DESCRIPTION
AFC	Asset Finance Company.
CIC-ND-SI	Systemically Important Core Investment Company.
CRAR / Capital to risk weighted assets	The ratio measures a bank's financial stability by measuring its available capital as a percentage of its risk-weighted credit exposure.
Commercial Banks	A bank that offers services to the general public and to companies.
Co-operatives	A business or organization that is owned and run by all of the people who work for it.
DCCBs	District Central co-operative Banks.
DFIs	Development Finance Institutions.
Gross non-performing assets / GNPA	Gross non-performing loans are the sum of all the loans that have been defaulted by the individuals who have acquired loans from the financial institution.
IBC	Insolvency and Bankruptcy Code.
IC	Investment Company.
IDF-NBFC	Infrastructure Debt Fund: Non- Banking Financial Company.
IFC	Infrastructure Finance Company.
Insurance Companies	A financial intermediaries which offer direct insurance or reinsurance services, providing financial protection from possible hazards in the future.
LC	Loan Company.
MCX	Multi Commodity Exchange of India Limited
MGC	Mortgage Guarantee Companies.
MSMEs	Micro, Small and Medium Enterprises.

TERM	DESCRIPTION
MUDRA or Micro Units Development and Refinance Agency	MUDRA is a public sector financial institution in India. It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs.
Mutual Funds	A mutual fund is a Company that brings together money from many people and invests it in stocks, bonds or other assets.
NBFC or Non-Banking Financial companies	The entities that provide certain bank-like financial services but do not hold a banking license. NBFCs are not subject to the banking regulations and oversight by federal and state authorities adhered to by traditional banks.
NCDEX	National Commodity & Derivatives Exchange Limited
NMCE	National Multi Commodity Exchange of India Limited
NOFHC	NBFC- Non-Operative Financial Holding Company.
NBFC-ND-SI	Systemically important non-deposit taking non-banking financial Company.
Net owned fund	Net Owned Funds means the aggregate of paid up equity share capital and free reserves as reduced by accumulated losses and intangible assets.
NSFR or net stable funding ratio	It is the amount of available stable funding relative to the amount of. required stable funding.
PACS	Primary Agricultural Credit Societies.
PCARDBs	Primary Co-Operative and Agricultural Rural Development Banks.
Pension funds	A fund from which pensions are paid, accumulated from contributions from employers, employees, or both.
Private sector banks or PVBs	Private sector banks are those in which private individuals or private corporations own a significant portion of the bank's equity.
PSBs or public sector banks	A public bank is a bank, a financial institution, in which a state, municipality, or public actors are the owners. It is an enterprise under government control.
RBI	Reserve Bank of India.
Return on assets or RoA	The term return on assets (ROA) refers to a financial ratio that indicates how profitable a Company is in relation to its total assets.
Return on equity or RoE	It is a measure of financial performance calculated by dividing net income by shareholders' equity.
RRBs	regional rural banks.
SCARDBs	State Co-Operative And Agricultural Rural Development Banks.
SCB	Scheduled Commercial Banks.
STCBs	State co-operative banks.
UCBs	Urban cooperative banks.
Unit Trust of India or UTI	It is a statutory public sector investment institution having the main objective to encourage and mobilize the savings of the community and canalize them into productive corporate investment.
Venture Capital Fund	A venture capital (VC) fund is a sum of money investors commit for investment in early-stage companies.

ABBREVIATIONS

Term	Description
₹, Rs., Rupees or INR	Indian Rupees.
Adjusted loans and advances	Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company.
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/ CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
CAGR	Compound annual growth rate.
CDSL	Central Depository Services (India) Limited.

Term	Description
CIN	Corporate identity number.
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder.
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
CRAR	Capital adequacy ratio/Capital to risk assets ratio.
CrPC	Code of Criminal Procedure, 1973.
Depositories Act	Depositories Act, 1996.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
DP ID	Depository participant's identification.
DIN	Director Identification Number.
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss.
EGM	Extraordinary general meeting.
EPS	Earnings per Equity Share.
FCNR Account	Foreign currency non-resident account.
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year, Fiscal Year or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated.
FIR	First information report.
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI.
GAAP	Generally accepted accounting principles.
GDP	Gross domestic product.
GoI or Government	Government of India.
GST	Goods and Service Tax.
HUF	Hindu Undivided Family.
IBC	Insolvency and Bankruptcy Code, 2016.
ICAI	Institute of Chartered Accountants of India.
Income-Tax Act/ I.T. Act/ IT Act	Income-Tax Act, 1961.
I. T. Rules	Income Tax Rules, 1962
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended.
IFRS	International Financial Reporting Standards.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
IT / IT Act	Information Technology, Information Technology Act, 2000
ITAT	Income Tax Appellate Tribunal.
LTV	Loan to value ratio.

Term	Description
MCA	Ministry of Corporate Affairs.
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996.
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31.
Net Worth	Aggregate of Equity Share capital and other equity.
NBFC	Non-banking financial companies.
NRE Account	Non-resident external account.
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
NRO Account	Non-resident ordinary account.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB / Overseas Corporate Body	A Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
PAN	Permanent account number.
PAT	Profit after tax.
QP	Qualified purchaser as defined in the U.S. Investment Company Act.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934.
Regulation S	Regulation S under the U.S. Securities Act.
RoC	Registrar of Companies, Mumbai.
RTGS	Real time gross settlement.
Rule 144A	Rule 144A under the U.S. Securities Act.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Rights Issue Circulars / SEBI Right Issue Circulars / SEBI Rights Issue Circular	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and Sebi Circular, bearing reference no. SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI PIT Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
Stock Exchanges	National Stock Exchange of India Limited and BSE Limited.
STT	Securities transaction tax.
Supreme Court	Supreme Court of India.
TAT	Turn around time.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
U.S.$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America.

Term	Description
U.S. Investment Company Act	Investment Company Act of 1940, as amended.
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S).
U.S. QIB	Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act.
USA, U.S. or United States	United States of America.
U.S. SEC	U.S. Securities and Exchange Commission.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.
YoY	Year on Year

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Draft Letter of Offer, Abridged Letter of Offer and the application form and the issue of the Rights Entitlement and the Rights Equity Shares to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Managers, the Stock Exchanges.

Our Company, the Lead Managers, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit the Issue in any jurisdiction or the possession, circulation, or distribution of the Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any offering materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer or the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire rights and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application form as invalid where they believe that Application form is incomplete or acceptance of such Application form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of the Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer or the date of such information.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB in the United States who is also a QP) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

Neither the receipt of the Offer Document nor any sale of Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer or the date of such information.

THE CONTENTS OF THE OFFER DOCUMENT SHOULD NOT BE CONSTRUED AS LEGAL, TAX, BUSINESS, FINANCIAL OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF THE EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGERS OR ITS AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The rights entitlements and the rights equity shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act"), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and the rights equity shares referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which this letter of offer relates is not, and under no circumstances is to be construed as, an offering of any rights equity shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, this letter of offer should not be forwarded to or transmitted in or into the United States at any time. Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States of America. Envelopes containing an application form should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer, no payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, the Abridged Letter of Offer and Application form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Offer Document, that

(i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States of America
(ii) does not have a registered address (and is not otherwise located) in the United States when the buy order is made and
(iii) it is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable law, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application form which:

(i) appears to our Company or its agents to have been executed in or dispatched from the United States of America;
(ii) does not include the relevant certification set out in the Application form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or
(iii) where our Company believes that the CAF is incomplete or the acceptance of such CAF may infringe applicable legal or regulatory requirements; or
(iv) where a registered Indian address is not provided, and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such CAF. Rights Entitlement may not be transferred or sold to any person in the United States of America.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

FORWARD-LOOKING STATEMENTS

This Letter of Offer contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in the Letter of Offer that are not statements of historical facts constitute *"**forward-looking statements**"*. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Letter of Offer regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Impact of epidemics and pandemics with respect to recent example of COVID-19 on our business and operations;
- General economic and business conditions in the markets in which we operate and in the local, Regional, National and International economies;
- Engagement in a highly competitive business and a failure to effectively compete;
- Political instability or changes in the Government(s) could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian National, State and Local Governments;
- Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under "***Risk Factors***" and "***Our Business***" beginning on pages 22 and 73 respectively of this Letter of Offer.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in thisLetter of Offer, and neither our Company nor the Lead Manager undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

CERTAIN CONVENTIONS

In this Letter of Offer, unless the context otherwise indicates or implies, references to 'Transwarranty Finance Limited', the 'Company', 'our Company', the 'Issuer' are to Transwarranty Finance Limited, and references to 'we', 'our' or 'us' are to Transwarranty Finance Limited.

In this Letter of Offer, references to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Letter of Offer in "crore", "million" and "lakh" units. One crore represents 1,00,00,000. One lakh represents 1,00,000. One million is 10 lakhs.

FINANCIAL DATA

Unless stated otherwise and unless context requires otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. Our Fiscal commences on April 1 and ends on March 31 of the following calendar year. For details, see "***Financial Information***" on page 81 of this Letter of Offer.

Unless stated otherwise, the financial information and financial ratio in this Letter of Offer is derived from the Consolidated Audited Limited Review Financial Statement and Consolidated Audited Financial Statements, which have been prepared in accordance with Ind AS, and the Companies Act, 2013. For further details, please see to the section titled '***Financial Information'*** beginning on page 81 of this Letter of Offer. The financial year of our Company commences on April 01 and ends on March 31.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

MARKET AND INDUSTRY DATA

Aside from the above, unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information contained in such publication has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by us or the Lead Managers, and neither our Company nor the Lead Managers make any representation as to the accuracy of that information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – We have not commissioned an industry report for the disclosures made in the section titled 'Our Industry' and made disclosures based on the data available on the internet and such third-party data has not been independently verified by us***." on page 22 of this Letter of Offer. Accordingly, Investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Net Worth, return on Net Worth, Net Asset Value per Equity Share, ratio of non-current liabilities-borrowings (including current maturities of long-term borrowings) / total equity, ratio of Total Borrowings / total equity and earnings before interest, tax, depreciation and amortization have been included in this Letter of Offer. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency of Presentation

Unless otherwise specified or the context otherwise requires, all references to:

• 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India; and

• 'US$', 'USD', '$' and 'U.S. Dollars' are to the legal currency of the United States of America.

The following table provides information with respect to the exchange rate for the Indian rupee per US$1.00. The exchange rates are based on the reference rates released by Foreign Benchmark India Private Limited which is available on their website. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

Currency	March 31, 2022	March 31, 2021	March 31, 2020
1 US $	₹75.81	₹73.50	₹75.39

Source: www.fbil.org.in

Note: In the event that any of the abovementioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the sections, "***Objects of the Issue***", "***Outstanding Litigation and Defaults***", "***Our Business***" and "***Risk Factors***" on pages 53, 198, 73 and 22 respectively of this Letter of Offer.

SUMMARY OF BUSINESS

Our Company was incorporated and commenced its business on August 09, 1994 as "Trans Warranty Finance Limited" under the Companies Act, 1956. Subsequently, the name of our Company was changed to "Transwarranty Finance Limited" and fresh certificate of incorporation upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai dated July 8, 2005. Our Company is a non-deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI to carry on the NBFC activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-13.00971.

Through the Initial Public Offering, the Equity Shares of our Company were listed on BSE Limited and the National Stock Exchange of India Limited vide their listing approvals dated February 26, 2007.

Our Company is promoted by Kumar Nair, having an experience of over 30 years in the financial sector.

Our Company is engaged in lending and advisory services. Our business model can be broadly classified into:

a. Lending Business
b. Financial Advisory Services (comprising of Investment Banking, Trade Finance, Corporate Finance)
c. Wealth Management, Stock Broking and Distribution Business

SUMMARY OF INDUSTRY

NBFCs encompass a heterogeneous group of intermediaries and provide a whole range of financial services. Though heterogeneous, NBFCs can be broadly classified into three categories, *viz.*, asset finance companies (such as equipment leasing and hire purchase), loan companies and investment companies. A separate category of NBFCs, called the residuary non-banking companies (RNBCs), also exists as it has not been categorised into any one of the above referred three categories. Besides, there are miscellane0ous non-banking companies (Chit Fund), mutual benefit financial companies (*Nidhis* and unnotified *Nidhis*) and housing finance companies. The number of NBFCs operating in the country was 51,929 in 1996. Following the amendments to the provisions contained in Chapter III-B and Chapter III-C of the Reserve Bank of India Act, NBFCs both, deposit taking and non-deposit taking, are required to compulsorily register with the Reserve Bank. One of the conditions for registration for NBFCs was a minimum net owned fund (NOF) of Rs.25 lakh at the entry point. This limit was subsequently enhanced to Rs.2 crore for new NBFCs seeking grant of Certificate of Registration on or after April 21, 1999. The Reserve Bank received 38,244 applications for grant of certificate of registration (CoR) as NBFCs till end-March 2006. Of these, the Reserve Bank approved 13,141 applications, including 423 applications of companies authorised to accept/hold public deposits. Due to consolidation in the sector, the number of NBFCs declined to 13,014 by end-June 2006.

OBJECTS OF THE ISSUE

The Net Proceeds are proposed to be used in accordance with the details set forth below:

Particulars	Amount to be funded from Net Proceeds[#]
Meeting incremental working capital requirements[#]	1497.72

General corporate purposes *	533.14
Total Net Proceeds	**2030.86**

**#The amount is subject to adjustment upon finalization of Issue related expenses and subject to receipt of subsequent call money as may be called by the Board or Rights Issue Committee time to time, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*

For further details, see "***Objects of the Issue***" beginning on page 53 of this Letter of Offer.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTER

Pursuant to the letter dated November 06, 2022, our Promoter and members of the Promoter Group, has undertaken that they will

a. subscribe, jointly and / or severally to the extent of their Rights Entitlements;
b. subscribe, jointly and / or severally to the extent of any Rights Entitlement that may be renounced in favour by any other Promoters or Member(s) of the Promoter Group of our Company;
c. that they shall not renounce their Right Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations; and
d. at their sole discretion, apply for and subscribe to additional Rights Equity Shares, and any such subscription for Rights Equity Shares shall be over and above their Rights Entitlement.

The aforementioned subscription of Rights Equity Shares and Additional Rights Shares by our Promoter, if allotted shall not result in a change of control of the management of our Company and shall not result in an obligation on our Promoter to make an open offer to the public shareholders of our Company in terms of the SEBI Takeover Regulations. Further, as on the date of this Letter of Offer, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

SUMMARY OF OUTSTANDING LITIGATION AND DEFAULTS

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries, identified in accordance with the SEBI ICDR Regulations as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is provided below.

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)
Against our Company		
Tax	12	285.20
Civil	NIL	NIL
Criminal	NIL	NIL
By our Company		
Tax	12	285.20
Civil	NIL	NIL
Criminal	187	37.83
Against our directors		
Tax	NIL	NIL
Civil	NIL	NIL
Criminal	NIL	NIL
By our directors		
Tax	NIL	NIL
Civil	NIL	NIL
Criminal	NIL	NIL
By our Subsidiary Company		
Tax	1	2.59
Civil (Arbitration)	3	49.09
Criminal	NIL	NIL

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)
Against Subsidiary Company		
Tax	1	2.59
Civil	NIL	NIL
Criminal	NIL	NIL

For further details please see "***Outstanding Litigation and Default***" on page 198 of this Letter of Offer.

RISK FACTORS

Please see to the section titled "***Risk Factors***" beginning on page 22 of this Letter of Offer for details about the risk factors.

CONTINGENT LIABILITIES OF OUR COMPANY

For details of the contingent liabilities for the period ended March 31, 2022 and March 31, 2021, see "***Financial Information***" on page 81 of this Letter of Offer.

RELATED PARTY TRANSACTIONS

For details of the Related Party Transactions entered into by our Company for the period ended March 31, 2022 and March 31, 2021 see "***Financial Information***" on page 81 of this Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Letter of Offer.

SECTION II – RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in "**Our Business**", "**Our Industry**", "M**anagement's Discussion and Analysis of Financial Condition and Results of Operations**", and "**Financial Statements**" before making an investment in our Equity Shares.*

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by customers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences to you of an investment in our Equity Shares.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to **"we", "us" "our"** refers to our Company together with our Subsidiaries, on a consolidated basis. For updates in relation to financial and operational performance as of and for the period ended* March 31, 2021 and March 31, 2022*, see "**Management Discussion and Analysis Condition and Results of Operation**" beginning on page 191* of this Letter of Offer.

INTERNAL RISK FACTORS

1. There are outstanding legal proceedings involving our Company, Directors and our Subsidiaries Company.

There are certain outstanding legal proceedings involving our Company, Promoters, Directors and our Subsidiaries. There can be no assurance that in future there will be no proceeding against us. Decisions in any such proceedings that are adverse to our interests and our failure to successfully defend claims may have a material, adverse effect on our business, future financial performance and results of operations.

For further details, see Section titled "***Outstanding Litigations and Defaults***" beginning on page 198 of this Letter of Offer.

2. We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.

We operate in a highly competitive industry. Given the diversity of our businesses, and the products and services offered by us, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, captive finance affiliates of players in various industries, small finance banks and other NBFCs who are active in SME, retail and individual lending. Many of our competitors may have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. They may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Competition in our industry depends on, amongst others, the ongoing evolution of government and regulatory policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

In relation to the advisory and investment banking services we offer, we also face competition from banks, boutique investment bankers and consulting organizations. Potentially, these service providers could compete with us for business as well as procurement of funds at competitive rates. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in our increasingly competitive industry and our inability to compete effectively may adversely affect our business.

3. Any disruption in our sources of funding or increase in costs of funding could adversely affect our liquidity and financial condition

The liquidity and profitability of our business majorly depend on our timely access to, and the costs associated with, raising funds. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Further, our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding at rates lower than the interest rates at which we lend to our customers. Our ability to raise funds on acceptable terms and at competitive rates depends on various factors including our current and future results of operations and financial condition, global and local macroeconomic conditions and the effect of events such as the COVID-19 pandemic, our risk management policies, the shareholding of our Promoter in our Company, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, our net interest margins, income, and market share may be adversely affected.

Certain regulatory developments including the restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non- Banking Financial Companies dated July 1, 2015 (the "Master Circular") may restrict our ability to obtain bank financing for specific activities. Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain activities by NBFCs are ineligible for financing by banks, including certain types of discounting and rediscounting of bills, current and long term investments in shares, debentures, loans and advances by NBFCs to their subsidiaries and group companies, lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market, unsecured loans, inter-corporate deposits provided by NBFCs, and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues or in the form of loans of a temporary nature pending the raising of long-term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-Company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

Changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, or at all, which could adversely affect our liquidity and financial condition.

4. We are affected by volatility in interest rates for both our lending and fund raisings operations, which could cause our net interest income to decline and adversely affect our results of operations and profitability.

A significant component of our revenue is the interest on term loans and other financing activity (net of reversal) we receive from the loans we disburse, which comprised ₹ 173.97 Lakh or 25.89% of our total income of for the Year ended March 31, 2022 and ₹ 60.44 Lakh or 8.87% of our total income for the Financial Year 2021.

Our net interest margins are affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including competition from other banks and NBFCs, the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to funds at a lower cost or lower cost deposits. To the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Further, our ability to pass on any increase in interest rates to borrowers may also be constrained by regulations implemented by the Government or the RBI. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin.

5. **Any inability on our part to effectively utilize the Issue Proceeds could adversely affect our financial results. The objects of the Issue are based on the internal estimates of our management and have not been appraised by any bank or financial institution.**

The funds raised under this Issue will be used to meet our working capital requirement and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities. The objects of the Issue are based on management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financial results. Utilization of Issue proceeds would be disclosed to our Company's shareholders in the manner required under the SEBI LODR Regulations. For further details, please see to the section titled "***Objects of the Issue***" on page no. 53 of this Letter of Offer. Further, certain portion of the Issue Proceeds shall be adjusted towards rights entitlement of promoter against the loans availed from the promoter, for further details please see to "***Objects of the Issue"*** on page 53 of the Letter of Offer and therefore to such extent, our Company will not be able to access and utilize the issue proceeds and accordingly, there will not be a direct cash flow against such objects in our Company.

6. **The risk of non-payment or default by borrowers may adversely affect our financial condition and results of operations.**

We extend MSME loans, retail loans and personal loans which are unsecured i.e., loans without any security. The Company has stopped its gold loan business since 2017. Our risk profile varies with our product offerings and can be summarised as under:
Unsecured Loan

Our Company also provides unsecured loans. Hence, we run the risk of recovery by defaulters. Further, any deterioration in the quality of our borrowers in terms of their financial worth may also expose us to difficulties in timely recovery of interest and principal amount from such borrowers. In the event of such deterioration in our Company's asset portfolio, there could be an adverse impact on our business and our future financial performance. Further, any default in repayment by our borrowers, will result in losses to our Company. While we have been very selective and conservative in our lending policies and are generally satisfying ourselves with credit worthiness and repayment capacities of our borrowers and also have our Collection Teams there can be no assurance that we will be able to timely recover the interest and / or principal of loans advanced by us.

Micro loans / small ticket loans

Our micro loan customers are typically from India's economically weaker communities, with limited sources of income, savings, and credit histories, and who are unable to offer us with any collateral or security for their loans. As a result, our microloans clients have a higher chance of default than our other customers (who may have more financial resources and a longer credit history) and other borrowers living in urban regions with better access to education, career prospects, and social services. Furthermore, we use guarantee procedures to back our loan products, which are often secured by joint liability with co-borrowers. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members in the event of default by any one of them. Further, while we have our own customized due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. As a result, our small ticket loans pose a higher degree of risk than loans secured with physical collateral.

As of March 31, 2022, our Adjusted total loans and advances outstanding were ₹ 1763.69 Lakhs. The table below sets out a breakdown of our Adjusted total loans and advances by business as on March 31, 2022:

(Rs. In lakhs)

Loans	Gross Amount	Provisions	Net Amount
Gold Loan	41.15	-	41.15
Promissory Note Loan	1.88	1.88	-
Property Loans	0.82	0.82	-
Loans to Related Parties	25.69	-	25.69
Loans to Employee	6.16	-	6.16
Personal Loans & Consumer Loans Receivables	687.91	58.72	629.19
Inter Corporate Deposits	1650.00	588.50	1061.50
Total	**2413.61**	**649.91**	**1763.69**

7. As an NBFC, we have to adhere to several regulatory norms prescribed by RBI from time to time. Any non-compliance with such norms or any adverse change in the norms could negatively affect our Company's operations, business, financial condition and the trading price of Equity Shares.

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business. Such approvals, licenses, registrations and permissions must be maintained / renewed over time and we may have to comply with certain conditions in relation to these approvals. Moreover, the applicable requirements may change from time. We are required to obtain and maintain a license for carrying on business as an NBFC. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/ criteria as and when required. Inability to meet the prescribed norms/ criteria, can adversely affect the operations and profitability of our Company.

8. Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.

Our Company has entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying secured loan and unsecured loans, undertake guarantee obligations, which require our Company to obtain prior approval of the lenders for any of the above activities. While we have made applications to all such relevant lenders where we require the consent, one of such consents are pending as on the date of this Letter of Offer from a total of two consents. We have not received the consents sought by our Company from this lender whose loans to our Company aggregated to ₹ 508.96 Lakhs 15.63% of the total borrowings as at March 31, 2022. Undertaking the Issue, which would result in a change in the capital structure of the Company, without such consents would constitutes a breach of covenant under the relevant financing documents, which entitles the respective lender to consider this Issue as an event of default under the loan agreements entered into by our Company with these lenders and may result in, among other things, acceleration of repayment or recall of the amounts outstanding to this Lender and enforcement of the security interest.

We cannot assure you that we will be able to obtain consents from these lenders for undertaking the Issue, nor that, failing which, such lenders will not resort to the actions described herein. The occurrence of any of the events mentioned above can adversely affect our business, results of operations and financial condition.

9. **Our success depends largely on our senior management and our ability to attract and retain our key personnel. Any significant changes in the key managerial personnel, may affect the performance of our Company.**

Our success depends on the continued services and performance of the members of the senior management team and other key employees. Competition for senior and experienced personnel in the industry is intense at present. The loss of the services of senior management or other key personnel could seriously impair our ability to continue to manage and expand our business, which may adversely affect our financial condition.

10. **We have experienced negative cash flows in relation to our operating activities and investment activities in recent years/periods. Any negative cash flows in the future could adversely affect our results of operations and financial condition.**

Our Company has experienced negative cash flows, the details of which are summarized below:

(Amount in ₹ Lakhs)

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Net Cash from operating activities	427.29	(1500.38)
Net cash used in investing activities	(1.68)	61.73
Net cash used in Financing Activities	(433.06)	1421.07

Any negative cash flows in future could adversely affect our Company's results of operation and financial condition. For further details please see the section titled "***Financial Information***" on page no 81 of this Letter of Offer.

11. **If we do not successfully identify, monitor, and manage risks, as well as effectively apply our risk management policies, our business, financial condition, results of operations, and cash flows could suffer materially.**

We have a robust risk management policy. However, our rules and procedures for identifying, monitoring, and managing risks cannot be guaranteed to be completely effective. Some of our risk management strategies are not automated and may be susceptible to human error, and some are based on previous market behavior. As a result, these methodologies may be unable to effectively anticipate future risk exposures, which may be much bigger than those predicted by historical metrics.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. If we fail to effectively implement our risk management policies, it could adversely affect our business, financial condition, results of operations and cash flows.

12. Our Company is subject to periodic inspections by the RBI and our Subsidiary is subject to inspections by the SEBI. Non-compliance with observations made during any such inspections could result in penalties and fines on our Company and/or our Subsidiary and could adversely affect the reputation of the business of our Company and/or our Subsidiary.

Our Company is subject to periodic inspections by the RBI of our Company's books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information, which our Company have failed to furnish when called upon to do so.

The RBI conducts an annual inspection of our Company's books of accounts and other records relating to our financial position every year under Section 45N of the RBI Act. RBI inspections are a regular exercise and are carried out periodically by RBI for banks, financial institutions and NBFCs. For instance, RBI has conducted periodic inspections in the past on various matters addressing our operations and relating to, among other things, our Company's capital adequacy, internal generation of capital, compliance assessment and customer conduct. While our Company has responded to the RBI observations, and has taken steps or is in the process of taking steps to rectify the identified deficiencies, if our Company fails to comply with the RBI's observations or all of the terms and conditions stipulated in the observations, or fails to seek waivers or extensions of time for complying with these terms and conditions, the RBI may take adverse actions against our Company, such as revoking its registration/ licence or placing stringent restrictions on our Company's operations in case of any major non-compliance with RBI guidelines, circulars or notifications, as the case may be. Any major failure to meet the RBI's directions could materially and adversely affect our Company's pending applications or requests with the RBI and our Company's ability to obtain the regulatory permits and approvals required to expand our business, or result in the interruption of all or some of our Company's operations, which could have a material adverse effect on our Company's business, financial condition and results of operations.

Our Subsidiaries (VSL and VCFPL) is subject to inspection by the Stock Exchanges periodically. The Stock Exchanges has conducted annual inspections of VSL and VCFPL in the past and addressed various operational matters, such as, (i) company policies, (ii) compliance with applicable regulatory guidelines and circulars and (iii) other operational matters. While VSL and VCFPL has suitably responded to and complied with these observations from time to time, any significant deficiencies identified by the Stock Exchange that it is unable to rectify to the Stock Exchange's satisfaction could lead to sanctions and penalties.

While no show cause notices have been issued against us by the RBI and SEBI in the past. We cannot assure you that there will be no adverse findings by the SEBI or the RBI in future inspections and that such findings will not have a material adverse effect on our reputation and business.

13. Any regulatory actions and penalties for any past or future non-compliance may adversely affect our business or reputation, or both.

We have to comply with numerous regulatory filings, maintenance of record etc under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulation"), Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 and any other laws and regulation as applicable. We may had failed to comply or maintain certain record as per the applicable law (except compliance of Listing Regulation for preceding one year from the date of filing of Letter of Offer where the Company had duly filed the required documents with Designated Stock Exchange). If any Regulatory come across the non-compliance of the applicable laws they may impose the penalty on the Company. Such penalty may impact the profitability of the Company.

14. The deployment of funds is entirely at our discretion and as per the details mentioned in the section titled 'Objects of the Issue'

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please see to the section titled ***"Objects of the Issue"*** on page 53 of this Letter of Offer.

15. We may have challenges extending our business into new regions and markets both inside and outside of India.

We continue to investigate potential to expand our business into new markets in India as part of our growth strategy. In these new areas, factors such as competition, consumer requirements, regulatory regimes, business practices, and customs may differ from those in our present markets, and our prior market experience may not be applicable to these new markets. A number of Indian states, for example, have passed legislation to control money lending transactions. These statutes set a maximum interest rate that can be levied. Whether NBFCs are compelled to follow the provisions of various state money lending legislation is unclear. Noncompliance with the appropriate money lending statutes carries significant civil and criminal penalties. If it is judicially determined or clarified in law that such statutes apply to NBFCs, our expansion in such states could be hindered.

16. Our borrowers may transfer loan balances to other banks or financial institutions, resulting in a loss of expected interest income expected from such loans.

If interest rates rise, borrowers with variable interest rates on their loans are exposed to increased equated monthly instalments ("EMIs") when the loans' interest rate adjusts upward. Such borrowers may seek to refinance their loans through balance transfer to other banks and financial institutions to avoid increased EMIs that result from an upwards adjustment of the loans' interest rate. Even if interest rates do not increase, our borrowers may seek to transfer loans to banks or other financial institutions that offer lower interest rates. Loan balance transfers result in a loss of interest income expected from such loans over the course of their tenure. All NBFCs and HFCs are prohibited from charging pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers. Even where we are allowed to charge a prepayment penalty, the amount of such penalty will not make up for all of the loss of interest income expected from such loans. Some of our borrowers may be able to find balance transfer options at comparably lower interest rates or other financing alternatives, which could have an adverse effect on our business, results of operations and financial condition.

17. Internal or external fraud, dishonesty, or misconduct by our personnel could have a negative impact on our reputation and financial results.

In cases where customers repay their loans in cash directly to us, we are exposed to the risk of fraud, misappropriation or unauthorised transactions by employees responsible for dealing with such cash collections. While we have procured insurance for cash in safes and in transit and have put in place systems to detect and prevent any unauthorised transaction, fraud or misappropriation by our employees, these measures may not be effective in all cases. In the past, we have been subject to acts of fraud and theft committed by our employees of a non-material nature. However, the amount of fraud was nil in both Fiscals 2022 and 2021. There can be no assurance that such events will not recur in the future. Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our employees, which could adversely affect our reputation and goodwill.

Misconduct by our employees could bind us to transactions that exceed authorised limits or present unacceptable risks, and our employees could conceal unauthorised or unlawful activities from us. Employee misconduct could also involve front running in securities markets or the improper use or disclosure of confidential information or non-compliance with insider trading rules, which could result in regulatory sanctions and serious reputational or financial harm. Any adverse action by SEBI against us could have a material adverse effect on our business and reputation.

It is not always possible to deter fraud or misconduct by employees, and the precautions we have taken and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of fraud or misconduct could adversely affect our reputation, business, results of operations and financial condition.

18. We have availed loans that can be recalled at any time.

As at March 31, 2022, ₹ 126.20 Lakhs that are repayable on demand, which represented 3.88% of our Total Borrowings as at that date. In the event any of these loans are recalled, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. The early recall of any of these loans could have an adverse effect on our financial condition, results of operations and cash flows.

19. Non-receipt of complete Call Money may have an impact of a consequential shortfall in Net Proceeds.

The Call(s) shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call(s) may be revoked or postponed at the discretion of our Board, from time to time. Our Company, at its sole discretion, may send one or more reminders for the Call(s) as it deems fit, and if it does not receive the Call Money as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact our business and our growth plans. For details, see '***Objects of the Issue***' on page 53 of this Letter of Offer.

20. The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.

The World Health Organization declared the 2019 novel coronavirus ("**COVID-19**") outbreak a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020. Governments and municipalities around the world instituted measures to control the spread of COVID-19, including quarantines, shelter-in-place orders, closure of schools, travel restrictions, and closure of non-essential businesses. The COVID-19 pandemic has caused an economic downturn on a global scale, including closure of many businesses and reduced consumer spending, as well as significant market disruption and volatility. A number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19.

The Government of India initially announced a 21-day country-wide lockdown starting on March 25, 2020, which was further extended in several phases with certain modifications and relaxations, till date, and there can be no assurance that such lockdowns will not be extended further on one or more occasions.

Financial markets were volatile during the Financial Year 2020 due to domestic economic slowdown, concerns on fiscal slippage and geopolitical tensions. Weaknesses in overall economic activity also

put pressure on business growth of lenders including NBFCs. The spread of COVID-19 in March 2020, further increased the uncertainties for the financial services sector. While various parts of the world, including India, have commenced calibrated easing of lockdown measures, the effects of the eventual outcome remain uncertain and contingent on the future path of the pandemic and the effectiveness of the measures to counter it.
The impact of the pandemic on our business, operations and future financial performance includes, but are not limited to:

- ***Non-payment or defaults by customers***: Due to economic slowdown caused by the COVID-19, there could be' delays and defaults associated with repayment of advance from customers which may adversely affect our cash flows. Additionally, the lockdown also resulted in a slowdown of initiation of insolvency proceedings by us against defaulted customers which affected our recovery from such customers.

- ***Security***: There was an increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware, and impersonation tactics, resulting from the increase in numbers of individuals working from home.

- ***Productivity***: Inherent productivity, connectivity, and oversight challenges due to an increase in number of individuals working from home may affect our business and results of operations.

21. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

Our Company may retain all our future earnings, if any, for use in the operations, and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate.

22. We require number of approvals, NOCs, licenses in ordinary course of our Business

We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business. Any failure to renew the approvals that will expire, or to failure/delay to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects

23. Our Company's logo is not a registered trademark and we may be unable to adequately protect our trademarks and an inability to protect or use our intellectual property rights may adversely affect our business.

Our Company's logo is not a registered trademark and accordingly, we may not be able to safeguard it from infringement or passing off. Further, we currently own one trademark, OROBORO. We believe that trademarks are important assets to our business. Our ability to attract and retain customers is dependent upon public perception and recognition of the quality associated with the 'Transwarranty Finance Limited'. Our success depends on our ability to maintain the brand image of our existing products and effectively build our brand image for new products and brand extensions. Any damage to our brand could adversely impact the trust placed in the brand and our reputation and cause existing customers or intermediaries to withdraw their business and reconsider doing business with us. Furthermore, negative publicity may result in increased regulation and legislative scrutiny of industry practices as well as increased litigation, which may further increase our costs of doing business by requiring us to make provisions or consider claims under such litigations as contingent liabilities and adversely affect our profitability.

We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. Currently, we do not have any form of intellectual property protection in relation to the designs of our products and consequently do not enjoy the statutory protections accorded to such designs in India and cannot prohibit the use of such designs by anybody by means of statutory protection. Any unauthorized usage by a third party of logo that is being used by us may create confusion in the market as to our identity and/or may have a material adverse effect on our reputation, goodwill, business prospects and results of operation too. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

24. We may be subject to intellectual property disputes, which are costly to defend and could affect our business and operating results.

We may, in the future, face allegations that we have infringed the trademarks, copyrights, patents or other intellectual property rights of third parties, including from our competitors or non-practicing entities, for passing off. Our name and trademarks are significant to our business and operations. We believe that several of our trade names have significant brand recognition in their respective industries. Any adverse decision by the adjudicating authority may prevent us from registering and using such trademarks.

Further, patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering certain products or product features, acquire licenses, which may not be available at a commercially reasonable price or at all, or modify our products, product features, processes or websites while we develop non-infringing substitutes.

25. Your holdings may be diluted by additional issuances of equity by us, which may adversely affect the market price of our Equity Shares.

Any future issuance of our Equity Shares may dilute the holdings of investors in our Equity Shares, which could adversely affect the market price of our Equity Shares. Additionally, sales of a large number of our Equity Shares by our principal shareholder could adversely affect the market price of our Equity Shares. The perception that any such sale may occur could also adversely affect the market price of our Equity Shares.

26. We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents.

A number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers, or both. Although we devote significant resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, our security measures may not provide absolute security. Despite our efforts to ensure the integrity of our systems, it is possible that we may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources, including third parties outside the Company such as persons who are involved with organized crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments.

A successful penetration or circumvention of the security of our systems could cause serious negative consequences, including significant disruption of our operations, misappropriation of our confidential information or that of our customers, or damage to our computers or systems or those of our customers and counterparties, and could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, significant litigation exposure, and affect to our reputation, all of which could have a material adverse effect on us.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches, including any breach of our systems or by persons with whom we have commercial relationships that result in the unauthorized release of customers' or businesses' personal information, could damage our reputation and expose us to a risk of loss or litigation and possible liability.

27. Security breaches of customers' confidential information that we store may harm our reputation and expose us to liability.

We store customers' bank information, credit information and other sensitive data. Any accidental or willful security breaches or other unauthorized access could cause the theft and criminal use of this data. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorized access to customer data, our relationships with customers will be severely damaged, and we could incur significant liability. Further, we engage with certain third-party service providers, and although our contracts with them restrict the usage of client data and impose protective precautions, there can be no assurance that they will abide by such contractual terms or that the contracts will be found to be in compliance with data protection laws.

28. If any new financing products we launch are unsuccessful, it could affect our reputation and adversely affect our results of operations.

As part of our growth strategy, we may from time to time introduce new project or business finance products. We may incur substantial costs in the future in connection with the expansion of our financing product portfolio and there can be no assurance that such new products will be successful once they are offered. In the event that such new products are not commercially successful or provide the return on investment expected, we may lose any or all of the investments that we have made in developing and promoting such products, and, consequently, our reputation and results of operations may be adversely affected.

29. For credit evaluation and risk management, we rely on the accuracy and completeness of information concerning borrowers and counterparties. Any misrepresentation, inaccuracies, or omissions in such material could have a negative impact on our business and financial results.

We rely on information provided to us by or on behalf of borrowers when evaluating whether to provide credit or engage in other transactions with clients (including in relation to their financial transactions and past credit history). We may also depend on borrowers' assurances about the accuracy and completeness of the information. For ascertaining the creditworthiness and encumbrances on collateral, we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation on the part of our customers or employees. In addition, customers may misrepresent information in the loan application forms including in relation to the intended end use of the loans and may apply the loans disbursed for end uses different from those mentioned in the loan application form. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

There may be relatively less financial and credit information available on retail and rural individual borrowers, micro, small and medium enterprises and in relation to the possibility of double-financing obtained by any such clients, than may have been available in a more developed economy, and the availability of such financial and credit information in India may be considered to suffer from an absence of competitive pressure at present.

30. Any failure or severe weakness in our internal controls system could result in operational errors or fraud, affecting our profitability and reputation materially and negatively.

We have appropriate internal controls that are commensurate with the size and complexity of our operations. Our internal control procedures are equipped to conduct continuing assessments of the sufficiency and effectiveness of internal controls to ensure that business units follow our internal risk policies, compliance requirements, and internal circular guidelines. While we test and update our internal controls systems on a regular basis, we are nevertheless susceptible to operational risks deriving from the potential inadequacy or failure of internal processes or systems, and our measures may not be enough to ensure effective internal controls in all instances.

Our management information systems and internal control procedures for monitoring our operations and overall compliance may not catch every instance of non-compliance or suspicious transaction. If internal control deficiencies are discovered, our actions may not be sufficient to remedy the situation. We encounter operational risks and there may be losses as a result of internal control system failures or shortcomings. Deal errors, pricing problems, erroneous financial reporting, fraud, and the loss of essential systems and infrastructure may all result from failures in our internal controls systems. Such incidents may have a negative impact on our reputation, business, and operational outcomes. Internal control failures or material deficiencies can also lead to fraud situations. There can also be no assurance that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations and financial condition.

31. Our insurance coverage may not adequately protect us against losses.

We keep insurance coverage that we believe is sufficient for our activities. Our insurance policies, on the other hand, may not provide appropriate coverage in some situations and are subject to deductibles, exclusions, and policy limits. We cannot, however, guarantee that the terms of our insurance policies will be adequate to cover any damage or loss we incur, that such coverage will continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, or that the insurer will not deny coverage for any future claim.

32. Our inability to completely and timely detect money laundering and other illicit actions may expose us to extra responsibility and affect our business and reputation.

In India, we must follow all applicable anti-money laundering ("AML") and anti-terrorism laws and regulations. We bear the risk of failing to follow the statutory know your customer ("KYC") requirements, as well as fraud and money laundering by dishonest customers, in the ordinary course of our business. Despite having internal rules, processes, and controls in place to prevent and identify any AML activity and maintain KYC compliance, we cannot guarantee that we will be able to entirely manage instances of any possible or attempted violation. Any failure or ineffectiveness of our control system to detect such activities completely and immediately may subject us to regulatory action, including fines and penalties, and have a negative impact on our business and reputation.

33. As we expand our lending business, we may encounter asset-liability mismatches, which might negatively impact our cash flows, financial condition, and results of operations.

As we expand our lending operations, we may encounter liquidity concerns due to mismatches in the maturity of our assets and obligations. If we are unable to obtain additional borrowings or renew our existing credit facilities in a timely and cost-effective manner, or at all, for matching tenures of our loan portfolio, it may result in mismatches between our assets and liabilities, which could harm our cash flows, financial condition, and results of operations.

34. Failure to stay up with technological changes, as well as the uses and regulation of the internet, might be detrimental to our Company.

The industry of delivering finance products and services via a mobile app or the internet is dynamic and fresh. We must keep up with changing technical breakthroughs, customer and small Company usage habits, internet security threats, system failure or inadequacy hazards, and governmental regulation and taxation, all of which could have a negative influence on our firm.

35. If we are unable to adequately react to such developments, decreased demand for loans as a result of higher savings or income could result in a loss of revenues or a fall in profitability.

The demand for loan products in the markets we serve could fall as a result of a variety of factors, including regulatory restrictions that limit customer access to specific products, the availability of competing or alternative products, or changes in customers' financial circumstances, such as increases in income or savings. A shift in focus from borrowing to saving would also lessen demand. Our revenues could be severely reduced if we fail to adjust to a significant change in our clients' desire for, or access to, our financing products. Customers may refuse or reject products whose changes make them less appealing or less available, even if we make adjustments or launch new products to meet customer demand.

36. We have not commissioned an industry report for the disclosures made in the section titled 'Our Industry' and made disclosures based on the data available on the internet and such third-party data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled '***Our Industry'*** beginning on page 66 of this Letter of Offer. We have made disclosures in the said section based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context

EXTERNAL RISK FACTORS

37. Other financial institutions or the Indian financial sector as a whole may have difficulties, which could hurt our operations.

We are exposed to risks as a result of our involvement in the Indian financial system. Financial troubles and other issues confronting Indian financial institutions may have an impact on this sector. Several Indian financial institutions have had problems in recent years, and certain banks have also had major financial and liquidity problems. Any significant problem or volatility in the Indian financial system could lead to a negative market perception.

38. The We are subject to regulatory, economic, social, and political uncertainties and other factors beyond our control.

We are incorporated in India, and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability, and other political and economic developments affecting India.

39. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

Indian law has restrictions that could delay, dissuade, or prevent a future takeover or change of control of our Company. An acquirer is defined under the Takeover Regulations as anyone who, directly or indirectly, acquires or agrees to acquire shares, voting rights, or control over a firm, whether acting alone or in collaboration with others. Although these measures have been drafted to safeguard the interests of investors and shareholders, they may also deter a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

40. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or conflict could have a negative impact on the Indian markets, where our equity shares will trade, as well as on global financial markets. These actions may also lead to a loss of Company trust. Furthermore, any worsening in ties between neighbouring nations could raise investor concerns about regional stability, lowering the market price of our Equity Shares. India has seen civil unrest, and future civil unrest, as well as other undesirable social, economic, and political events in India, may have a detrimental impact on us.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares. Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer. India has experienced natural calamities such as earthquakes, a tsunami, floods.

41. Substantial competition could harm our financial performance.

We face substantial competition in each of the markets we serve. The market for selling financial services including online brokerage services, on the Internet is new, rapidly evolving and intensely competitive. The market for retail distribution of personal financial products is equally competitive. We expect competition in each of the market we service to continue and intensify in the future. An increase in competition and number of competitors could adversely impact our market share and in turn our profitability.

42. Companies operating in India are subject to a variety of taxes and surcharges imposed by the central and state governments.

Income tax and indirect taxes on goods and services, such as the goods and services tax ("GST"), surcharge, and cess currently collected by the central and state governments, which are introduced on a temporary or permanent basis from time to time, are among the taxes and other levies imposed by the central and state governments in India that affect our tax liability.

The corporate income tax may be changed in the future by the federal or state governments. Any future increases or revisions could have a substantial impact on the overall tax efficiency of Indian businesses and result in significant higher taxes being owed.

GST took effect on July 1, 2017, and it replaced the central and state governments' indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge, and excise. As a result of the higher registration and form filing requirements, GST has increased administrative compliance for businesses. The consequential effects on us cannot be determined at this time because the taxation system is relatively new and could be subject to further amendments in the near future for the purpose of streamlining compliance, and there can be no assurance that such effects would not adversely affect our business and future financial performance.

43. Changes in rules promulgated by the Securities & Exchanges Board of India, the various Indian stock exchanges and other self-regulatory organizations; and changes in the interpretation or enforcement of existing law and rules may adversely impact our and our subsidiaries business.

The Financial Services and Capital Market industry in the India is subject to extensive regulation. Brokers, NBFCs and Merchant Banks are subject to regulations covering all aspects of the securities business. Our subsidiary companies ability to comply with all the applicable laws, rules, regulations and bye-laws of SEBI, the stock exchanges etc is largely dependent on their internal compliance procedures, as well as their ability to attract and retain qualified compliance personnel. They could be subject to disciplinary or other actions in the future due to claimed noncompliance, which could have an adverse effect on their and our business, financial condition and operating results.

44. The Indian taxation structure may have a negative impact on our business, financial position, cash flows, and operating results.

The regulations relating to the General Anti-Avoidance Rules ("GAAR") were first established in the Finance Act 2012, and they have been in effect since April 1, 2017. The GAAR provisions intend to catch arrangements declared as “impermissible avoidance arrangements”, which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not normally created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes. The tax consequences of the GAAR could result in denial of tax benefits and other consequences, and if the GAAR is made applicable to us, it may have an adverse tax impact on us. Any increases in or amendments in the tax applicable to us due to the GAAR may result in additional taxes becoming payable by us.

45. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms or at all.

46. Our Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI, or any other government agency can be obtained on any particular terms or at all.

RISKS RELATING TO THE EQUITY SHARES AND THIS ISSUE

47. SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '***Terms of the Issue'*** on page 209 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely being "**LIIPL TRANSWARRANTY FINANCE RIGHTS 2022 ESCROW DEMAT ACCOUNT**") opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:

- Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- Equity Shares held in the account of IEPF authority; or
- The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- Credit of the Rights Entitlements returned/reversed/failed; or
- The ownership of the Equity Shares currently under dispute, including any court proceedings

48. Holders of our Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a Company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

49. Investors shall not have the option to receive Right Shares in physical form.

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Right Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

50. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Following the Issue, we will be subject to a daily "circuit breaker" imposed by stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock exchange may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

Furthermore, prior trading prices may not be indicative of future trading values for the Rights Equity Shares. A stock exchange may halt secondary market trading in our Equity Shares due to market conditions or other reasons. Furthermore, an exchange or market may close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, all of which may have an adverse impact on our Shareholders' ability to sell their Equity Shares or the price at which Shareholders may be able to sell their Equity Shares at any given time.

51. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

52. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have in the past experienced substantial fluctuations in the prices of the listed securities. The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, the performance of our competitors, developments in the Indian and global real estate industry, changing perceptions in the market about investments in this sector in India, investor perceptions of our results of operations and future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares. The governing bodies of the Indian stock exchanges have from time-to-time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

53. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian Company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹1 lakh arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax (STT), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. The Government has announced the union budget for the Fiscal 2023, pursuant to which the Finance Bill, 2022, which proposes various amendments, has been introduced before the Parliament. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

54. Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading our Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for our Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that our Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

55. Investment in Rights Equity Shares is exposed to certain risks. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Furthermore, the Rights Equity Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, as determined from time to time, at its sole discretion, by our Board or its Securities Issue Committee. The holders of the Rights Equity Shares will not be able to trade in these securities until they are credited to the holders' account as fully paid-up. Furthermore, until the subsistence of Rights Equity Shares, we may not be able to undertake certain forms of equity capital raising.

The Issue Price is ₹10.00 per Rights Equity Share. Investors will have to pay ₹3 per Rights Equity Shares which constitutes 30% of the Issue Price on Application and the balance ₹7 per Rights Equity Shares which constitutes 70% of the Issue Price on one or more subsequent Call(s), as determined from time to time, at its sole discretion, by our Board or its Securities Issue Committee. The Rights Equity Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Equity Shares. This may affect the liquidity of the Rights Equity Shares and restrict your ability to sell them. If our Company does not receive the Call Money from the Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made, in accordance with the Companies Act, 2013 and our Company's Articles of Association. For details, see "***Terms of the Issue***" on page 209.

Rights Equity Shareholders are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll) by investors shall also be proportional to such investor's share of the paid-up equity capital of our Company. If certain investors do not pay the full amount, we may not be able to raise the amount proposed under this Issue. The ISIN representing partly paid-up Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call in respect of the partly paid-up Rights Equity Shares, such partly paid-up Rights Equity Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for the final Call would be sent. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Equity Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these shares until they are credited to the holders' account as fully paid-up Rights Equity Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Rights Equity Shares would be suspended under the applicable law.

Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Equity Shares to fall and may limit ability of Investors to sell the Rights Equity Shares. There may also be a risk of the Rights Equity Shares not forming part of the index. Further, until the subsistence of Rights Equity Shares, we cannot undertake further rights issues, further public offers or bonus issues. In terms of Regulations 62 and 104 of the SEBI ICDR Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law until the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI ICDR Regulations.

56. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and the Eligible Equity Shareholders will not receive any consideration in respect thereof. The proportionate ownership and voting interest in our Company of the Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. The Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

57. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, the Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political, or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of our Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase the Rights Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicant's ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

58. Our Company will not distribute the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other Issue related materials to certain categories of overseas Equity Shareholders.

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. However, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

59. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue Additional Rights Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future;

60. Overseas shareholders may not be able to participate in our Company's future rights offerings or certain other equity issues.

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for Additional Rights Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company may not offer such rights (including their credit) to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for our Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act and the U.S. Investment Company Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

61. Independent of our operating results, fluctuations in the exchange rate between the Rupee and the US Dollar could have a negative impact on the value of our Equity Shares.

On the stock exchanges, our Equity Shares are quoted in Rupees. Any dividends paid on our Equity Shares will be paid in Rupees and then converted to US Dollars as needed for repatriation. Any negative movement in exchange rates during the time it takes to complete the conversion could affect the net dividend paid to investors in the investor's domicile currency. Furthermore, any adverse movement in exchange rates during the time it takes to repatriate the proceeds from a sale of equity shares outside India.

62. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares

In accordance with applicable laws and regulations and the requirements of the Stock exchange, in principle and final approvals for listing and trading of the Right Shares issued pursuant to this Issue will not be applied for or granted until after the Right Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Right Shares to be submitted. Accordingly, there could be a delay in listing the Right Shares on the stock exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Right Shares allotted to the Investors to their depository participant accounts or assure ownership of such Right Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Right Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please see to the section titled 'Terms of the Issue' beginning on page 209 of this Letter of Offer.

63. The assigned Equity Shares may not be deposited to your demat account in a timely way, and they will not be able to be traded until the listing and trading approval is received, if at all.

The Equity Shares you buy in the Issue may not be credited to your depository account with the depository participants for up to 15 days after the Issue Closing Date. Only once you have received the listing and trading authorisation for such Equity Shares can you begin trading them. There is no guarantee that the Equity Shares assigned to you will be credited to your demat account or that trading in the Equity Shares will begin within the stipulated time period, exposing you to market risk during that time period.

SECTION III – INTRODUCTION
THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board of Directors on February 14, 2022 and May 26, 2022 pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been approved by the Rights Issue Committee at their meeting held on October 26, 2022.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in "***Terms of the Issue***" beginning on page 209 of this Letter of Offer.

Rights Equity Shares being offered by our Company	Up to 2,44,60,568 Rights Equity Shares
Rights Entitlement	1(one)) Rights Equity Share for every 1(one)) fully paid-up Equity Share(s) held on the Record Date
Record Date	November 04, 2022
Face value per equity share	₹ 10.00/- each
Rights Price (Issue Price) per equity share	₹ 10 per Equity Share
Dividend	Such dividend as may be declared by our Board and our shareholders, as per applicable law
Issue Size (Rights Size)	Up to ₹ 2446.06 Lakhs #*To be adjusted as per the Rights Entitlement ratio*
Equity Shares subscribed, paid–up and outstanding prior to the Issue	2,44,60,568 (Two Crore Forty-Four Lakhs Sixty Thousand Five Hundred and Sixty-Eight Only) Equity Shares. For details, see "***Capital Structure***" beginning on page 48 of this Letter of Offer
Equity Shares subscribed, paid–up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Up to 48,921,136* Equity Shares #*Assuming full subscription and receipt of all Calls Monies with respect to the Rights Equity Shares*
Security codes for the Equity Shares	**ISIN:** INE804H01012 **NSE Code:** TFL **BSE Scrip ID:** TFL and **BSE Code:** 532812
ISIN for Rights Entitlements	INE804H20012
ISIN For Partly Paid up Shares	IN9804H01010
Terms of the Issue	For details, see "***Terms of the Issue***" beginning on page 209 of this Letter of Offer
Use of Issue Proceeds	For details, see "***Objects of the Issue***" beginning on page 53 of this Letter of Offer

Terms of Payment **(Amount in ₹)**

Amount Payable per Right Equity Share	Face Value	Premium	Total
On Application	3	Nil	3
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time*	7	Nil	7
Total	**10**	**Nil**	**10**

*For details in relation to fractional entitlements, see "**Terms of the Issue – Fractional Entitlements**" beginning on page 197* of this Letter of Offer.

GENERAL INFORMATION

Our Company was incorporated and commenced its business on August 09, 1994 as "Trans Warranty Finance Limited" under the Companies Act, 1956. Consequently, the name of our Company was changed to "Transwarranty Finance Limited" and fresh certificate of incorporation upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai dated July 8, 2005. Our Company is a non-deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI to carry on the NBFC activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-13.00971.

Through the Initial Public Offering, the Equity Shares of our Company were listed on BSE Limited and The National Stock Exchange of India Limited vide their listing approvals dated February 26, 2007.

Our Company is promoted by Kumar Nair, having an experience of over 30 years in the financial sector.

REGISTERED OFFICE AND CORPORATE OFFICE OF OUR COMPANY
403, Regent Chambers,
Nariman Point, Mumbai – 400021
Email Id: companysecretary@transwarranty.com
Website: www.transwarranty.com
Tel: 022 22047965
Fax: 022 66306655
Registration No.- 080220

REGISTRAR OF COMPANIES,
RoC- Mumbai
100, Everest, Marine Drive,
Mumbai-400002, Maharashtra.

COMPANY SECRETARY & COMPLIANCE OFFICER
Suhas Borgaonkar
403, Regent Chambers, Nariman Point, Mumbai – 400021
Email Id: : companysecretary@transwarranty.com
Website: www.transwarranty.com
Tel: 022 22047965

DESIGNATED STOCK EXCHANGE
BSE Limited located at P. J. Towers, Dalal Street, Fort, Mumbai 400 001, Maharashtra, India is the Designated Stock Exchange for the proposed Rights Issues of the Company.

The details of Intermediaries are as follows:

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
FEDEX SECURITIES PRIVATE LIMITED 3rd Floor, B Wing, Jay Chambers, Dayaldas Road , Vile Parle (E), Mumbai – 400 057, Maharashtra, India **Tel No.**: +91 81049 85249 **E-mail**: mb@fedsec.in **Website**: www.fedsec.in **Contact Person**: Saipan Sanghvi **SEBI Registration Number**: INM000010163 **Investor Grievance E-Mail**: mb@fedsec.in	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st Floor, 247 Park, L. B. S. marg, Vikhroli (West), Mumbai, Maharashtra 400083 Tel.No: 022- 4918 6200 / 810 811 4949 E-mail Id: transwarranty.rights@linkintime.co.in Investor grievance: transwarranty.rights@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sumeet Deshpande SEBI Registration No: INR000004058
STATUTORY AUDITOR	**LEGAL ADVISOR**
S.S. KHAN & CO. Chartered Accountants	**BGK LAW ASSOCIATES** Advocates & Legal Advisors

24, 1st Floor, 5 Malharraowadi, Dadi Seth Agiary Lane, Kalbadevi, Mumbai - 400 002. Tel No: +91-22 22402944 Email Id: sskneo786@gmail.com Contact Person: Sarfaraz Khan Membership No.-144212 Firm Registration No.: 133324W Peer Review Certificate*	405, Regent Chambers, J. B. Marg, Nariman Point, Mumbai- 400021 Tel No: +91 9821215888 Email Id: bgk@bgklawassoclates.co.in Contact Person: B. Gopalkrishnan Bar Council Registration No.: MAH/928-C/1976
BANKERS TO THE ISSUE	
ICICI Bank Capital Market Division, 5st Floor, 163, HT Pareskh Marg, Backbay Reclamation, Churchgate, Mumbai - 400020 Tel No: 022-68052185 Fax Number: 022-22611138 Email Id: amandeeparora@icicibank.com Website: www.icicibank.com Contact Person: Mr. Amandeep Arora SEBI Registration No.: INBI00000004	

**Auditor has made application for renewal.*

#Our Company has not received the consent from South Indian Bank and CSB Bank to include their name in Letter of Offer as the Bankers to the Company.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement.

For details on the ASBA process, see "***Terms of the Issue***" beginning on page 209 of this Letter of Offer.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks ("SCSBs")

The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of SEBI on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details of the Designated Branches of SCSBs collecting the Application Forms, please see to the above-mentioned SEBI link.

Registrar to The Issue and Share Transfer Agents ("RTA")

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI (www.sebi.gov.in), and updated from time to time. For details on RTA, please refer http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Registered Brokers

SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the NSE at www.nseindia.com and BSE at www.bseindia.com respectively, as updated from time to time.

Collecting Depository Participants ("CDP")

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Fedex Securities Private Limited being sole Lead Manager to this Issue, all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

CREDIT RATING

This being a Rights Issue of Equity Shares, credit rating is not required.

DEBENTURE TRUSTEES

Since this is not a debenture issue, appointment of debenture trustee is not required.

MONITORING AGENCY

As per Regulation 60 of SEBI ICDR Regulations, the issue size is not exceeding Rs. 5000 Lakhs, therefore appointment of monitoring agency is not applicable to this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

UNDERWRITING

This Right Issue is not underwritten.

FILING

Thee Draft Letter of Offer was filed with the Stock Exchanges i.e., BSE Limited and The National Stock Exchanges of India Limited to obtain In-Principle approval. The letter of Offer shall be submitted with Stock Exchanges and SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Draft Letter of Offer / Letter of Offer to the e-mail address: cfddil@sebi.gov.in .

MINIMUN SUBSCRIPTION

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:
(i) Object of the Issue being other than capital expenditure for a project; and
(ii) Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and
(iii) will not renounce rights except to the extent of renunciation within the promoter group.

Therefore, minimum subscription clause is not applicable and the size of the issue will stand reduced to the extent of the Rights Issue subscribed.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for Trading of Rights Entitlements	November 14, 2022
Issue Opening Date	November 15, 2022
Last Date for On Market Renunciation of Rights Entitlements#	November 23, 2022
Issue Closing Date*	November 29, 2022
Finalization of Basis of Allotment (on or about)	December 07, 2022
Date of Allotment (on or about)	December 07, 2022
Date of credit (on or about)	December 14, 2022
Date of Trading Approval (on or about)	December 14, 2022

Note:
#Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;

**Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., November 29, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., November 29, 2022 .

*Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, please see to the section titled '**Terms of the Issue**' beginning on page 209 of this Letter of Offer.*

*The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at https://linkintime.co.in/ after keying in their respective details along with other security control measures implemented there at. For further details, please see to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled '**Terms of the Issue'** beginning on page 209 of this Letter of Offer.*

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CAPITAL STRUCTURE

The Share Capital of our Company as on the date of this Letter of Offer and after the proposed Issue is set forth below:

(Amount in ₹ Lakhs, except the share data)

Sr. No.	Particulars	Aggregate value at	
		Face value	Issue Price
1	**AUTHORISED SHARE CAPITAL**		
	5,10,00,000 Equity Shares of face value of ₹ 10.00/- each	5100.00	-
2	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**		
	2,44,60,568 fully paid-up Equity Shares of face value of ₹ 10.00/- each	2446.06	-
	PRESENT ISSUE IN TERMS OF THE LETTER OF OFFER (*)		
	Up to 2,44,60,568 Partly paid up Equity shares of face value of ₹ 10.00/- each at a price of ₹ 10.00/- per Equity Share**	Upto 2446.06	Upto 2446.06
3	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE (#)**		
	2,44,60,568 fully paid-up Equity Shares of face value ₹ 10.00/- each	2446.06	2446.06
	Upto 2,44,60,568 Partly Paid up Equity Shares of face value of ₹ 10.00/- each (₹ 3.00/- Partly Paid)#	733.83	733.83
	Securities Premium Account		
	Before – Issue i.e. As on March 31, 2022	Nil	-
	After all the Calls are made in respect of Rights Equity Shares***	Nil	-

**The present Issue has been authorised by the Board of Directors of vide a resolution at its meeting held on February 14, 2022 and May 26, 2022.*
***On Application, Investors will have to pay ₹ 3 per Rights Equity Share which constitutes 30 % of the Issue Price and the balance ₹ 7 per Rights Equity Share which constitutes 70 % of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion*
**** Assuming full payment of all Calls by holders of Rights Equity Shares*
 # Assuming full subscription for and allotment of the Rights Entitlement. Please note that the Payment Schedule and the right to call up the remaining paid-up capital in one or more calls will be as determined by our Board at its sole discretion.

Confirmations

1. No Equity Shares of our Company held by our Promoters are locked in, pledged & encumbered.

2. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. The Rights Equity Shares, when issued shall be partly paid up. For details on the terms of this Issue, see "***Terms of the Issue***" on page 209 of this Letter of Offer.

3. No Equity Shares were acquired by the Promoter and Promoter Group in the last one year immediately preceding the date of filing of this Letter of offer.

4. As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares;

5. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue and the participation of our Promoter and members of our Promoter Group in the Issue, as specified above, shall not result in a breach of the same.

6. Our Company shall ensure that any transaction in the Equity Shares by the Promoter and the Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

7. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

8. At any given time, there shall be only one denomination of the Equity Shares of our Company, unless otherwise permitted by law.

Details of Employee Stock Option:

Our Company has formulated two ESOP Schemes namely, (i) ESOP 2019 pursuant to special resolution passed by shareholders in their Annual General Meeting held on September 27, 2019 and (ii) ESOP (collectively, "the ESOP Schemes"). The purpose of the ESOP Schemes is to motivate talent in the organisation with the view to achieve long term business goals, to retain key talent in the organisation and to foster ownership and financial motivation.

The following table set forth the details in respect of the ESOP Schemes as on July 15, 2022.

Sr. No.	Particulars	Number of Options	
		ESOP 2019	ESOP 2008
1.	Total Number of options	25,00,000	10,00,000
2.	Total Number of Options Granted	24,99,728	13,73,000
3.	Options Vested	7,88,131	3,94,433
4.	Options Exercised	NIL	21,015
5.	Options Lapsed or forfeited or cancelled	6,10,287	9,78,567
6.	Total Number of Options outstanding	11,01,310	NIL

Intention and extent of participation by our promoter and promoter group:

Pursuant to the letter dated November 06, 2022, our Promoter and members of the Promoter Group, has undertaken that they will (a) subscribe, jointly and / or severally to the extent of their Rights Entitlements; (b) subscribe, jointly and / or severally to the extent of any Rights Entitlement that may be renounced in favour by any other Promoters or Member(s) of the Promoter Group of our Company; (c) that they shall not renounce their Right Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations; and (d) at their sole discretion, apply for and subscribe to additional Rights Equity Shares, and any such subscription for Rights Equity Shares shall be over and above their Rights Entitlement.

The aforementioned subscription of Rights Equity Shares and Additional Rights Shares by our Promoter, if allotted shall not result in a change of control of the management of our Company and shall not result in an obligation on our Promoter to make an open offer to the public shareholders of our Company in terms of the SEBI Takeover Regulations. Further, as on the date of this Letter of Offer, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

Ex-Rights price per Equity Share

The ex-rights price per Equity Share as per Regulation 10(4)(b)(ii) of the SEBI Takeover Regulations is ₹10.15. The ex-rights price per Equity Share has been calculated assuming full subscription to the Issue.

Shareholding pattern

Set forth below is the shareholding pattern of our Company as September 30, 2022 in accordance with Regulation 31 of the SEBI Listing Regulations:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid up equity shares held (IV)	No of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
								No of voting Right	Total as % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
À	Promoter and Promoter Group	8	1,31,14,927	Nil	Nil	1,31,14,927	53.62	1,31,14,927	53.62	Nil	1,31,14,927	Nil	Nil	Nil	Nil	1,31,14,927
B	Public	5644	1,13,45,641	Nil	Nil	1,13,45,641	46.38	1,13,45,641	46.38	Nil	1,13,45,641	Nil	Nil	Nil	Nil	1,13,12,898
C	Non-Promoter Non-Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C1	Shares Underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C2	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid up equity shares held (IV)	No of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
								No of voting Right	Total as % of (A+B +C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
	Total (A+B+C)	5,652	2,44,60,568	Nil	Nil	2,44,60,568	100.00	2,44,60,568	100.00	Nil	2,44,60,568	Nil	Nil	Nil	Nil	2,44,27,825

Source: *www.bseindia.com and www.nseindia.com*

1. Shareholding Pattern of our Company

(i) The details of the shareholding pattern of our Company as on September30, 2022 can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/transwarranty-finance-ltd/tfl/532812/shareholding-pattern and on the website of NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=TFL&tabIndex=equity.

(ii) The details of shareholders of our Company holding 1% or more of the paid-up capital as on September 30, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpdrPercnt.aspx?scripcd=532812&qtrid=115.00&CompName=TRANSWARRANTY%20FINANCE%20LTD.&QtrName=September%202022&Type=TM and on the website of NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=TFL&tabIndex=equity.

(iii) The details of the Equity Shares held by our Promoter and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532812&qtrid=115.00&QtrName=September%202022 and on the website of NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=TFL&tabIndex=equity.

The list of shareholders holding 1% or more of the paid-up capital of our Company is as under as on September 30, 2022:

Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)
Kumar Nair	1,27,08,694	51.95
Kumar Nair - Trustee of TFL, TCCPL and TFCPL Merger Trust.	52,25,000	21.36
Vinco Sales And Services Pvt. Ltd.	6,60,270	2.69
Sterling Biotech Limited	5,38,124	2.20
Raju Bhandari	3,04,419	1.40
Nair Leena Kumar	2,67,473	1.09
Ramachandran Unnikrishnan	2,66,909	1.09

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue are proposed to be utilised by our Company for the following objects *(collectively referred to as "Objects")*:

1. Meeting working capital requirements;
2. Adjustment of Unsecured Loans against the Entitlement of the Promoters; and
3. General corporate purposes

The main objects and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

NET PROCEEDS

The details of the proceeds of the Issue are summarised in the table below:

(₹ In lakhs)

Particulars	Estimated Amount
Gross Proceeds from the Issue*#	2446.06
Less: Adjustment of Unsecured Loans against the Entitlement of the Promoters	370.20
Less: Issue Related Expenses#	45.00
Net Proceeds	**2030.86**

**Assuming full subscription and Allotment of the Rights Entitlement*
 # To be finalised upon determination of the Issue Price and updated in the Letter of Offer prior to filing with the Stock Exchanges

As on October 21, 2022 one of our Promoter Shareholder namely Kumar Nair has lent an unsecured loan to our Company, in compliance with applicable laws, aggregating to ₹ 530.20 Lakhs for the purpose of working capital requirements and general corporate purposes of the Company (*As certified by S.S Khan & Co., Chartered Account, statutory auditor of the Company*). Kumar Nair has requested the Company to adjust the outstanding unsecured loan aggregating upto to ₹370.20 Lakhs against his entitlement including Rights Entitlements renounced by any of the Promoter and members of the Promoter Group in favour of him, including additional subscription, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957.

Utilization of Net Proceeds and schedule of implementation and deployment

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(₹ In Lakhs)

Particulars	Amount to be funded from Net Proceeds#	Estimated utilisation of Net Proceeds in FY 2022-23#	Estimated utilisation of Net Proceeds in FY 2023-24#
Meeting incremental working capital requirements#	1497.72	563.76	933.96
General corporate purposes *	533.14	533.14	-
Total Net Proceeds**	**2030.86**	**1090.90**	**933.96**

**To be finalised upon determination of Issue Price and updated in the Letter of Offer. The amount shall not exceed 25% of the Gross Proceeds.*
***Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*
#rounded off to the nearest thousandths place

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment, interest or exchange rate fluctuations, taxes and duties, working capital margin and other external factors which may not be within the control of our management.

This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards issue expense is lower than the stated above, the balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial years towards the aforementioned objects

The above fund requirements are based on our current business plan, internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see *"**Risk Factors - Any inability on our part to effectively utilize the Issue Proceeds could adversely affect our financial results. The objects of the Issue are based on the internal estimates of our management and have not been appraised by any bank or financial institution.**" beginning* on page no. 24 of this Letter of Offer.

DETAILS OF THE OBJECTS OF THE ISSUE

1. Meeting working capital requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, networth, financing from various banks and financial institutions, NCDs, unsecured loans from body corporates, Directors & shareholders. As on March 31, 2022, the amount outstanding on our Company's fund based working capital facilities was ₹ 989.98 Lakhs, as per Financial Statements.

Basis of estimation of working capital requirement

Details of Company's working capital, on the basis of Audited Financial Information, as at March 31, 2022, March 31, 2021 and March 31, 2020 and source of funding of the same are provided in the table below:

(₹ In lakhs)

Sr No	Particulars**	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
I	**Current assets**			
	Inventories	-	7.23	7.23
	Trade receivables	545.76	550.67	547.06
	Cash and Bank balance	8.99	16.44	34.02
	Other Current Assets	1,951.26	2,011.67	295.66
	Total Current Assets (A)	**2,506.01**	**2,586.01**	**883.97**
II	**Current liabilities**			
	Trade payables	40.75	33.23	34.25
	Other Current Liabilities	1,453.83	1,300.84	1,033.11
	Short Term Provisions	-	-	-
	Total current liabilities (B)	**1,494.58**	**1,334.07**	**1,067.36**
	Net working capital (A – B)	**1,011.42**	**1,251.94**	**(183.39)**
III	**Sources of Working Capital**			
	Short term Borrowings	870.78	815.05	-
	Other Sources (Debt Securities)	14.44	226.05	-
	Inter Corporate Deposits	126.20	121.20	-
	Issue Proceeds/ Own Capital	**-**	89.64	-
	Total	**1,011.42**	**1,251.94**	**-**

**Comprises finances through internal accruals and short term borrowings, which have been deployed largely in past 2 years.*
***As certified by M/s. S.S. Khan & Co., Chartered Accountant by way of their certificate dated August 02, 2022 bearing UDIN: 22144212AOAVCB6434*

For further details, please see to *"**Financial Statement**"* on page 81.

Expected working capital requirements

On the basis of our existing working capital requirements and proposed working capital requirements for the Financial Year ended March 31, 2023 and March 31, 2024 together with the assumptions and justifications for holding levels, and the proposed funding of such working capital requirements, as set forth below:

(₹ In lakhs)

Sr. No	Particulars	As at March 31, 2023 (Estimated)	As at March 31, 2024 (Estimated)
I	**Current assets***		
	Inventories	-	-
	Trade receivables	573.10	601.75
	Cash and Bank balance	50.88	142.90
	Other Current Assets	5,238.16	7,561.21
	Loans	-	-
	Current Tax Assets	-	-
	Total Current Assets (A)	**5,862.14**	**8,305.86**
II	**Current liabilities***		
	Trade payables	44.24	46.45
	Other Current Liabilities	876.47	879.00
	Overdraft	-	-
	Current portion of Debt Securities	-	-
	Total current liabilities (B)	**920.71**	**925.45**
	Net working capital (A – B)	**4,941.43**	**7,380.41**
III	**Sources of Working Capital**		
	Borrowings	3,086.50	3,989.40
	Funding through Promoter's Right Entitlement already brought in	370.20	-
	Issue Proceeds	563.76	933.96
	Internal Accruals	920.97	2475.05
	Total	**4,941.43**	**7,380.41**

#Certified by M/s. S.S. Khan & Co., Chartered Accountant, pursuant to their certificate dated September 28, 2022
Our Company proposes to utilize upto ₹ 1497.72 Lakhs from the Net Proceeds towards funding our working capital requirements. In addition to the Net Proceeds, our Company expects that the funding pattern for working capital requirements for Fiscals 2023 and Fiscal 2024 will comprise of borrowings and internal accruals.

The table below contains the details of the assumptions considered and is derived from the Audited Financial Information for Fiscal 2020, Fiscal 2021, Fiscal 2022 and the estimations for Fiscal 2023 and Fiscal 2024 and the assumptions based on which the working plan projections has been made.

S. No.	Particulars*	Assumptions
1.	Trade receivables	The value of trade receivables will increase in line with the increase in business

S. No.	Particulars*	Assumptions
2.	Trade payables	Value of trade payables will increase in line with the increase in business

#Certified by M/s. S.S. Khan & Co., Chartered Accountant, pursuant to their certificate dated September 28,2022.

2. General Corporate Purposes

Our Company intends to deploy any balance Net Proceeds towards general corporate purposes, not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

General corporate purposes may include, but are not restricted to, the following:

a. strategic initiatives;
b. funding growth opportunities;
c. strengthening marketing capabilities and brand building exercises;
d. meeting ongoing general corporate contingencies;
e. meeting fund requirements of our Company, in the ordinary course of its business;
f. investing in subsidiaries;
g. meeting expenses incurred in the ordinary course of business; and
h. any other purpose, as may be approved by the Board, subject to applicable law.

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be ₹ 45.00lakhs00. The break-up for the Issue expenses is as follows:

Activity	Estimated Amount (₹ In lakhs)	As a % of total estimated issue expenses (1)	As a % of issue size (1)
Fees of the Lead Manager, RTA, and legal advisor, other professional service providers	18.00	40.00	0.74
Fees payable to regulators, including depositories, Stock Exchange, and SEBI	17.50	38.89	0.72
Statutory advertising, marketing, printing and distribution	6.00	13.33	0.25
Other expenses (including miscellaneous expenses and stamp duty)	3.50	7.78	0.14
Total	**45.00**	**100.00**	**1.84**

Notes:

1. *Assuming full subscription and Allotment of the Rights Entitlement. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.*
2. *The fund deployed out of internal accruals up to November 02, 2022 is ₹ 5.00 lakhs towards issue expenses as certified by M/s. S.S. Khan & Co., Chartered Accountant, pursuant to their certificate dated November 02, 2022.*

INTERIM USE OF NET PROCEEDS

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed Company or for any investment in the equity markets or providing inter-corporate deposits to any related parties.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies. Further, our Company confirms that the borrowings proposed to be repaid from the Net Proceeds have not been utilised towards any payments, repayment / refinancing of any loans availed form the Promoter Group or Group Companies.

BRIDGE FINANCING FACILITIES AND OTHER FINANCIAL ARRANGEMENTS

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from / with any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

MONITORING OF UTILISATION OF FUNDS

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

APPRAISING AGENCY

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency in terms of applicable law.

OTHER CONFIRMATIONS

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Management Personnel. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoters, members of the Promoter Group, Directors, Key Management Personnel or our Group Companies in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

INTEREST OF PROMOTER, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

Pursuant to the letter dated November 06, 2022, our Promoter and members of the Promoter Group, has undertaken that they will

a. subscribe, jointly and / or severally to the extent of their Rights Entitlements;
b. subscribe, jointly and / or severally to the extent of any Rights Entitlement that may be renounced in favour by any other Promoters or Member(s) of the Promoter Group of our Company;

c. that they shall not renounce their Right Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations; and
d. at their sole discretion, apply for and subscribe to additional Rights Equity Shares, and any such subscription for Rights Equity Shares shall be over and above their Rights Entitlement.

Except in the ordinary course of business and for the utilisation of a portion of the Net Proceeds towards adjustment of Unsecured Loans against the Entitlement of the Promoters, our Promoters, Promoter Group and our Directors do not have any interest in the objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

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To

The Board of Directors

Transwarranty Finance Limited
403, Regent Chamber, Jamnalal Bajaj Marg
Nariman Point, Mumbai
Maharashtra 400021

Independent Auditor's Certificate on Statement of Special tax benefits ("the Statement") available to Transwarranty Finance Limited ("the Company") and the shareholders of the Company in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2018, as amended ("Regulations")

1. We, S S Khan & Co, the statutory auditors of the Issuer, have been requested by the Company to issue a report on the special tax benefits available to the Company and its shareholders attached for inclusion in the Draft Letter of Offer in connection with the proposed rights issue of equity shares of the Company (the "Issue").

Management's Responsibility

2. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting, taxation and other 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 of preparation; and making estimates that are reasonable in the circumstances.

3. The statement showing the current position of special direct tax benefits available to the Company and the shareholders of the Company as per the provisions of Income-tax Act 1961 ("IT Act") (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 and Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and special indirect tax benefits solely in relation to the Issue as per the provisions of the Goods and Services Tax Act, 2017 ("GST Act") as amended by Finance Act, 2021, i.e. applicable for the assessment year AY 2022-23 relevant to the financial year 2021-22 for inclusion in the Draft Letter of Offer ("DLOF") for the issue of rights shares is annexed herewith.

S S KHAN & CO
MUMBAI
FRN No: 133324W
CHARTERED ACCOUNTANTS

Auditor's Responsibility

4. Pursuant to the requirements of the Companies Act, 2013 for the proposed Rights Issue of Equity Shares, it is our responsibility to provide our view on the possible special tax benefits that are/might become available to the Company.

These possible special tax benefits are dependent on the Company and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding tax laws. Hence, the ability of the Company and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the tax laws. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in Annexure 1 are based on the information and explanations obtained from the Company.
The Company is not availing/obtaining any special tax benefits as stated in Annexure 1, which is initialed by us for identification purposes only.

This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

5. Based on the information, explanations and written representation given to us, we do not express any opinion or provide any assurance whether:
i. The Company or the shareholders of the Company will continue to obtain these benefits in future;
ii. The conditions prescribed for availing the benefits have been/would be met;
iii. The revenue authorities/courts will concur with the views expressed herein.

6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

S S KHAN & CO MUMBAI FRN No: 133324W CHARTERED ACCOUNTANTS

S S KHAN & CO
CHARTERED ACCOUNTANTS

#24-31, Building 5, Malharaowadi
Kalbadevi, Mumbai 400 002

7. 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.

Limitation

8. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Restriction on Use

9. The statement is intended solely for information and the inclusion in the Draft Letter of Offer in connection with the rights issue of equity shares of the Company and for submission to Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Draft Letter of Offer. 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 report is shown or into whose hands it may come without our prior consent in writing. S S Khan & Co shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses 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 S S Khan & Co

Chartered Accountants

ICAI Firm Registration No. 133324W

S S KHAN & CO MUMBAI FRN No: 133324W CHARTERED ACCOUNTANTS

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Sarfaraz Khan

Proprietor

Membership No. 144212

UDIN: 22144212BAUEZU5310

Place: Mumbai Date: October 22, 2022

Enclosed: Annexure 1 – Statement of Special Tax Benefits available to the Company

Phone: +91-22 4968 4923 Email: info@ssknco.com

ANNEXURE-1

Special Tax benefits available to the Company

Following are the details of Special Tax benefits available to the company

S.No.	Particulars	Special Tax benefits
1	Direct Taxes	Nil
2	Indirect Taxes	Nil
3	Goods & Service Tax (GST)	Nil

Yours Faithfully

For Transwarranty Finance Limited

Authorised Signatory

S S KHAN & CO
MUMBAI
FRN No: 133324W
CHARTERED ACCOUNTANTS

Annexure – I

STATEMENT OF SPECIAL TAX BENEFITS

The information provided below sets out the possible direct and indirect tax benefits (indirect tax benefits solely in relation to the Issue) in the hands of Transwarranty Finance ("the Company") and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current tax laws presently in force in India. Several of these benefits are dependent upon their fulfilling the conditions prescribed under the relevant direct and indirect tax laws. Hence, the ability of the Company and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. The tax benefits stated below are as per the Income-tax Act, 1961 ("IT Act") as amended from time to time and applicable for financial year 2020-21 relevant to assessment year 2021-22 (AY 2021-22) and special indirect tax benefits solely in relation to the Issue as per the provisions of the Goods and Services Tax Act, 2017 as amended from time to time and applicable for financial year 2020-21.

A. **SPECIAL TAX BENEFITS UNDER THE IT ACT IN THE HANDS OF COMPANY AND THE SHAREHOLDERS OF THE COMPANY**

1. Direct Tax

Special tax benefits available to the Company under IT Act

- A new section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 i.e. AY 2020-21 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives and comply with other conditions specified in section 115BAA. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") on its book profits under section 115JB. The Company has exercised the above option.
- With respect to a resident corporate shareholder, a new section 80M is inserted in the Finance Act, 2020 w.e.f. 1st April 2021, which provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139. Special tax benefits available to the shareholders.
- The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. The shareholders would be eligible to claim the credit of such tax in their return of income.
- The non-resident shareholders can offer the dividend income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any. Further, the non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is the resident.
- There are no other special tax benefits available to the shareholders (other than resident corporate shareholder) of the Company arising out of the proposed rights issue

2. Indirect Tax

Special tax benefits available to the Company and its shareholders under GST Act

Solely in relation to the Issue, there are no special indirect tax benefits available to the Company or it's shareholders.

Note:

For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the GST and neither any special tax benefits available to the Company or shareholders under the GST Act other than for the Issue.

Notes:

- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.
- We do not assume responsibility to update the views consequent to such changes.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

For and on behalf of the Board of Directors

Transwarranty Finance Limited

Name : Ramachandran Unnikrishnan
Designation : Director & CFO
DIN:00493707
Place: Mumbai
Date: 02/11/2022

SECTION IV – ABOUT OUR COMPANY
OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Letter of Offer, including the information in the sections "**Risk Factors**" and "**Financial Information**" on pages 22 and 81* of this Letter of Offer *respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section '**Risk Factors**' on page 22* of this Letter of Offer. *Accordingly, investment decisions should not be based on such information.*

Introduction to Indian Financial Service Industry

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.
(Source- https://www.ibef.org/industry/financial-services-india)

Reforms in Indian Financial Services Industry

Until the early 1990s, the role of the financial system in India was primarily restricted to the function of channeling resources from the surplus to deficit sectors. Whereas the financial system performed this role reasonably well, its operations came to be marked by some serious deficiencies over the years. The banking sector suffered from lack of competition, low capital base, low productivity and high intermediation cost. After the nationalization of large banks in 1969 and 1980, public ownership dominated the banking sector. The role of technology was minimal and the quality of service was not given adequate importance. Banks also did not follow proper risk management system and the prudential standards were weak. All these resulted in poor asset quality and low profitability. Among non-banking financial intermediaries, development finance institutions (DFIs) operated in an over-protected environment with most of the funding coming from assured sources at concessional terms. In the insurance sector, there was little competition. The mutual fund industry also suffered from lack of competition and was dominated for long by one institution, viz., the Unit Trust of India. Non-banking financial companies (NBFCs) grew rapidly, but there was no regulation of their asset side. Financial markets were characterized by control over pricing of financial assets, barriers to entry, high transaction costs and restrictions on movement of funds/participants between the market segments. Apart from inhibiting the development of the markets, this also affected their efficiency (RBI, 2003, 2004).

Against this backdrop, wide-ranging financial sector reforms in India were introduced as an integral part of the economic reforms initiated in the early 1990s. Financial sector reforms in India were grounded in the belief that competitive efficiency in the real sectors of the economy will not be realized to its full potential unless the financial sector was reformed as well. Thus, the principal objective of financial sector reforms was to improve the allocative efficiency of resources and accelerate the growth process of the real sector by removing structural deficiencies affecting the performance of financial institutions and financial markets.

The main thrust of reforms in the financial sector was on the creation of efficient and stable financial institutions and markets. Reforms in respect of the banking as well as non-banking financial institutions focused on creating a deregulated environment and enabling free play of market forces while at the same time strengthening the prudential norms and the supervisory system. In the banking sector, the focus was on imparting operational flexibility and functional autonomy with a view to enhancing efficiency, productivity and profitability, imparting strength to the system and ensuring accountability and financial soundness. The restrictions on activities undertaken by the existing institutions were gradually relaxed and barriers to entry in the banking sector were removed. In the case of non-banking financial intermediaries, reforms focused on removing sector-specific deficiencies. Thus, while reforms in respect of DFIs focused on imparting market orientation to their operations by withdrawing assured sources of funds, in the case of NBFCs, the reform measures brought their asset side also under the regulation of the Reserve Bank. In the case of the insurance sector and mutual funds, reforms attempted to create a competitive environment by allowing private sector participation.

Reforms in financial markets focused on removal of structural bottlenecks, introduction of new players/instruments, free pricing of financial assets, relaxation of quantitative restrictions, improvement in trading, clearing and settlement practices, more transparency, etc. Reforms encompassed regulatory and legal changes, building of institutional infrastructure, refinement of market microstructure and technological upgradation. In the various financial market segments, reforms aimed at creating liquidity and depth and an efficient price discovery process.
(Source- https://www.rbi.org.in/scripts/PublicationsView.aspx?id=14945)

Structure of Credit Market in India

The credit market structure in India has evolved over the years. Credit markets perform the critical function of intermediation of funds between savers and investors and improve the allocative efficiency of resources. Banks, which are major players in the credit market, play an important role in providing various financial services and products, including hedging of risks. Credit markets also play a key role in the monetary transmission mechanism. A wide range of financial institutions exist in the country to provide credit to various sectors of the economy. These include commercial banks, regional rural banks (RRBs), cooperatives [comprising urban cooperative banks (UCBs), State co-operative banks (STCBs), district central co-operative banks (DCCBs), primary agricultural credit societies (PACS), state co-operative and agricultural rural development banks (SCARDBs) and primary co-operative and agricultural rural development banks (PCARDBs)], financial institutions (FI) (term-lending institutions, both at the Centre and State level, and refinance institutions) and non-banking financial companies (NBFCs).

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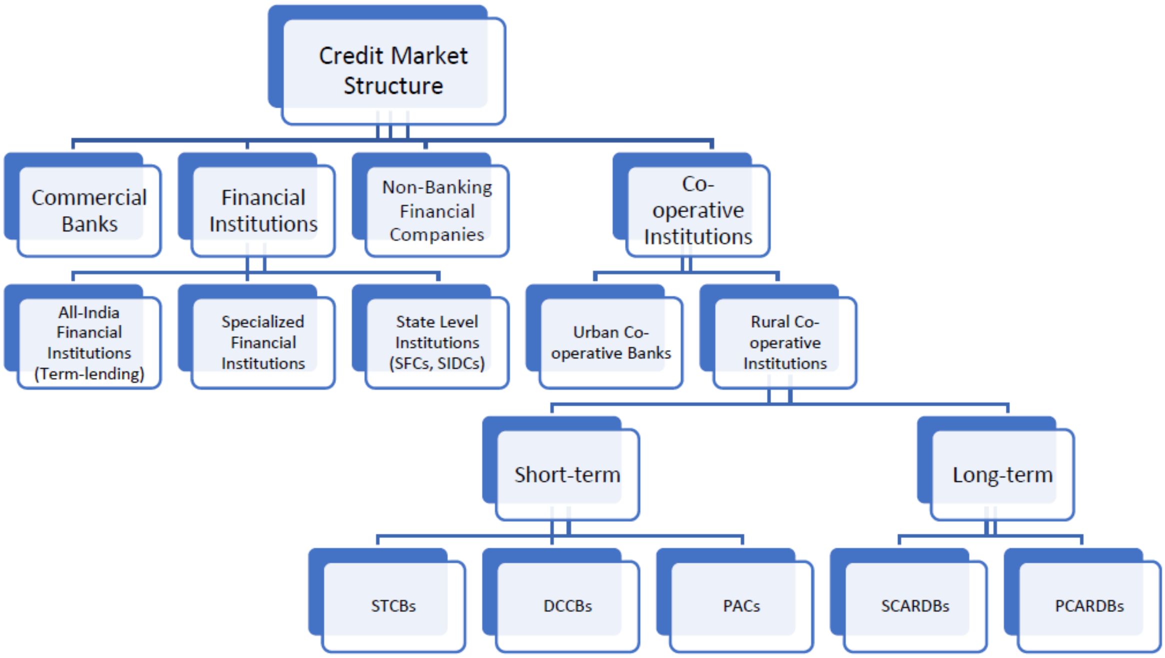


NBFCs encompass a heterogeneous group of intermediaries and provide a whole range of financial services. Though heterogeneous, NBFCs can be broadly classified into three categories, *viz.*, asset finance companies (such as equipment leasing and hire purchase), loan companies and investment companies. A separate category of NBFCs, called the residuary non-banking companies (RNBCs), also exists as it has not been categorised into any one of the above referred three categories. Besides, there are miscellaneous non-banking companies (Chit Fund), mutual benefit financial companies (*Nidhis* and unnotified *Nidhis*) and housing finance companies. The number of NBFCs operating in the country was 51,929 in 1996. Following the amendments to the provisions contained in Chapter III-B and Chapter III-C of the Reserve Bank of India Act, NBFCs both, deposit taking and non-deposit taking, are required to compulsorily register with the Reserve Bank. One of the conditions for registration for NBFCs was a minimum net owned fund (NOF) of Rs.25 lakh at the entry point. This limit was subsequently enhanced to Rs.2 crore for new NBFCs seeking grant of Certificate of Registration on or after April 21, 1999. The Reserve Bank received 38,244 applications for grant of certificate of registration (CoR) as NBFCs till end-March 2006. Of these, the Reserve Bank approved 13,141 applications, including 423 applications of companies authorised to accept/hold public deposits. Due to consolidation in the sector, the number of NBFCs declined to 13,014 by end-June 2006.
(Source: https://www.rbi.org.in/SCRIPTs/PublicationReportDetails.aspx?UrlPage=ReportonCurrencyandFinance&ID=502)

Trend and Progress of Banking in India

The Reserve Bank of India on December 28, 2021 released the Report on Trend and Progress of Banking in India 2020-21, a statutory publication in compliance with Section 36 (2) of the Banking Regulation Act, 1949. This Report presents the performance of the banking sector, including co-operative banks, and non-banking financial institutions during 2020-21 and 2021-22 so far.

Highlights of the Report are set out below:

During 2020-21, the consolidated balance sheet of scheduled commercial banks (SCBs) expanded in size, notwithstanding the pandemic and the resultant contraction in economic activity. In 2021-22 so far, nascent signs of recovery are visible in credit growth. Deposits grew by 10.1 per cent at end-September 2021 as compared with 11.0 per cent a year ago.

- Capital to risk weighted assets (CRAR) ratio of SCBs strengthened from 14.8 per cent at end-March 2020 to 16.3 per cent at end-March 2021 and further to 16.6 per cent at end-September 2021, partly aided by higher retained earnings, recapitalisation of public sector banks (PSBs) and capital raising from the market by both PSBs and private sector banks (PVBs).

- SCBs' gross non-performing assets (GNPA) ratio declined from 8.2 per cent at end-March 2020 to 7.3 per cent at end-March 2021 and further to 6.9 per cent at end-September 2021.
- Return on assets (RoA) of SCBs improved from 0.2 per cent at end-March 2020 to 0.7 per cent at end-March 2021, aided by stable income and decline in expenditure.
- Some of the policy measures taken by the RBI in response to the COVID-19 pandemic reached the pre-announced sunset dates in 2021-22. Certain liquidity measures have been wound down as a result, while other regulatory measures, including deferment of implementation of net stable funding ratio (NSFR), restrictions on dividend payouts by banks, deferment of implementation of the last tranche of capital conservation buffer, have been realigned to avoid extended forbearance and risks to financial stability while providing targeted support to needy sectors.
- Even though initiation of fresh insolvency proceedings under the Insolvency and Bankruptcy Code (IBC) was suspended for a year till March 2021, it constituted one of the major modes of recovery in terms of amount recovered.
- The balance sheet growth of urban co-operatives banks (UCBs) in 2020-21 was driven by deposits, while subdued credit growth led to acceleration in investments. Their financial indicators, including capital position and profitability, improved.
- The profitability of state co-operative banks and district central co-operative banks improved in 2019-20, while their asset quality deteriorated.
- The consolidated balance sheet of NBFCs expanded during 2020-21, driven by credit and investments of non-deposit taking systemically important NBFCs (NBFCs-ND-SI). Their asset quality and capital buffers also improved.

(Source: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52956)

Non-Banking Financial company (NBFC)

A Non-Banking Financial company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

In terms of Section 45-IA of the RBI Act, 1934, no Non-banking Financial Company can commence or carry on business of a non-banking financial institution without a) obtaining a certificate of registration from the Bank and without having a Net Owned Funds of ₹ 25 lakhs (₹ Two crore since April 1999). However, in terms of the powers given to the Bank, to obviate dual regulation, certain categories of NBFCs which are regulated by other regulators are exempted from the requirement of registration with RBI viz. Venture Capital Fund/Merchant Banking companies/Stock broking companies registered with SEBI, Insurance company holding a valid Certificate of Registration issued by IRDA, Nidhi companies as notified under Section 620A of the Companies Act, 1956, Chit companies as defined in clause (b) of Section 2 of the Chit Funds Act, 1982,Housing Finance Companies regulated by National Housing Bank, Stock Exchange or a Mutual Benefit Company.

A Company incorporated under the Companies Act, 1956 and desirous of commencing business of non-banking financial institution as defined under Section 45 I(a) of the RBI Act, 1934 should comply with the following:

1. it should be a company registered under Section 3 of the companies Act, 1956
2. It should have a minimum net owned fund of ₹ 200 lakh.

(Source: https://www.rbi.org.in/Scripts/FAQView.aspx?Id=92)

Different Types/Categories of NBFCs Registered With RBI

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

1. Asset Finance Company (AFC): An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets company total income respectively.
2. Investment Company (IC): IC means any Company which is a financial institution carrying on as its principal business the acquisition of securities,
3. Loan Company (LC): LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.
4. Infrastructure Finance Company (IFC): IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ₹ 300 crore, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15%.
5. Systemically Important Core Investment Company (CIC-ND-SI): CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-
   a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
   b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
   c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
   d) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
   e) Its asset size is ₹ 100 crore or above; and
   f) It accepts public funds
6. Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC): IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.
7. Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
   a) loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 1,00,000 or urban and semi-urban household income not exceeding ₹ 1,60,000;
   b) loan amount does not exceed ₹ 50,000 in the first cycle and ₹ 1,00,000 in subsequent cycles;
   c) total indebtedness of the borrower does not exceed ₹ 1,00,000;
   d) tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;
   e) loan to be extended without collateral;
   f) aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
   g) loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower
   h) Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.
8. Mortgage Guarantee Companies (MGC) - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 100 crore.

9. NBFC- Non-Operative Financial Holding Company (NOFHC) is financial institution through which promoter / promoter groups will be permitted to set up a new bank. It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

(Source: https://www.rbi.org.in/Scripts/FAQView.aspx?Id=92)

Growth of NBFC sector

NBFCs have come a long way in terms of their scale and diversity of operations. They now play a critical role in financial intermediation and promoting inclusive growth by providing last-mile access of financial services to meet the diversified financial needs of less-banked customers. Over the years, the segment has grown rapidly, with a few of the large NBFCs becoming comparable in size to some of the private sector banks. The sector has also seen advent of many non-traditional players leveraging technology to adopt tech-based innovative business models.

Between March 31, 2009 and March 31, 2019, the total assets2 of NBFCs grew at a compounded annual growth rate (CAGR) of 18.6 per cent, while the balance sheets of scheduled commercial banks (SCBs) grew at a CAGR of 10.7 per cent. Consequently, the aggregate balance sheet size of NBFCs increased from 9.3 per cent to 18.6 per cent of the aggregate balance sheet size of SCBs during the corresponding period. In absolute terms, the asset size of NBFC sector (including HFCs), as on March 31, 2020, is Rs.51.47 lakh crore. As at end-March 2020, NBFCs have been the largest net borrowers of funds from the financial system, of which, more than half of the funds were from SCBs, followed by Asset Management Companies-Mutual Funds (AMC-MFs) and Insurance Companies. As the financial intermediation has shifted, so has interconnectedness. Many NBFCs now rely on banking system for funds and emergency liquidity needs. Therefore, it is not enough to understand and confront the vulnerabilities of the banking sector alone. The need of the hour is to understand vulnerabilities in the NBFC sector and how shocks are transmitted to or from the sector.

There is an increasingly complex web of inter-linkages of the sector with the banking sector, capital market and other financial sector entities, on both sides of the balance sheet. As such NBFCs, like other financial intermediaries, are increasingly exposed to counterparty, funding, market and asset concentration risks, even before the COVID-19 pandemic impacted financial markets and our lives.
(Source: RBI- NBFC Regulation- Looking ahead)

NBFC Sector Performance

<u>Balance Sheet</u>

During the year under review, the balance sheet of NBFCs expanded at a faster rate than a year ago, driven essentially by growth in credit and investments of NBFCs-ND-SI. The balance sheet of NBFCs-D, on the other hand, grew modestly as they adopted a more cautious approach. In 2020-21, the share capital and reserves of NBFCs expanded significantly as some NBFCs raised additional capital via rights issues, prudently buttressing their financials against the likely recognition of impaired assets after the lifting of the Supreme Court's order on standstill on asset classification. NBFCs' credit also gained traction with the support provided by regulatory initiatives, including the "co-lending model" introduced in November 2020, which allows banks to co-lend with NBFCs (including HFCs) in respect of priority sector loans. NBFCs also increased their investments substantially during the year. In view of the pandemic, NBFCs also built liquidity buffers, with their cash and bank balances growing at a robust pace, except for NBFCs-ND-SI. In 2021-22 (up to September), balance sheet growth of NBFCs remained buoyant due to pick up in investments by NBFCs-ND-SI.

<u>Credit Disbursement</u>

On credit disbursement, 57 NBFCs, each having a loan book of more than `5000 crore, lent 90.1 per cent of the total credit disbursed in 2020-21(Chart VI.4). Smaller NBFCs (asset size less than `500 crore) are numerous but accounted for only 0.9 per cent of total NBFC credit outstanding.

<u>Financial Performance of NBFCs</u>

NBFCs' income growth decelerated steeply, as both NBFCs-ND-SI and NBFCs-D reported lower incomes in 2020-21. However, the sector has leveraged technology to counter the challenges posed by the pandemic through rationalisation of expenditure. Net profits of NBFCs-ND-SI witnessed a significant improvement in the aftermath of the first wave of COVID-19 and their cost to income ratios dropped. Conversely, NBFCs-D experienced a moderation in their income due to marginal growth in fund-based income. This, coupled with rising interest payments, increasing cost to income ratio and other expenditures, resulted in a decline in their profits. Net profits of NBFCs during H1:2021-22 declined on the back of fall in fund-based income.

Total expenses of NBFCs moderated during the year as interest expenses declined, although an increase in interest paid on fixed deposits reflected NBFCs-D preference for public deposits. Operating expenses declined during the year as NBFCs successfully reined in administrative costs by leveraging technology. Provisions against NPAs, however, increased significantly during the year reflective of NBFCs bracing for a potential increase in impaired assets after lifting of the asset classification standstill. In 2021-22 so far, expenses increased marginally as interest burden on bank credit declined.

(₹ Crore)

Items	2018-19	2019-20	2020-21	H1:2021-22
1	2	3	4	5
1. Interest Expense and Other Financing Cost (a+b+c+d+e)	**1,50,964**	**1,70,088**	**1,67,571**	**80,488**
(a) Interest Paid on Fixed Deposits	2,822	3,180	4,668	2,469
(b) Interest on Inter-corporate Deposits	6,004	6,764	6,659	2,723
(c) Interest on Credits from Banks	50,075	58,915	60,206	27,616
(d) Interest on Credits from Financial Institutions	10,061	10,357	10,652	6,782
(e) Other Financing Charges	82,002	90,872	85,386	40,898
2. Bad Debts Written-off	**14,194**	**25,426**	**29,678**	**8,854**
3. Provisions against Non-Performing Assets	**14,246**	**15,039**	**26,980**	**15,449**
4. Operating Expenses (i+ii)	**49,382**	**54,658**	**50,585**	**25,446**
Of which; (i) Employee Costs	23,395	25,833	26,036	13,953
(ii) Other Administrative Costs	25,987	28,825	24,549	11,492
5. Other Expenses	**19,175**	**20,597**	**19,544**	**8,087**
Total Expenses	**2,47,960**	**2,85,808**	**2,94,358**	**1,38,325**

Profitability

Profitability indicators of NBFCs– return on equity (RoE) and net interest margin (NIM)-were lower during 2020-21 than a year ago, reflecting the stress in the sector. Return on assets (RoA), on the other hand, remained unchanged (Chart VI.29). The overall decline in the profitability could be attributed to drop in the business in the wake of the ongoing pandemic. In H1:2021-22, all profitability indicators of the sector moderated.

In case of NBFCs-D, there was a deterioration in RoA and RoE in 2020-21 on account of the pandemic-induced slowdown. On the other hand, NIM improved during the same period, reflecting improvement in interest income along with lower expenses.

The profitability of NBFCs-ND-SI gauged in terms of RoA marginally increased in 2020-21 due to an improvement in the RoA of IFCs. The overall RoE of NBFCs-ND-SI declined. NIM was lower for all entities, mirroring subdued credit off-take
(Source: Report on Trend and Progress of Banking in India 2020-21)

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "***Forward-Looking Statements***" on page 15 of this Letter of Offer for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 22and , respectively, of this Letter of Offer for a discussion of certain factors that may affect our business, financial condition or results of operations. Our financial year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.

We have, in this Letter of Offer, included various operational and financial performance indicators, some of which may not be derived from our Audited Consolidated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Financial Statements and other information relating to our business and operations included in this Letter of Offer.

In this section, unless the context otherwise requires, indicates, or implies, "we", "us" and "our", refer to our Company together with our Subsidiaries.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "***Forward-Looking Statements***" on page 14 of this Letter of Offer for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 22 and 191, respectively, of this Letter of Offer for a discussion of certain factors that may affect our business, financial condition or results of operations. Our financial year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.

We have, in this Letter of Offer, included various operational and financial performance indicators, some of which may not be derived from our Audited Consolidated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Financial Statements and other information relating to our business and operations included in this Letter of Offer.

In this section, unless the context otherwise requires, indicates, or implies, "we", "us" and "our", refer to our Company together with our Subsidiaries.

OVERVIEW

Our Company was incorporated and commenced its business on August 09, 1994 as "Trans Warranty Finance Limited" under the Companies Act, 1956. Consequently, the name of our Company was changed to "Transwarranty Finance Limited" and fresh certificate of incorporation upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai dated July 8, 2005. Our Company is a non-deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI to carry on the NBFC activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-13.00971.

Through the Initial Public Offering, the Equity Shares of our Company were listed on BSE Limited and The National Stock Exchange of India Limited vide their listing approvals dated February 26, 2007.

Our Company is promoted by Kumar Nair, having an experience of over 30 years in the financial sector.

BUSINESS MODEL

Our Company is a full service Financial & Capital Market Services Company. Our Company is engaged in lending and advisory services. Our business model can be broadly classified into:

Lending Business

Our Company's business model is centered around lending activities (granting of loans & advances). As an NBFC, we operate in the business of providing small ticket personal loans to Individuals and Retail customers. Currently the lending business comprises of retail loans, SME loans and unsecured personal loans to financially weaker sections of the society and other personal loans like educational loans etc. Our Company has recently introduced short-term loans i.e. for a tenure from 4 weeks to 24 weeks with a ticket size ranging from ₹ 5,000 to ₹ 20,000. This product is targeted towards underserved and underbanked section of the society. We provide finance to our clients after satisfying ourselves about the credit worthiness and repayment capacity of our borrowers after evaluating the material risks associated with it.

Most of the lending business is done digitally through "OROBORO" our technology platform. We generate the leads directly and through our channel partners with the help of new age technology. Seamless partner integration, zero paperwork and no face-to-face interaction, ability to generate our own OROBORO credit score helps us taking real-time loan decisions with superior customer experience. Thus, OROBORO has brought Fintech and NBFC synergies together.

Financial Advisory Services (comprising of Investment Banking, Trade Finance, Corporate Finance)

In addition to lending business, we have an established advisory business offering investment banking, corporate finance, & trade finance services to mid-cap and small cap companies.

Wealth Management, Stock Broking and Distribution Business

We through our listed subsidiary Vertex Securities Limited, a member of both NSE and BSE, offers end-to-end online digital platform for trading in Equity and Derivatives (Futures and Options). Our subsidiary also offers wealth management services through its offices at Kochi, Ernakulum, Mumbai, Bengaluru, Chennai. Our subsidiary is also in the distribution business of insurance and mutual fund products.

OUR BUSINESS OPERATIONS

The below table captures the consolidated financial information of the Company:

(Amount ₹ in Lakhs)

Particulars	Fiscal 2022	Fiscal 2021
Revenue	1,478.84	1,429.58
EBITDA	305.78	98.45
Profit After Tax	(212.80)	(286.86)
Equity Share Capital	2,446.06	2,446.06
Net Worth	1,421.35	1,646.90
Net asset value per Equity Share	5.81	6.73
Total borrowings	3,687.70	3,733.80

OUR PRODUCTS

The various financial products that we offer are as follows:

Lending Business

We provide finance to our clients after satisfying ourselves about the credit worthiness and repayment capacity of our borrowers after evaluating the material risks associated with the business/ project/ proposal for which loan has been sought

Retail and SME loans

ME finance is the funding of small and medium-sized enterprises, and represents a major function of the general business finance market – in which capital for different types of firms are supplied, acquired, and costed or priced.

Unsecured Personal Loans

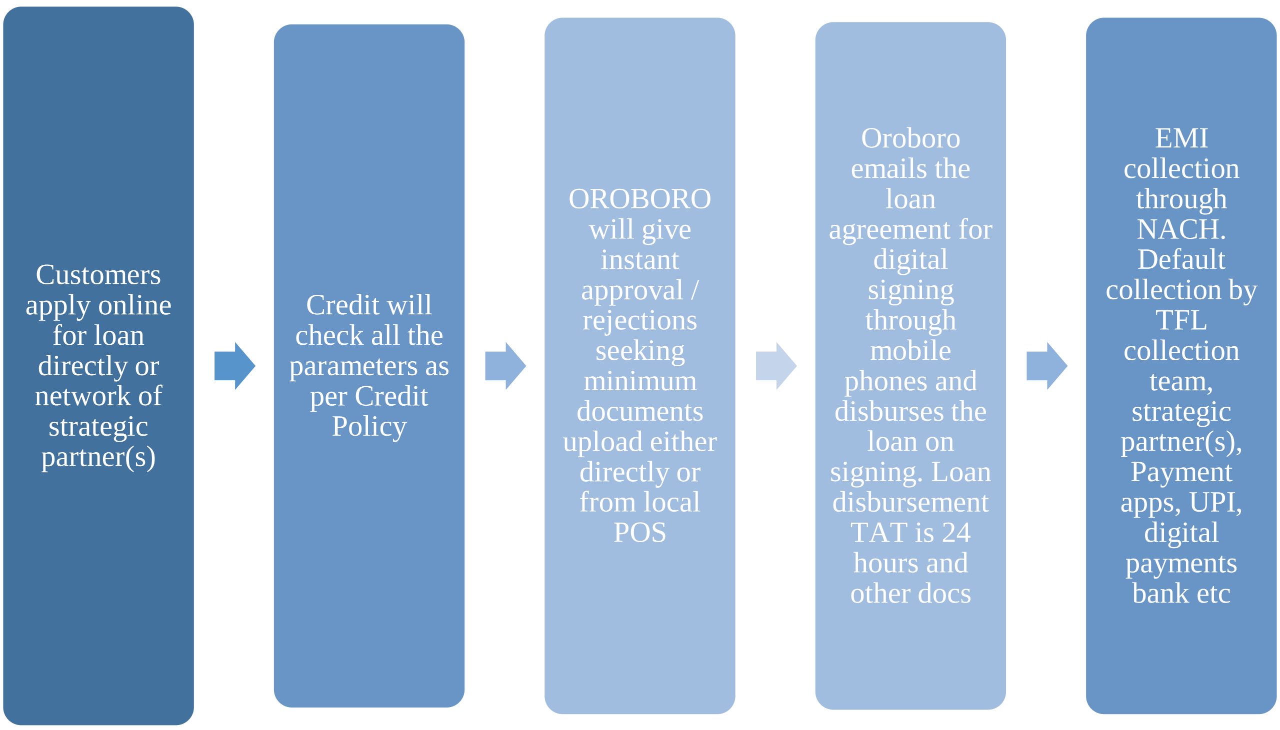
We provide personal loan through our off-line channels and also through digital lending platform "OROBORO". The key USP of the digital lending is quick turnaround time from deal origination till disbursement. These are short term loans provided to the financially weaker sections of the society to meet their personal needs like education, medical, etc. As on March 31, 2022 we have disbursed loan to small ticket unsecured personal loan to 1779 Borrowers & as on June 30, 2022 to 1842 customers.

Cumulative Loan Distributions

Date	PL	CL	GL	Total
As on March 31, 2022	10,151	967	281	11,399
As on June 30, 2022	18,556	967	281	19,804

Lending Process

The process of digital lending platform OROBORO as follows:



OUR OPERATIONS

Leads are generated directly by us through our network or through campaigning for personal loans. For Other loans Channel partners provide details of prospective borrowers. We follow a robust customer evaluation process based on scrutiny of documents submitted & other sources available to us. We evaluate creditworthiness of borrower by generating our internal OROBORO score & host of other parameters. Credit appraisal is done based on organizational & credit policies and approval is accorded. Post approval necessary formalities are completed and disbursements are made. We have our own team of Telecallers for collection of weekly/ monthly EMIs. Overdue EMIs are collected by our field staff with follow up and regular visits. For a few delinquent customers/willful defaulters we take criminal action as may be appropriate. For Channel partner customers additional support from Channel partners is available for collection. Our ageing of loan portfolio and Days Past Dues (DPD) as on March 31, 2022 is as under:

Particulars	As at March 31, 2022				
	Overdue Portfolio				Total
	0-30 Days	31-90 Days	91-180 Days	More than 180 Days	
Total Portfolio*	5,24,40,642	97,29,557	3,46,960	11,38,52,110	17,63,69,269

*These amounts as on March 31, 2022 are net of impairment allowance

Of the above profile, DPD amounts for personal loans are as below:

Particulars	As at March 31, 2022				
	Stage 1	Stage 2	Stage 3	Stage 4	Total
	0-90 Days	91-180 Days	180-365 Days	More than 365 Days	
Total DPD Amounts	6,39,300	86,781	1,95,124	54,88,479	64,09,684

OROBORO tech enabled model also helps us scale up rapidly with 2-pronged approach. B-2-C is the direct sourcing for small ticket loans. B-2-B-2-C is becoming embedded finance partner for emerging corporates with diverse product offerings. The Company proposes to expand the operations to tier 2 & tier 3 cities. Automation will drive growth making the process easy and customer friendly. Offering diverse product range will scale up B2C business. Expanding partner network & offering structured unique products to partners will scale up B2B2C rapidly.

Financial Advisory Services

The Company has been engaged in Financial Advisory services for over 25 years. We have a strong syndication track record across Trade Finance, Debt, Equity & Structured Finance transactions, both Corporate & Retail Clients. We also carry Stock and commodities broking, wealth management and third party products distribution activities through our subsidiary companies.

OUR SUBSIDIARIES

I. Vertex Securities Limited (VSL)

Vertex Securities Limited (VSL) is a member of: -

- National Stock Exchange of India Limited (NSE)
- Bombay Stock Exchange Limited, (BSE)
- National Securities Depository Ltd., (NSDL) (for depository services)
- SEBI registration as a Merchant Banker
- Association of Mutual Funds of India (AMFI) registered Mutual Fund Advisor

II. Vertex Commodities and Finpro Private Limited (VCFPL)

Vertex Commodities and Finpro Private Limited (VCFPL)is a member of following commodity exchanges:

- Multi Commodity Exchange of India (MCX)
- National Commodity and Derivative Exchange (NCDEX)
- Indian Commodity Exchange of India Ltd. (ICEX)

VSL and VCFPL are engaged in the following businesses:

- Commodity broking services through Vertex Commodities And Finpro Private Limited (VCFPL) to retail, HNI and corporate clients.
- Stock and currency broking services to retail, HNI and institutional clients
- Merchant Banking
- Corporate Agency for Insurance

III. Transwarranty Capital Market Services Private Limited (TCMSPL)

TCMSPL is a technology platform for us. It provides all required support to the Company for API integrations & fintech applications. It is also engaged in developing Fintech App for the Company.

OUR STRATEGIES

Our key strategic priorities are as follows:

Focus on efficient use of technology

Technology has played an important role, particularly in financial sector. Embedded Finance has been a game changer and has enabled us cater to large number of customers of channel partners in an effective manner. We continue to follow Digital / Physical process of lead generation, evaluation of customers, credit appraisal & disbursement provides real time loan decisions and superior customer experience. We intend to continue investing in technology to improve our operational efficiencies and to strengthen our position in increasingly sophisticated and competitive market.

Maintain and expand long term relationship with client

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period. Our Company believes that a long-term relationship with clients fetches better dividends.

Leverage on our experience and relationships

We are in the financial services industry for last 27 years. We continue to leverage our experience and relationships with our customers to expand and diversify.

Attract and retain experienced professionals

Our Company is being managed by qualified professionals with experience in financial services sector, credit evaluation, risk management, technology, and marketing. We have a very loyal team of professionals, some of whom are with us for a long time.

OUR MANAGEMENT

BOARD OF DIRECTORS

As on date of this Letter of Offer, our Company currently has 6 (Six) directors on its Board, 1 (One) managing director, 4 (Four) Independent directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship`	Other directorships in Companies
Kumar Nair **Designation**: Managing Director & CEO **DIN**: 00320541 **Date of Birth**: March 24, 1962 **Age**: 60 years **Occupation**: Service **Address**: 8, Prospect Place, London SW20 0JP, United Kingdom London United Kingdom SW200JP **Nationality**: British **Original Date of Appointment**: August 09, 1994 **Period of Directorship**: with effect from September 1, 2020 for a period of 3 years subject to retire by rotation	1. Vertex Securities Limited 2. Consolidated Eutectics (Kolhapur) Private Limited 3. Transwarranty Capital Market Services Private Limited 4. Vertex Commodities And Finpro Private Limited
Ramachandran Unnikrishnan **Designation**: Executive Director & CFO **DIN**: 00493707 **Date of Birth**: November 25, 1956 **Age**: 65 years **Occupation**: Service **Address**: A-103, Rushikesh CHS, Vakola Pipe Line Road, Vakola, Santacruz East,Mumbai, Maharashtra, India, 400055 **Nationality**: Indian **Original Date of Appointment**: September 11, 2015 **Period of Directorship**: with effect from February 25, 2020 for a period of 5 years subject to retire by rotation	1. Vertex Securities Limited 2. Suncem Surface Coatings Pvt Ltd 3. Transwarranty Capital Market Services Private Limited 4. Vertex Commodities And Finpro Private Limited
Pravin Khatau **Designation**: Independent Director **DIN**: 02425468 **Date of Birth**: September 10, 1960 **Age**: 62 years **Occupation**: Investments **Address**: Columbia Palace 11 Avenue Princesse Grace 98000 Monaco Mc Monaco, Monaco, 98000 **Nationality**: Schweiz Suisse Svizzera Svizra Switzerland **Original Date of Appointment**: February 25, 2015	NIL

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship`	Other directorships in Companies
Period of Directorship: : Reappointed for a period of 5 Years wef February 25, 2020	
Nirmala Parab **Designation**: Independent Director **DIN**: 07149007 **Date of Birth**: December 09, 1970 **Age**: 51 years **Occupation**: Home Maker **Address**: D-602, Runwal Centre Govandi Station Rd, Deonar East Mumbai, Maharashtra India, 400088 **Nationality**: Indian **Original Date of Appointment**: March 30, 2015 **Period of Directorship**: Reappointed for a period of 5 Years wef March 30, 2020	NIL
Shishir Vasant Dalal **Designation**: Independent Director **DIN**: 00007008 **Date of Birth**: May 29, 1956 **Age**: 66 years **Occupation**: PROFESSIONAL **Address**: Vasant Dalal, Ground floor, PALLAV Bungalow, Near Lallubhai Park, Andheri West, Mumbai, Maharashtra India, 400056 **Nationality**: Indian **Original Date of Appointment**: September 30, 2020 **Period of Directorship**: with effect from September 30, 2020 for a period of 5 years not liable to retire by rotation	1. Remsons Industries Limited 2. Keynote Financial Services Limited 3. Windsor Machines Limited 4. Star Chemicals (Bombay) Private Limited 5. Rcube Energy Storage Systems Private Limited 6. Eurus First Financial Partners Private Limited 7. Sustainable Agro-Commercial Finance Limited 8. Eurus Management Services Private Limited 9. Workloft Spaces Private Limited 10. Work Loft Private Limited (Under Process of Striking Off)
Sudharsanan Nair **Designation**: Independent Director **DIN**: 01510505 **Date of Birth**: September 02, 1956 **Age**: 66 years **Occupation**: Business **Address**: 702, Minarret Apartment, Dadabhai Cross Road No.2, Near Bhavans College, Andheri West Mumbai, Maharashtra India, 400058 **Nationality**: Indian **Original Date of Appointment**: November 09, 2015 **Period of Directorship**: with effect from November 9, 2020 for a period of 5 years not liable to retire by rotation	1. Sportinglions Foundation

Confirmations

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Letter of Offer, during their term of directorship in such Company.

None of our Directors is or was, a director of any listed companies, which has been or were delisted from any stock exchange(s), during the ten (10) years preceding from the date of this Letter of Offer, during their term of directorship in such Company.

Relationship between Directors

As on the date of this Letter of Offer, none of the other Directors are related to each other.

Arrangement or understanding with major Shareholders, customers, suppliers, or others

Our Company has not entered any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

Details of service contracts entered with Directors

Our Company has not entered any service contracts with the present Board of Directors for providing benefits upon termination of employment.

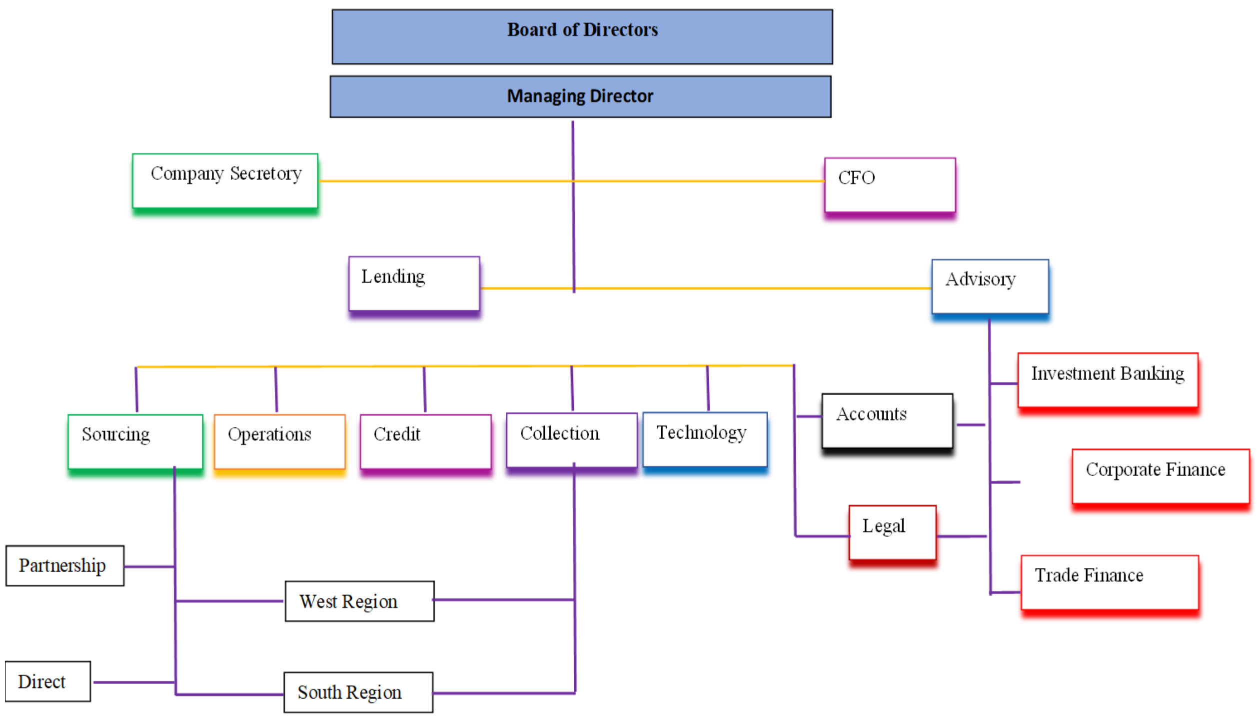
KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

Details of Key Managerial Personnel and Senior management Personnel

Name of the KMPs	Designation
Kumar Nair	Managing Director & CEO
Ramachandran Unnikrishnan	Executive Director & CFO
Suhas Borgaonkar	Company Secretary

MANAGEMENT ORGANISATION STRUCTURE



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Independent Auditor's Review Report on quarterly Unaudited Standalone Financial Results of Transwarranty Finance Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To the Board of Directors

Transwarranty Finance Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Transwarranty Finance Limited** ("the Company") for the quarter ended June 30, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with relevant circulars issued by SEBI from time to time.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in

S S KHAN & CO
MUMBAI
FRN No: 133324W
CHARTERED ACCOUNTANTS

accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 5 to the Statement with regard to the assessment of the management that there is no significant impact of COVID-19 pandemic on the operations and financial position of the Company.

   Our report on the Statement is not modified in respect of this matter.

For S S Khan & Co

Chartered Accountants

ICAI Firm Registration No.133324W

S S KHAN & CO
MUMBAI
FRN No: 133324W
CHARTERED ACCOUNTANTS

Sarfaraz Khan

Proprietor

Membership No.: 144212

UDIN: 22144212ANVFOV1082

Place: Mumbai

Date: July 29, 2022

Independent Auditor's Review Report on quarterly Unaudited Consolidated Financial Results of Transwarranty Finance Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To The Board of Directors
Transwarranty Finance Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Transwarranty Finance Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with relevant circulars issued by SEBI from time to time.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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MUMBAI
FRN No: 133324W
CHARTERED ACCOUNTANTS

4. The Statement includes the results of the following entities:
   (a) Vertex Securities Limited
   (b) Vertex Commodities and Finpro Private Limited

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#24-31, Building 5, Malharaowadi
Kalbadevi, Mumbai 400 002

(c) Transwarranty Capital Market Services Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim statements results of two subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. 13.43 lakhs, total net profit after tax of Rs. 1.35 lakhs and total comprehensive income of Rs. 1.35 lakhs for the quarter ended June 30, 2022 as considered in the unaudited consolidated financial results. These interim financial results have not been reviewed by other auditors and the unaudited financial statements have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the unaudited financial statements furnished to us by the Management and the procedures performed by us as stated in paragraph 3 above.

Our report on the Statement is not modified in respect of the above matter.

For S S Khan & Co
Chartered Accountants
ICAI Firm Registration No.133324W

S S KHAN & CO
MUMBAI
FRN No: 133324W
CHARTERED ACCOUNTANTS

Sarfaraz Khan
Proprietor
Membership No.: 144212
UDIN: 22144212ANVIDV2777
Place: Mumbai
Date: July 29, 2022

TRANSWARRANTY FINANCE LIMITED CIN: L65920MH1994PLC080220 Regd. Office: 403, Regent Chambers, Nariman Point, Mumbai- 400021 Tel. No:40010900, Fax No: 40010999, Email: companysecretary@transwarranty.com,Web Site: www.transwarranty.com								
STATEMENT OF STANDALONE / CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2022								
								(Rs. In Lakhs)
PARTICULARS	**STANDALONE**				**CONSOLIDATED**			
	3 Months Ended			**Year Ended**	**3 Months Ended**			**Year Ended**
	30/06/2022	**31/03/2022**	**30/06/2021**	**31/03/2022**	**30/06/2022**	**31/03/2022**	**30/06/2021**	**31/03/2022**
	Unaudited	**Audited**	**Unaudited**	**Audited**	**Unaudited**	**Audited**	**Unaudited**	**Audited**
INCOME								
Revenue From Operations:-								
Interest Income	76.94	52.64	47.13	173.97	76.93	129.41	47.13	250.74
Fees and Commission Income	24.20	31.34	24.81	106.62	185.50	209.02	209.36	836.62
Sale of Stock		391.18	0.31	391.49	-	391.18	0.31	391.49
Total Revenue from Operations	**101.14**	**475.16**	**72.25**	**672.08**	**262.43**	**729.61**	**256.80**	**1,478.84**
Other Income	0.92	39.77	2.44	50.07	64.04	21.95	51.96	177.66
Total Income	**102.06**	**514.93**	**74.69**	**722.15**	**326.47**	**751.56**	**308.76**	**1,656.50**
EXPENSES								
Finance Costs	126.41	101.46	95.69	381.14	153.97	131.59	116.79	471.95
Purchase of Shares held in Stock in Trade	-	391.43	0.31	391.73	-	391.43	0.31	391.73
Employee Benefits Expenses	31.11	29.22	27.57	110.42	103.46	99.52	101.55	393.96
Depreciation and Amortisation Expenses	5.35	5.03	5.32	21.11	12.14	14.03	14.76	57.48
Other Expenses	61.46	3.32	13.82	53.65	172.44	126.14	136.24	556.23
Total Expenses	**224.33**	**530.46**	**142.71**	**958.05**	**442.01**	**762.70**	**369.65**	**1,871.35**
Profit / (Loss) Before Exceptional and Extra ordinary items and Tax	**(122.27)**	**(15.53)**	**(68.02)**	**(235.90)**	**(115.54)**	**(11.14)**	**(60.89)**	**(214.85)**
Exceptional Items	-	-	-	-	-	-	-	-
Reversal of Excess Provision		-	-	-				
Profit / (Loss) Before Extra ordinary items and Tax	**(122.27)**	**(15.53)**	**(68.02)**	**(235.90)**	**(115.54)**	**(11.14)**	**(60.89)**	**(214.85)**
Extraordinary Items	-	-	-	-	-	-	-	-
Profit / (Loss) Before Tax	**(122.27)**	**(15.53)**	**(68.02)**	**(235.90)**	**(115.54)**	**(11.14)**	**(60.89)**	**(214.85)**
Current Tax	-	-	-	-	-	-	-	-
Deferred Tax	-	-	(0.02)	-	-	-	(0.02)	-
Profit / (Loss) from Continuing Operations After Tax	**(122.27)**	**(15.53)**	**(68.00)**	**(235.90)**	**(115.54)**	**(11.14)**	**(60.87)**	**(214.85)**
Profit from Discontinuing Operations	-	-	-	-	-	-	-	-
Tax Expense of Discontinuing Operations	-	-	-	-	-	-	-	-
Profit from Discontinuing Operations After Tax	-	-	-	-	-	-	-	-
Profit / (Loss) For the Period	**(122.27)**	**(15.53)**	**(68.00)**	**(235.90)**	**(115.54)**	**(11.14)**	**(60.87)**	**(214.85)**
Other Comprehensive Income:-							-	
Items that will not be reclassified to profit or Loss -								
- Remeasurement of the net defined benefit obligation gain / (loss)	-	2.01	-	2.01	-	1.21	-	1.21
- Fair valuation on Equity instrument	-	-	-	-	-	0.23	-	0.23
- Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Total -A	**-**	**2.01**	**-**	**2.01**	**-**	**1.44**	**-**	**1.44**
Items that will be reclassified to profit or Loss -								
- Remeasurement of the net defined benefit obligation gain / (loss)								
- Fair valuation on Equity instrument	-	0.61		0.61	-	0.61		0.61
Total - B	**-**	**0.61**	**-**	**0.61**	**-**	**0.61**	**-**	**0.61**
Total - A + B	**-**	**2.62**	**-**	**2.62**	**-**	**2.05**	**-**	**2.05**
Total Comprehensive Income for the period	**(122.27)**	**(12.91)**	**(68.00)**	**(233.28)**	**(115.54)**	**(9.09)**	**(60.87)**	**(212.80)**
Paid -up equity share capital (Rs. 10 each)				**2,446.06**				**2,446.06**
Basic Earning Per Share of Rs.10/- each (In Rupees)	(0.50)	(0.05)	(0.28)	(0.95)	(0.49)	(0.04)	(0.26)	(0.87)
Diluted Earning Per Share of Rs.10/- each (In Rupees)	(0.50)	(0.05)	(0.28)	(0.95)	(0.49)	(0.04)	(0.26)	(0.87)

1. The above unaudited financial results were reviewed by the members of the Audit Committee and were approved and taken on record by the Board of Directors at their meeting held on 29th July, 2022.

2.The Statutory auditors have carried out a Limited Review of the financials results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations ,2015.

3. The Company is primarily engaged in a single segment viz. Financial Services and related activities and therefore the segment reporting is not applicable.

4. In line with the requirements of regulation 47(2) of the listing Regulations, 2015, the results for the quarter ended June 30, 2022 are available on the website of BSE Limited (URL: wwww.bseindia.com/corporates), the National StockExchange of India Limited (URL: www.nseindia.com/corporates) and on the company's website www.transwarranty.com.

5. Covid-19 outbreak was declared as a global pandemic by World Health Organisation (WHO) on 11 March 2020. Indian authorities have followed an approach of complete lockdown since 24 March 2020 starting with three-week complete lockdown, during which only defined essential services were operating with limited capacity. The lockdown kept on getting extended with gradual and modest relaxations. Financial service has been declared as an essential service and accordingly , the Company has been in operation consistently with minimal permitted staff. Accordingly as of 30 June 2022, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

6. The company is in the process of raising additional equity capital including Rights/Preferential issue etc. for financing the growth opportunities in the online lending platforms and has accordingly increased its authorised share capital by INR 2000.00 lakhs during the quarter ended June 30, 2022.

7. Investment in preference shares of its subsidiary were redeemed and a loss of INR 22.76 lakhs has been incurred during the quarter ended June 30, 2022.

8. Figures have been regrouped and rearranged wherever necessary.

For Transwarranty Finance Limited

U. Ramachandran
Director/CFO
DIN No. 00493707

Place : Mumbai
Date : 29.07.2022

INDEPENDENT AUDITOR'S REPORT

To the Members of

Transwarranty Finance Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Transwarranty Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, =2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2022, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter(s)	How our audit addressed the key audit matter
Impairment of financial assets as at balance sheet date (expected credit losses) (Refer Note No. 4 & 5 to the standalone financial statements)	
Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss (ECL) approach. The Company recognises lifetime ECL from initial recognition of trade receivables by using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. In the process, a significant degree of judgment has been applied by the Management for: • Staging of Trade Receivables [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories]; • Grouping of receivables based on homogeneity by using appropriate statistical techniques; • Determining macro-economic factors impacting credit quality of receivables; In view of the high degree of Management's judgment involved in estimation of ECL it is a key audit matter.	• Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109. • Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of receivables based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) receivables to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Evaluated the completeness, accuracy and relevance of data used in the expected credit loss model and checked the mathematical accuracy of the calculations. • Obtained an ageing report of trade receivables and tested the accuracy by checking the ageing of select invoices on a sample basis • Assessed the additional considerations applied by the Management for staging of receivables as SICR or default categories in view of Company's policy on receivables. • Tested assumptions used by the Management in determining the overlay for macro-economic factors.

Emphasis of Matter

We draw attention to Note No. 5 to the standalone financial statements wherein the Company has provided for impairment losses of Rs. 12,675,000/- on trade receivables and Rs. 64,991,383 on loans given as on 31st March 2022. Our opinion is not modified in respect of the above matter.

We draw attention to Note 42 to the Statement indicating Company's financial position with an accumulated net deficit as at the year end. Based on the management's projected operations and marketing efforts, the Company expects to generate adequate surplus in the future and consequently does not foresee any difficulty in settling its liabilities as and when they arise or continue as a going concern.

Our opinion is not modified in respect of the above matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;

g. With respect to the other matter to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act; In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company does not have any pending litigations which would impact its financial position.

   (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S S Khan & Co
Chartered Accountants
ICAI Firm Registration No. 133324W

Sarfaraz Khan
Proprietor
Membership No. 144212
UDIN: 22144212ANVKRZ5767

Place: Mumbai
Date: May 26, 2022

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, some of the fixed assets have been physically verified by the management according to a programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

ii) The Company is a Non-Banking Financial Company. Accordingly, it does not hold any physical inventory. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v) According to the information and explanations given to us, the Company has not accepted any deposit attracting the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder. Thus, paragraph 3(v) of the Order is not applicable to the Company.

vi) In our opinion and according to the information and explanation given to us, pursuant to the Rules made by the Central Government, the maintenance of cost records as prescribed under Section 148 (1) of the Companies Act, 2013, is not applicable to the Company for the year under report.

vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2022 outstanding for a period of more than six months from the date they become payable.

(b) According to the records of the Company and the information and explanations given to us, the Company has no disputed statutory dues that have not been deposited. Hence, paragraph 3(vii)(b) of the Order is not applicable to the Company.

viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix) a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) Term loans were applied for the purpose for which the loans were obtained.

d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company

e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x) a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi) a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year

b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an internal audit system commensurate with the size and nature of its business.

b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) a) According to the information and explanations given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b) The Company has conducted Non-Banking Financial activities holding a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

d) As represented by the management, the Group does not have more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies

(Reserve Bank) Directions, 2016.

xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred cash losses in the financial year (Rs. 21,479,017) and in the immediately preceding financial year (Rs. 33,215,205)

xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix) On the basis of the financial ratios disclosed in Note 37 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

b) There are no ongoing projects and accordingly, there are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

For S S Khan & Co
Chartered Accountants
ICAI Firm Registration No. 133324W

Sarfaraz Khan
Proprietor
Membership No. 144212
UDIN: 22144212ANVKRZ5767

Place: Mumbai
Date: May 26, 2022

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Transwarranty Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S S Khan & Co
Chartered Accountants
ICAI Firm Registration No. 133324W

Sarfaraz Khan
Proprietor
Membership No. 144212
UDIN: 22144212ANVKRZ5767

Place: Mumbai
Date: May 26, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	As At 31 March 2022	As At 31 March 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	3	899,288	1,643,842
Receivables			
Trade Receivables	4	54,575,562	55,066,577
Loans	5	176,369,269	187,261,296
Investments	6	147,233,519	147,096,296
Other Financial assets	7	85,112,708	82,775,731
		464,190,346	**473,843,742**
Non-financial Assets			
Current tax assets (Net)	8	8,772,212	6,758,362
Deferred tax Assets (Net)	9	21,353,096	21,353,096
Property, Plant and Equipment	10	81,358,231	83,349,439
Goodwill	11	400,000	400,000
Other Intangible assets	11	12,335	25,927
Other non-financial assets	12	42,748,044	42,248,473
		154,643,918	**154,135,297**
Total Assets		**618,834,264**	**627,979,039**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
(I) Trade Payables	13	-	-
(i) total outstanding dues of micro enterprises and small enterprises		485,029	485,029
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.			
(II) Other Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises.		284,878	241,616
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.		3,304,952	2,596,367
Debt Securities	15	43,222,209	27,904,789
Borrowings (Other than Debt Securities)	16	325,548,353	345,475,458
Other financial liabilities	17	65,514,457	47,537,143
		438,359,878	**424,240,402**
Non-Financial Liabilities			
Provisions	18	1,170,173	1,209,455
Other non-financial liabilities	19	3,972,061	3,869,299
		5,142,234	**5,078,754**
EQUITY			
Equity Share capital	20	244,605,680	244,605,680
Other Equity	21	(69,273,528)	(45,945,797)
		175,332,152	**198,659,883**
Total Liabilities and Equity		**618,834,264**	**627,979,039**

Summary of significant accounting policies and key accounting estimates and judgements- 2

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

For S.S. Khan & Co
Chartered Accountants
Firm Registeration No. 133324W
Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN. 00320541

Ramachandran U.
Director & CFO
DIN 00493707

Suhas Bargoankar
Company Secretary

26th May, 2022
Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	Note No.	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
Revenue from operations			
Interest Income	22	17,397,267	6,043,361
Fees and Commission Income	23	10,661,549	5,218,901
Sale of Stock	24	39,148,840	56,886,993
Total Revenue from operations		**67,207,656**	**68,149,255**
Other Income	25	5,007,201	1,248,474
Total Income		**72,214,857**	**69,397,729**
EXPENSES			
Finance Costs	26	38,113,793	26,576,213
Purchases of Stock-in-trade	27	39,172,702	56,909,555
Employee Benefits Expenses	28	11,042,265	12,110,205
Depreciation, amortization and impairment	29	2,110,770	2,122,460
Others Expenses	30	5,365,114	7,016,960
Total Expenses		**95,804,64**	**104,735,394**
Profit/ (Loss) before exceptional items and tax		**(23,589,787)**	**(35,337,665)**
Exceptional Items:-		-	-
Profit/(Loss) before tax		**(23,589,787)**	**(35,337,665)**
Tax Expenses:			
Current Tax		**-**	**-**
Deferred Tax		-	(539,735)
Profit / (Loss) for the year from continuing operations		**(23,589,787)**	**(34,797,930)**
Profit/(loss) from discontinued operations		-	-
Tax Expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(After tax)		-	-
Profit/(Loss) for the year		**(23,589,787)**	**(34,797,930)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit obligation gain / (loss)		201,452	45,364
Fair valuation on Equity instrument		-	(420,958)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (A)		201,452	(375,594)
(B) (i) Items that will be reclassified to profit or loss			
Fair valuation on Equity instrument		60,604	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		60,604	-
Other Comprehensive Income		**262,056**	**(375,594)**
Total Comprehensive Income for the Year (Comprising Profit (Loss) and other Comprehensive Income for the Year)		**(23,327,731)**	**(35,173,524)**
Earnings per equity share (for continuing and discontinued operations)			
Basic (Rs.)	31	(0.95)	(1.44)
Diluted (Rs.)	31	(0.95)	(1.44)

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

For S.S. Khan & Co
Chartered Accountants
Firm Registeration No. 133324W
Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN. 00320541

Ramachandran U.
Director & CFO
DIN 00493707

Suhas Bargoankar
Company Secretary

26th May, 2022
Mumbai

Cash Flow Statement for the Year Ended 31st March, 2022

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	(23,589,787)	(35,337,665)
Adjustments for:		
Depreciation	2,110,770	2,122,460
Interest Income	(17,397,267)	(6,043,361)
Dividend Income	(14,628)	(14,687)
Interest Expense	37,387,074	26,576,213
Impairement Allowance	152,676	1,222,091
	(1,351,162)	(11,474,949)
Adjustments for Changes in Working Capital:		
(Increase) / Decrease in Trade and other Receivables	491,015	(360,522)
Increase / (Decrease) in Trade & Other Payables	751,847	(101,653)
(Increase)/decrease in loans	10,739,350	(170,387,859)
(Increase)/decrease in other financial assets	(287)	99,350
(Increase)/decrease in Inventories	-	-
(Increase)/decrease in other non-financial assets	(499,571)	240,648
Increase / (Decrease) in other financial Liabilities	19,286,321	28,378,569
Increase/(decrease) in provisions	162,170	456,807
Increase / (Decrease) in non- financial Liabilities	102,762	(156,810)
Cash inflow from interest on loans	15,060,577	3,541,997
Income tax paid (net of refunds)	(2,013,851)	(274,422)
Net Cash Flows from Operating Activities	**42,729,171**	**(150,038,844)**
Cash Flows from Investing Activities:		
Dividend Income	14,628	14,687
(Purchase) / Sale of Inventories	-	-
(Purchase)/ Sale of Investment	(76,618)	6,009,184
Purchase of Property Plant and Equipment	(105,970)	(85)
(Purchase)/ Sale of Intangible Asset	-	150,000
Net Cash Flows from Investing Activities	**(167,960)**	**6,173,786**

Cash Flow Statement for the Year Ended 31st March, 2022

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash Flows from Financing Activities:		
Borrowings other than debt securities issued/ (Redeemed) (net)	(19,927,104)	175,212,723
Debt securities issued/ (Redeemed) (net)	15,317,420	5,620,654
Finance cost paid	(38,696,081)	(38,726,871)
Net Cash Flows from Financing Activities	**(43,305,765)**	**142,106,506**
Net Increase or (Decrease) in Cash and Cash Equivalents (I + II + III)	**(744,554)**	**(1,758,552)**
- Add: Cash and Cash Equivalents at Beginning of the year (Refer Note)	1,643,842	3,402,393
Cash and Cash Equivalents at End of the Year	**899,288**	**1,643,842**
Note:		
Cash and Cash Equivalents		
- Cash in Hand	833,798	1,037,692
- Balances with Banks		
- In Current Accounts	65,490	606,150
Total	**899,288**	**1,643,842**

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For S.S. Khan & Co
Chartered Accountants
Firm Registeration No. 133324W
Sarfaraz Khan
Proprietor
Membership No. 144212

26th May, 2022
Mumbai

For and on Behalf of Board of Directors

Kumar Nair
Managing Director
DIN. 00320541

Ramachandran U.
Director & CFO
DIN 00493707

Suhas Bargoankar
Company Secretary

Transwarranty Finance Limited

Statement of Changes in Equity

Particulars	Balance as at April 01, 2020	Change during the year 2020-21	Balance as at March 31, 2021	Change during the year 2021-22	Balance as at March 31, 2022
Equity Share Capital	24,46,05,680	-	24,46,05,680	-	24,46,05,680

Other Equity

Particulars	Retained Earnings	Reserve Fund as per RBI Act	General Reserve	Other Comprehensive Income - Equity Instruments	Total Other Equity
At April 1, 2021	(9,05,29,273)	3,41,39,639	1,04,10,757	33,080	(4,59,45,797)
Profit after tax	(2,35,89,787)	-	-	-	**(2,35,89,787)**
Other comprehensive income	2,01,452	-	-	60,604	**2,62,056**
	(11,39,17,609)	**3,41,39,639**	**1,04,10,757**	**93,684**	**(6,92,73,528)**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	**-**	**-**	**-**	**-**	**-**
At March 31, 2022	**(11,39,17,609)**	**3,41,39,639**	**1,04,10,757**	**93,684**	**(6,92,73,528)**
At April 1, 2020	(5,57,76,707)	3,41,39,639	1,04,10,757	4,54,038	**(1,07,72,273)**
Profit after tax	(3,47,97,930)	-	-	-	**(3,47,97,930)**
Other comprehensive income	45,364	-	-	(4,20,958)	**(3,75,594)**
	(9,05,29,273)	**3,41,39,639**	**1,04,10,757**	**33,080**	**(4,59,45,797)**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	**-**	**-**	**-**	**-**	**-**
At March 31, 2021	**(9,05,29,273)**	**3,41,39,639**	**1,04,10,757**	**33,080**	**(4,59,45,797)**

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For S S Khan & Co
Chartered Accountants
ICAI Firm registration number : FRN: 13334W

Sarfaraz Khan
Proprietor
Membership No: 144212

Place : Mumbai
Date : May 26, 2022

For and on Behalf of Board of Directors

Kumar Nair
Managing Director
DIN: 00320541

Ramachandran U.
Director & CFO
DIN: 00493707

Suhas Bargoankar
Company Secretary

Place : Mumbai
Date : May 26, 2022

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Note 1 CORPORATE INFORMATION

Transwarranty Finance Limited ('the Company'), incorporated in India, is a public limited company, headquartered in Mumbai.The Company is a full service Financial & Capital Market Services Company, providing a wide range of services to over 1,000 Large, Small and Medium companies and thousands of retail clients all over India, since 1994.

The Company is registered with Reserve Bank of India (RBI) as an Non Banking Finance Company (NBFC) and its shares are listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). It is engaged in advisory services like Investment Banking, Corporate Finance, Project Finance, Trade Finance and providing Business & Retail Loans against collateral security of immovable property, liquid assets like shares, other financial assets, gold jewelry etc.

The Company has fast expanding network of branches providing secured, business and retail loans. It is one of the few financial services companies, which is adept at structuring and executing advisory transactions as well as managing fund based business of providing business and retail loans.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on 26th June 2021.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values:

i) fair value through other comprehensive income

ii) derivative financial instruments,

iii) other financial assets held for trading,

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in thevaluation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements and Estimation uncertainity

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- Effective Interest Rate (EIR) Method
- Impairment of financial asset
- Provision for tax expense
- Fair value instruments

2.6 Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

2.7 Revenue recognition :

a) Recognition of interest income

Effective Interest Rate (EIR) Method

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

Interest Income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer creditimpaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

b) Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

c) Sale of Stock

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

d) Sale of services

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

e) Rent Income

Lease rental income is recognised in the statement of profit and loss on a straight -line basis over the lease term.

f) Income from securities

Gains or losses on the sale of securities are recognised in Statement of profit and loss as the difference between fair value of the consideraton received and carrying amount of the investment securites.

g) Dividend Income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

2.8 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it ncreases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Assets	Useful Life
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 to 10 years
Buildings	60 years

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (caculated as the differnce between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

2.9 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calcualted using the straight line method to write down the cost of intangible assets over their estimated useful lives.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.10 Investments in subsidiaries and associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2.11 Foreign exchange transactions and translations

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary

items, which are measured in terms of historical cost denominated in a foreign currency, are reported using

the exchange rate at the date of the transaction."

c) Exchange difference

All exchange differences are accounted in the Statement of Profit and Loss.

2.12 Financial instruments

a) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortised cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

d) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment of financial instruments

In accordance with Ind AS 109, the Company uses ‘Expected Credit Loss’ model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

For all other financial assets, the Company recognizes lifetime expected credit losses (ECL) based on the months past due when there has been a significant increase in credit risk since initial recognition and when the financial asset is credit impaired. Financial assets where no significant increase in credit risk has been observed are considered to be in ‘stage 1’ and for which no ECL is recognized. Financial assets where there has been significant increase in credit risk are considered to be in ‘stage 2’ and those which are in default or for which there is an objective evidence of impairment are considered to be in ‘stage 3’. Lifetime ECL is recognized for stage 2 and stage 3 financial assets

At initial recognition, allowance (or provision) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument (‘lifetime ECL’).

Financial assets (and the related impairment loss allowances) are written off either partially or in their entirety, when there is no realistic prospect of recovery and the company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowancethat is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

Without significant increase in credit risk since initial recognition (stage 1)

No ECL allowance is recognized for stage 1 financial asset as based on company’s assessment there is no significant increase in credit risk. The Company has ascertained default possibilities on past behavioral trendsand other performance indicators.

Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

Contractual payments of either principal or interest are past due for more than 365 days

The loan is otherwise considered to be in default.

Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. The Company has calculated ECL using three components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money as necessary.

* Determination of PD is covered above for each stages of ECL.
* EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
* LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value, if any,at the time it is expected to be realised.

Overview of Expected Credit Loss (ECL) model

The Company recognises lifetime ECL for trade and other receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that may result from all possible default events over the expected life of a financial assets.(refer Note No. 5 on “Receivables”)

2.13 Employee benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss

c) Gratuity

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

d) Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee shared based payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of stock options at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.14 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits,subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

2.15 Taxation - Current and deferred tax

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.16 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cashgenerating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cashgenerating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

2.17 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.18 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee -

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.

Where the Company is the lessor -

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Cost including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct cost are recognised immediately in Statement of profit and loss.

2.19 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.21 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

2.22 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note- 3

Cash and Cash Equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks:		
in current accounts	65,490	6,06,150
Cash on hand	8,33,798	10,37,692
Total	**8,99,288**	**16,43,842**

Note- 4

Trade Receivables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
-Considered good	4,19,00,562	4,23,91,577
-Considered doubtful	-	-
Receivables which have significant increase in Credit Risk	2,53,50,000	2,53,50,000
Credit impaired	-	-
	6,72,50,562	**6,77,41,577**
Less : Allowance for bad and doubtful debts	(1,26,75,000)	(1,26,75,000)
Total	**5,45,75,562**	**5,50,66,577**

Trade receivables ageing schedule as at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 -2 years	2-3 years	More than 3 years	Total
Considered good						
(i) Undisputed Trade receivables	15,24,705	38,005	95,589	75,871	25,000	17,59,170
(ii) Disputed Trade receivables	-	-	-	-	-	-
Considered doubtful						
(iii) Undisputed Trade Receivables	-	-	-	4,01,41,392	2,53,50,000	6,54,91,392
(iv) Disputed Trade Receivables	-	-	-	-	-	-
Total	**15,24,705**	**38,005**	**95,589**	**4,02,17,263**	**2,53,75,000**	**6,72,50,562**

Trade receivables ageing schedule as at 31 March, 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 -2 years	2-3 years	More than 3 years	Total
Considered good						
(i) Undisputed Trade receivables	18,98,783	1,64,390	1,72,404	25,000	-	22,60,577
(ii) Disputed Trade receivables	-	-	-	-	-	-
Considered doubtful						
(iii) Undisputed Trade Receivables	-	-	4,01,31,000	2,53,50,000	-	6,54,81,000
(iv) Disputed Trade Receivables	-	-	-	-	-	-
Total	**18,98,779**	**1,64,390**	**4,03,03,404**	**2,53,75,000**	**-**	**6,77,41,577**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022.

NOTE 5

Loans

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost		
Secured, considered good		
Gold Loan	4,115,100	4,115,100
Less: Impairment loss allowance	-	-
Net	**4,115,100**	**4,115,100**
Unsecured, considered good		
Loans to Related Parties	2,568,907	468,976
Loans to Employee	616,030	391,301
Personal Loans & Consumer Loans Receivables	68,791,192	7,830,471
Inter Corporate Deposits	106,150,000	181,150,000
	178,126,129	**189,840,748**
Less: Impairment loss allowance	**(5,871,960)**	**(6,694,552)**
Total, Net	**172,254,169**	**183,146,196**
Credit Impaired		
Inter Corporate Deposits	58,850,000	58,850,000
Promissory Note Loan	187,586	187,586
Property Loans	81,837	81,837
	59,119,423	**59,119,423**
Less: Impairment loss allowance	**(59,119,423)**	**(59,119,423)**
Total, Net	**-**	**-**
Total Loans, Net	**176,369,269**	**187,261,296**
Of the above;		
(i) Loans in India		
Public Sector	-	-
Others	241,360,652	253,075,271
Less: Impairment loss allowance	(64,991,383)	(65,813,975)
	176,369,269	**187,261,296**
(i) Loans outside India		
Others	-	-
	-	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Summary of loans by stage distribution

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	0-90 Days	90-180 Days	180 Days or More		0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	5,24,40,642	1,00,76,517	178,843,493	241,360,652	109,091,425	7,38,81,632	70,102,214	253,075,271
Less: Impairment loss allowance	1,31,102	1,42,534	64,717,747	64,991,383	30,212	5,76,840	6,52,06,923	6,58,13,975
Net carrying amount	**5,23,09,540**	**99,33,983**	**11,41,25,746**	**176,369,269**	**10,90,61,213**	**7,33,04,792**	**4,895,291**	**18,72,61,296**

NOTE 6

Investments

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) At cost		
Investment in subsidiaries		
Equity shares	14,09,89,984	14,09,89,984
Preference shares	50,51,600	50,51,600
Total (A)	**14,60,41,584**	**14,60,41,584**
(B) At fair value through other comprehensive income		
(i) In equity instruments		
Equity shares	917,326	937,355
Add: Fair value gain/(losses)	132,583	(20,029)
Total (B)	**1,049,908**	**917,326**
(C) At fair value through profit or loss		
(i) In mutual funds	1,23,081	1,18,441
(ii) In Government securities	18,945	18,945
Add: Fair value gain/(losses)	-	-
Total (C)	**1,42,026**	**1,37,386**
Total Loans, Net	**147,233,519**	**147,096,296**

NONOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Units	Amount	Units	Amount
Mutual Funds				
UTI - Liquid Cash Plan - Institutional Daily Dividend	1.04	1,122	1.04	1,085
UTI - Floating Rate Fund-STP-Direct Growth Plan	3.86	14,056	3.86	13,161
HDFC Liquid Fund- Growth	25.93	107,903	25.93	104,194
Sub total (i)	**30.83**	**123,081**	**30.82**	**118,441**
Government Securities				
National Savings Certificate VIII issue	1.00	5,000	1.00	5,000
UTI Master Share	1,000.00	13,945	1,000.00	13,945
Sub total (ii)	**1,001.00**	**18,945**	**1,001.00**	**18,945**
Equity Instruments				
Subsidiaries				
Vertex Securities Limited	3,92,53,950	14,08,89,984	3,92,53,950	14,08,89,984
Transwarranty Capital Market Services Pvt. Ltd.	50,000	1,00,000	50,000	100,000
Sub total (iii)	**3,93,03,950**	**14,09,89,984**	**3,93,03,950**	**14,09,89,984**
Others				
Quoted				
South Indian Bank (Right Share)	10.00	75	10.00	83
NEPC India Ltd.	2,000.00	-	2,000.00	-
Shree Rama Newsprints Ltd	1,250.00	21,313	1,250.00	20,813
CSB Limited	700.00	1,48,120	700.00	162,890
Anil Products Ltd	39.00	-	39.00	-
Castrol India Ltd	1,000.00	1,00,950	1,000.00	2,08,040
IDFC First Bank	2,000.00	79,300	2,000.00	1,31,749
NHPC Limited	5,000.00	1,39,000	5,000.00	1,50,250
Kitex Garments	2,000.00	5,50,650	2,000.00	2,33,000
Sub total (iv)	**13,999.00**	**10,39,408**	**13,299.00**	**9,06,825**
UnQuoted				
Regent Chamber Co-Op. Society	10.00	501	10.00	501
Saraswat Bank Cooperative Bank	1,000.00	10,000	1,000.00	10,000
Sub total (v)	**1,002.00**	**10,501**	**1,002.00**	**10,501**
Preference shares				
Vertex Securities Limited	27,758.00	50,51,600	27,758.00	50,51,600
Sub total (vi)	**27,758.00**	**50,51,600**	**27,758.00**	**50,51,600**
Total	**3,93,37,749**	**14,72,33,519**	**3,93,47,049**	**14,70,96,295**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note- 7
Other Financial assets

Particulars	As at 31stMarch 2022	As at 31stMarch 2021
Securities Deposits	3,57,880	3,35,206
Advance Lease rental	2,623	25,010
Interest Accrued on ICDs	33,35,841	21,74,775
Interest Accrued on other loans	56,53,864	44,78,240
TFL-TCCPL and TFCPL Merger Scheme Trust	7,57,62,500	7,57,62,500
Total	**8,51,12,708**	**8,27,75,731**

Note- 8
Current tax assets (Net)

Particulars	As at 31stMarch 2022	As at 31stMarch 2021
Income Tax (Net of Provisions)	87,72,212	67,58,362
Total	**87,72,212**	**67,58,362**

Note- 9
Deferred tax Assets (Net)

Particulars	As at 31stMarch 2022	As at 31stMarch 2021
Deferred tax Assets	2,13,53,096	2,13,53,096
Total	**2,13,53,096**	**2,13,53,096**

Deferred tax assets recorded in Balance Sheet

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred tax assets		
Depreciation on property, plant and equipment	9,39,277	9,39,277
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	2,04,13,974	2,04,13,974
Present value of security deposit	6,538	6,538
Remeasurement of employee benefit	1,39,930	1,39,930
Effective Interest Rate (EIR) on financial instruments	1,26,025	1,26,025
Gross deferred tax assets	**2,16,25,744**	**2,16,25,744**
Deferred tax liabilities		
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	13,507	13,507
Effective Interest Rate (EIR) on financial instruments	1,52,286	1,52,286
Remeasurement of employee benefit	-	-
Present value of security deposit	1,06,855	1,06,855
Gross deferred tax liabilities	**2,72,648**	**2,72,648**
Deferred tax assets/(liabilities), net	**2,13,53,096**	**2,13,53,096**

10 Property, plant and equipment

Particulars	Furniture	Computers	Office Equipments	Vehilcles	Office Premises No. 403 *	Office Premises No. 405 **	Residential Premises	Land	Total
Gross Block									
At April 1, 2020	59,34,105	15,12,192	34,47,736	38,72,140	4,78,87,926	4,86,57,169	2,34,470	30,85,500	**11,46,31,238**
Additions	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	-	**-**
At March 31, 2021	**59,34,105**	**15,12,192**	**34,47,736**	**38,72,140**	**4,78,87,926**	**4,86,57,169**	**2,34,470**	**30,85,500**	**11,46,31,238**
At April 1, 2021	**59,34,105**	**15,12,192**	**34,47,736**	**38,72,140**	**4,78,87,926**	**4,86,57,169**	**2,34,470**	**30,85,500**	**11,46,31,238**
Additions	-	55,838	50,131	-	-	-	-	-	**1,05,969**
Adjustments	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	-	**-**
At March 31, 2022	**59,34,105**	**15,68,030**	**34,97,868**	**38,72,140**	**4,78,87,926**	**4,86,57,169**	**2,34,470**	**30,85,500**	**11,47,37,208**
Accumulated Depreciation									
At April 1, 2020	51,58,875	13,13,438	34,36,297	38,72,140	49,83,165	1,02,86,608	1,16,815	-	**2,91,67,338**
Charge for the year	1,64,703	83,210	4,554	-	10,21,809	8,37,635	2,550	-	**21,14,461**
Adjustments	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	-	**-**
At March 31, 2021	**53,23,578**	**13,96,648**	**34,40,851**	**38,72,140**	**60,04,974**	**1,11,24,243**	**1,19,365**	**-**	**3,12,81,799**
Charge for the year	1,64,353	64,189	6,642	-	10,21,809	8,37,635	2,550	-	**20,97,178**
Adjustments	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	-	**-**
At March 31, 2022	**54,87,931**	**14,60,837**	**34,47,493**	**38,72,140**	**70,26,783**	**1,19,61,878**	**1,21,915**	**-**	**3,33,78,977**
Net block									
At March 31, 2021	**6,10,527**	**1,15,544**	**6,885**	**-**	**4,18,82,952**	**3,75,32,926**	**1,15,105**	**30,85,500**	**8,33,49,439**
At March 31, 2022	**4,46,174**	**1,07,193**	**50,375**	**-**	**4,08,61,143**	**3,66,95,291**	**1,12,555**	**30,85,500**	**8,13,58,231**

*Carrying amount of Office Premises No. 403 has been hypothicated as a security by the Company against the overdraft facility taken by Vertex Securities Limited (subsidiary company)

**Carrying amount of Office Premises No. 405 has been hypothicated as a security by the Company against the overdraft facility taken by the Company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

11 Intangible assets

Particulars	Goodwill	Software	Total
Gross Block			
At April 1, 2020	4,00,000	36,13,925	**40,13,925**
Additions	-	-	**-**
Disposals	-	1,50,000	**1,50,000**
At March 31, 2021	**4,00,000**	**34,63,925**	**41,63,925**
At April 1, 2021	4,00,000	34,63,925	**38,63,925**
Additions	-	-	**-**
Disposals	-	-	**-**
At March 31, 2022	**4,00,000**	**34,63,925**	**38,63,925**
Accumulated Amortization			
At April 1, 2020	-	34,29,999	**34,29,999**
Charge for the year	-	7,999	7,999
Disposals		-	**-**
At March 31, 2021	**-**	**34,37,998**	**34,37,998**
Charge for the year	-	13,592	13,592
Disposals	-	-	-
At March 31, 2022	**-**	**34,51,590**	**34,51,590**
Net block			
At March 31, 2021	**4,00,000**	**25,927**	**7,25,927**
At March 31, 2022	**4,00,000**	**12,335**	**4,12,335**

12 Other non-financial assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advances	4,07,75,000	4,07,75,000
MAT Credit Entitlement	13,39,017	13,39,017
Prepaid Expense	28,671	55,817
Cenvat Credit- GST	83,287	60,550
Advances to others	5,22,069	18,089
Total	**4,27,48,044**	**4,22,48,473**

Terms/rights/restrictions attached to equity shares

The company has only one class of Equity share having a Par Value of Rs.10/- each. Each holder of equity share is entitled for one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuring Annual General Meeting.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note-13 Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) total outstanding dues of micro enterprises and small enterprises		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	485,029	485,029
Total	**485,029**	**485,029**

Note- 14 Other Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) total outstanding dues of micro enterprises and small enterprises	284,878	241,616
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,304,952	2,596,367
Total	**3,589,830**	**2,837,983**

Trade payables ageing schedule as at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	1 -2 years	2-3 years	More than 3 years	Total
(i) MSME - undisputed	284,878	-	-	-	284,878
(ii) Others - undisputed	1,750,493	716,965	446,550	390,945	3,304,952
Total	**2,035,371**	**716,965**	**446,550**	**390,945**	**3,589,830**

Trade payables ageing schedule as at 31 March, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	1 -2 years	2-3 years	More than 3 years	Total
(i) MSME - undisputed	241,616	-	-	-	241,616
(ii) Others - undisputed	1,505,457	647,978	442,932	-	2,596,367
Total	**1,747,073**	**647,978**	**442,932**	**-**	**2,837,983**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note- 15 Debt Securities

Particulars	As at 31stMarch 2022	As at 31stMarch 2021
Debt Securities, in India		
At Amortised Cost		
Secured #		
Privately placed redeemable non-convertible debentures (Refer note A)	3,56,00,000	2,62,00,000
Less: Amortization of finance cost	(5,23,563)	(3,68,783)
Total, Net	**3,50,76,437**	**2,58,31,217**
Unsecured		
Privately placed redeemable non-convertible debentures	83,00,000	22,00,000
Less: Amortization of finance cost	(1,54,228)	(1,26,428)
Total, Net	**81,45,772**	**20,73,572**
Total Debt Securities	**4,32,22,209**	**2,79,04,789**

Note A: Secured by way of first ranking pari passu charge with the existing secured creditors on the movable assets of the company to the extent of 100% of the amount of outstanding NCDs and interest thereon.

Terms of repayment of non-convertible debentures (NCDs)

Maturity Period	As at 31st March 2022		As at 31st March 2021	
	Interest Range	Amount	Interest Range	Amount
A) Secured				
Maturity between 3 to 5 years	11.25% - 11.75%	51,00,000	11.25% - 11.75%	17,00,000
Maturity between 1 to 3 years	11.25% - 11.50%	2,03,00,000	11.25% - 11.50%	1,51,00,000
Maturity within 1 year	11% - 11.25%	1,02,00,000	11% - 11.25%	53,00,000
Total at face value		**3,56,00,000**		**2,21,00,000**
Less: Unamortised finance cost		(5,23,563)		(3,68,783.00)
Total amortised cost		**3,50,76,437**		**2,17,31,217**
B) Unsecured				
Maturity between 3 to 5 years	1.04	37,00,000	11.25% - 11.75%	7,00,000
Maturity between 1 to 3 years	3.86	46,00,000	11.25% - 11.50%	56,00,000
Maturity within 1 year	25.93	-	11.00%	-
Total at face value		**83,00,000**		**63,00,000**
Less: Unamortised finance cost		(1,54,228)		(1,26,428)
Total amortised cost		**81,45,772**		**61,73,572**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note- 16

Borrowings (Other than Debt Securities)

Particulars	As at 31stMarch 2022	As at 31stMarch 2021
Borrowings, in India		
At Amortised Cost		
Secured		
Loans repayable on demand		
Overdraft Facility from banks 1	7,80,24,023	7,62,05,198
Loan from Life Insurance Corporation 2	83,54,070	-
Total, Net	**8,63,78,093**	**7,62,05,198**
Unsecured		
Inter corporate Deposits	22,65,50,000	25,71,50,000
Loans from related parties	1,26,20,260	1,21,20,260
Total, Net	**23,91,70,260**	**26,92,70,260**
Total Debt Securities	**32,55,48,353**	**34,54,75,458**

Terms of repayment:

Particulars	As at 31st March 2022		As at 31st March 2021	
	Interest Range	Amount	Interest Range	Amount
Secured				
A) Demand Loans, overdraft facility				
Maturity within 1 year	10.50% - 13.40%	7,80,24,023	10.50% - 13.40%	7,62,05,198
B) Term Loans				
Maturity within 1 year	10.50%	83,54,070		-
Total amortised cost		**8,63,78,093**		**7,62,05,198**
Unsecured				
C) Inter corporate deposits				
Maturity between 1 to 3 years	9.00% to 12.50%	22,65,50,000	10.00% to 12.50%	25,71,50,000
D) Loans from related parties				
Maturity between 3 to 5 years	15.00%	1,26,20,260	15.00%	1,21,20,260
Total amortised cost		**23,91,70,260**		**26,92,70,260**

1 Overdraft from The CSB Bank Limited is Working Capital Facility for lending in Gold Loans, Personal Loans and Loans under digital platform. The credit facility is secured by first pari passu charge on movable assets and personal guarantee of the Managing Director.

Tenure of the credit facility is for 12 months and repayable on demand. This shall be renewed before the expiry of the sanctioned period of one year. “

1 Overdraft from The South Indian Bank Limited is Working Capital Facility for Onward lending. Loan is Secured against entire current Assets of the company, collateral security of Office premises No. 405 and personal guarantee of the Managing Director.

Tenure of the loan is for 12 months and repayable on demand. Limit shall be renewed before the expiry of the sanctioned period of one year. “

2 Credit Facility from Life Insurance Corporation is against Key-man Insurance Policy. Repayable at the time of maturity of the policy i.e. by F.Y. 2026-27.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

17 Other Financial Liabilities

Particulars	As at 31stMarch 2022	As at 31stMarch 2021
Interest Accured	43,38,272	56,47,279
Book Overdraft	6,11,76,185	4,18,89,813
Deposit	-	51
Total	**6,55,14,457**	**4,75,37,143**

18 Provisions

Particulars	As at 31stMarch 2022	As at 31stMarch 2021
Provision for employee benefits		
Gratuity	2,49,588	2,72,877
Compensated absences	9,20,585	9,36,578
Total	**11,70,173**	**12,09,455**

19 Other Non-Financial Liabilities

Particulars	Nos.	Amount (Rs)
Statutory Dues	11,44,808	10,41,796
Others	28,27,253	28,27,503
Total	**39,72,061**	**38,69,299**

20 Equity Share Capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised		
31,000,000 Equity Shares of Rs.10/- each	31,00,00,000	31,00,00,000
	31,00,00,000	**31,00,00,000**
Issued, Subscribed and Paid Up		
24,460,568 Equity Shares of Rs.10/- each fully paid up	24,46,05,680	24,46,05,680
Total	**24,46,05,680**	**24,46,05,680**

Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Numbers	Amount
As at 1 April 2020	2,44,60,568	24,46,05,680
Equity share capital issued, subscribed and fully paid up	-	-
As at 31st March 2021	**2,44,60,568**	**24,46,05,680**
As at 1 April 2021	2,44,60,568	24,46,05,680
Equity share capital issued, subscribed and fully paid up	-	-
As at 31st March 2022	**2,44,60,568**	**24,46,05,680**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	Numbers	Amount	Numbers	Amount
Kumar Nair	1,27,08,694	51.96%	1,27,08,694	51.96%
TFL-TCCPL and TFCPL Merger Trust	52,25,000	21.36%	52,25,000	21.36%
Total	**1,79,33,694**	**73.32%**	**1,79,33,694**	**73.32%**

Details of shares held by promoters/promoter group

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% of Total Shares	% Change during the year	Number of shares	% of Total Shares	% Change during the year
Kumar Nair	1,27,08,694	51.96%	0.00%	1,27,08,694	51.96%	0.00%
Leena Kumar Nair	2,67,473	1.09%	0.00%	2,67,473	1.09%	0.00%
Jayachandran K	22,717	0.09%	0.00%	22,717	0.09%	0.00%
Anitha Plakkot	50,000	0.20%	0.00%	50,000	0.20%	0.00%
Cheralath Chandran	35,603	0.15%	0.00%	35,603	0.15%	0.00%
C. D. Padmini Devi	20,840	0.09%	0.00%	20,840	0.09%	0.00%
Karthikeyan Karkatvallil	7,650	0.03%	0.00%	7,650	0.03%	0.00%
Indiradevi	1,950	0.01%	0.00%	1,950	0.01%	0.00%
Total	**1,31,14,927**	**53.62%**		**1,31,14,927**	**53.62%**	

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve and a sum not less than twenty per cent of its net profit every year is transferred each year.

(iil) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

21 Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
(I) Retained Earnings		
Balance at the beginning of the year (a)	(9,05,29,273)	(5,57,76,707)
Profit/(Loss) for the year (b)	(2,35,89,787)	(3,47,97,930)
Other Comprehensive income (c)	2,01,452	45,364
Balance at the end of the year (a+b+c)	**(11,39,17,608)**	**(9,05,29,273)**
(II) Other Comprehensive Income - fair value on equity instruments		
Balance at the beginning of the year (a)	33,080	4,54,038
Gain / (Loss) on fair valuation on equity instruments (b)	60,604	(4,20,958)
Balance at the end of the year (a+b)	**93,684**	**33,080**
Other Reserves		
(III) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	3,41,39,639	**3,41,39,639**
Add: Transferred during the year	-	**-**
Balance as at the end of the year	**3,41,39,639**	**3,41,39,639**
(IV) General Reserve		
Balance as at the beginning of the year	1,04,10,757	1,04,10,757
Add:- Received during the year	-	**-**
Balance at the end of the year	**1,04,10,757**	**1,04,10,757**
Total	**(6,92,73,528)**	**(4,59,45,797)**

22. Interest Income

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
At Amortised Cost		
- On Loans	46,67,773	32,22,045
- On Inter Corporate Deposits	1,27,29,494	28,21,316
	1,73,97,267	**60,43,361**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

23. Fees and Commission Income

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
ICD-Syndication Fees	30,20,733	18,62,005
LC-Syndication Fees	20,99,970	17,02,206
Processing Fees & Other Charges	6,97,051	3,43,603
Suppliers Credit & Buyers Credit	20,37,690	12,88,794
Insurance Commission	16,105	22,293
Professional Charges	9,15,000	-
Corporate Finance	11,25,000	-
Investment Banking	7,50,000	-
	1,06,61,549	**52,18,901**

24. Sale of Stock

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Sale of Shares held in Stock -in -Trade	3,91,48,840	5,68,86,993
	3,91,48,840	**5,68,86,993**

25. Other Income

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Rent Income	-	6,29,128
Key Man Insurance Maturity Claim	39,65,000	-
Dividend Income	14,628	14,687
Miscellaneous Income	10,27,573	6,04,659
	50,07,201	**12,48,474**

26. Finance costs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest on borrowings	3,73,87,074	2,57,79,095
Other Financial Charges	7,26,719	7,97,118
	3,81,13,793	**2,65,76,213**

27. Purchases of Stock-in-trade

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Purchase of Shares held in Stock-in-Trade	3,91,72,702	5,69,09,555
	3,91,72,702	**5,69,09,555**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

28. Employee benefits expense

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Employees emoluments	1,06,27,198	1,17,00,226
Contribution to provident fund and Other Funds	3,32,951	3,70,483
Staff welfare expenses	82,116	39,497
	1,10,42,265	**1,21,10,205**

29. Depreciation and amortization expense

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation and amortization (refer note 3 & note 4)	21,10,770	21,22,460
	21,10,770	**21,22,460**

30. Other expenses

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Rent	1,42,387	3,43,138
Rates, taxes and energy	4,15,221	5,72,808
Repairs and maintenance	68,759	33,172
Computer Expense	3,15,679	5,35,978
Listing Expense	5,40,000	5,40,000
Annual Custody Fees	1,50,000	1,50,000
Credit Verification Charges	59,314	21,540
Brokerage and Commission	3,37,515	46,602
Legal and Professional charges	8,63,633	10,44,264
Society Charges	2,65,347	4,23,900
Travelling Expense	5,18,586	1,16,259
Communication Cost	1,59,847	2,21,061
Printing and stationery	1,34,072	1,52,803
Advertisement and publicity	1,86,067	1,91,619
Director’s fees, allowances and expenses	1,20,446	-
Auditor’s fees and expenses	2,06,500	2,28,850
Insurance	3,38,760	3,75,323
Electricity Charges	68,291	76,824
Impairment Allowance	-	12,22,091
Balance Written Off	24,788	1,34,368
Provisions For Standard Assets	1,52,676	-
Other Expenses	2,97,227	5,86,360
	53,65,114	**70,16,960**

Payment to auditors (excluding taxes)	March 31, 2022	March 31, 2021
For Statutory audit	1,70,000	1,70,000
For taxation matters	30,000	30,000
Other Services	57,206	57,206
	2,57,206	**2,57,206**

31 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended	
	31st March 2022	31st March 2021
(A) Net profit attributable to equity shareholders	(2,33,27,731)	(3,51,73,524)
(B) Weighted average number of equity shares for basic and diluted earnings per share	2,44,60,568	2,44,60,568
Basic earning price per share (Rs) (A/B)	(0.95)	(1.44)
Diluted earning price per share (Rs) (A/B)	(0.95)	(1.44)

32 Segment Information

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2022 or 31 March 2021.

33 Revenue from contract with customers

Particulars	For the year ended	
	31st March 2022	31st March 2021
Type of Service		
ICD-Syndication Fees	30,20,733	18,62,005
LC-Syndication Fees	20,99,970	17,02,206
Processing Fees & Other Charges	6,97,051	3,43,603
Suppliers Credit & Buyers Credit	20,37,690	12,88,794
Insurance Commission	16,105	22,291
Professional Charges	9,15,000	-
Corporate Finance	11,25,000	-
Investment Banking	7,50,000	-
Total	**1,06,61,549**	**51,18,900**
Geographical market		
India	1,06,61,549	51,18,900
Outside India	-	35,516
Total	**1,06,61,549**	**51,18,900**
Timing of revenue recognition		
Services transferred at a point in time	1,06,61,549	51,18,900
Services transferred over time	-	-
Total	**1,06,61,549**	**51,18,900**

Contract Balances

Particulars	For the year ended	
	31st March 2022	31st March 2021
Gross Trade receivables (refer note 4)	6,72,50,562	6,77,41,577
Total	**6,72,50,562**	**6,77,41,577**

34 Income tax expense

Particulars	For the year ended	
	31st March 2022	31st March 2021
(a) Income tax expense is as follows:		
Current tax		
Current tax on profits for the year	-	-
Total Current tax expense	**-**	**-**
Deferred tax		
Decrease / (increase) in deferred tax asset	-	(5,39,735)
(Decrease) / increase in deferred tax liabilities	-	
Total Deferred tax expense/(benefit)	**-**	**(5,39,735)**
Total Income tax expense	**-**	**(5,39,735)**
Income tax expense/(credit) is attributable to:		
Profit from continuing Operations	-	(5,39,735)
Profit/(Loss) from discontinuing Operations	**-**	**-**
Total	**-**	**(5,39,735)**

35 Employee benefits plan

Defined benefit plans

(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below:

Particulars	As at	
	31st March, 2022	31st March, 2021
Defined benefit obligation as at the opening of the year	27,91,622	27,70,557
Current service cost	1,76,857	1,63,590
Interest on defined benefit obligation	1,65,717	1,82,260
Remeasurements due to:	-	-
Actuarial loss/(gain) arising from change in financial assumptions	(55,852)	29,434
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	(1,25,011)	(72,962)
Benefits paid	-	(2,81,257)
Liabilities assumed/(settled)	-	-
Defined benefit obligation as at the end of the year	**29,53,333**	**27,91,622**

Movement in Plan Assets

Particulars	As at	
	31st March, 2022	31st March, 2021
Fair value of plan asset as at the beginning of the year	25,18,746	25,34,797
Adjustment to opening Fair Value of Plan Asset		(1)
Employer contributions	-	91,596
Interest on plan assets	1,64,411	1,71,775
Remeasurements due to:	-	
Actual return on plan assets less interest on plan assets	20,589	1,836
Benefits paid	-	(2,81,257)
Assests acquired/(settled)	-	-
Fair value of plan asset as at the end of the year	**27,03,746**	**25,18,746**

Reconciliation of net liability/asset

Particulars	As at	
	31st March, 2022	31st March, 2021
Net defined benefit liability/(asset) as at the beginning of the year	2,72,876	2,35,760
Adjustment to opening balance	-	1
Expense charged to Statement of Profit and Loss	1,78,163	1,74,075
Amount recognised in other comprehensive income	(2,01,452)	(45,364)
Contributions Paid	-	(91,596)
Net defined benefit liability/(asset) as at the end of the year	**2,49,587**	**2,72,876**

Expenses Charged to the Statement of Profit and Loss

Particulars	As at	
	31st March, 2022	31st March, 2021
Current service Cost	1,65,717	1,63,590
Net Interest Cost	12,446	10,485
Total	**1,78,163**	**1,74,075**

Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Opening amount recognised in other comprehensive income	-	-
Changes in financial assumptions	(55,852)	29,434
Changes in demographic assumptions	-	-
Experience adjustments	(1,25,011)	(72,962)
Actual return on plan assets less interest on plan assets	(20,589)	(1,836)
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised outside profit or loss in other comprehensive income	(2,01,452)	(45,364)

Amount recognised in Balance Sheet

Particulars	As At	
	31st March, 2022	31st March, 2021
Present value of funded defined benefit obligation	29,53,333	27,91,622
Fair value of plan assets	27,03,746	25,18,746
Net funded obligation	2,49,587	2,72,876
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	2,49,587	2,72,876

Key actuarial assumptions

Particulars	As At	
	31st March, 2022	31st March, 2021
Discount rate (p.a.)	7.10%	6.55%
Salary escalation rate (p.a.)	3.00%	3.00%
Category of plan assets		
Insurer managed funds	100%	100%

Expected Payout:

Particulars	31st March, 2022	31st March, 2021
PVO Payout		
Expected Outgo First	15,59,072	1,83,034
Expected Outgo Second	1,03,394	14,54,890
Expected Outgo Third	1,05,423	95,668
Expected Outgo Fourth	1,04,400	96,998
Expected Outgo Fifth	1,02,796	96,852
Expected Outgo Sixth to Tenth Years	13,36,044	11,30,371

Sensitivity analysis for significant assumptions is as shown below

Particulars	31st March, 2022	31st March, 2021
Impact of increase in 100 bps on discount rate	28,59,471	26,82,381
Impact of decrease in 100 bps on discount rate	30,57,332	29,12,265
Impact of increase in 100 bps on salary escalation rate	30,56,910	29,11,248
Impact of decrease in 100 bps on salary escalation rate	28,58,422	26,81,575

(B) Compensated Absence

Movement in defined benefit obligations

Particulars	As At	
	31st March, 2022	31st March, 2021
Defined benefit obligations as the beginning of the year	9,36,578	5,62,251
Current service cost	1,09,573	1,66,922
Interest on defined benefit obligation	55,045	36,927
Remeasurement due to:		
Actuarial loss/(gain) arising from change in financial assumptions	-	11,715
Actuarial loss/(gain) arising on account of experience changes	(1,73,309)	2,62,618
Actuarial loss/(gain) arising on due to Demographic Assumption	-	-
Employees contribution		
Benefits paid	(7,302)	(1,03,855)
Defined benefit obligation as at the end of the year	**9,20,585**	**9,36,578**

Movement in plan assets

Particulars	As at	
	31st March, 2022	31st March, 2021
Fair value of plan asset as at the beginning of the year		
Interest on plan assets		
Remeasurements due to:		
Actual return on plan assets less interest on plan assets		
Employer contribution	7,302	1,03,855
Employees contribution		
Benefits paid	(7,302)	(1,03,855)
Fair value of plan asset as at the end of the year	**-**	**-**

Reconciliation of net liability/asset

Particulars	As at	
	31st March, 2022	31st March, 2021
Net defined benefit liability/(asset) as at the beginning of the year	9,36,578	5,62,251
Expense charged to Statement of Profit and Loss	(8,691)	4,78,182
Employer contributions	(7,302)	(1,03,855)
Net defined benefit liability/(asset) as at the end of the year	9,20,585	9,36,578

Expenses charged to the Statement of Profit and Loss

Particulars	As at	
	31st March, 2022	31st March, 2021
Current service Cost	1,09,573	1,66,922
Interest Cost	55,045	36,927
Acturian (Gain)/ Loss recognized for the period	(1,73,309)	2,74,333
Total	**(8,691)**	**4,78,182**

Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Opening amount recognised in other comprehensive income	-	-
Experience adjustments	-	-
Actual return on plan assets less interest on plan assets	-	-
Closing amount recognised outside profit or loss in other comprehensive income	-	-

Amount recognised in Balance Sheet

Particulars	As At	
	31st March, 2022	31st March, 2021
Present value of funded defined benefit obligation	9,20,585	9,36,578
Fair value of plan assets	-	-
Net funded obligation	9,20,585	9,36,578
Amount not recognised due to asset limit		-
Net defined benefit liability recognised in Balance Sheet	9,20,585	9,36,578

Key actuarial assumptions

Particulars	As At	
	31st March, 2022	31st March, 2021
Discount rate (p.a.)	7.10%	6.55%
Rate of increase in compensation	3.00%	3.00%

Expected Payout:

Year	31st March, 2022	31st March, 2021
	PVO Payout	PVO Payout
Expected Outgo First	4,49,589	1,92,388
Expected Outgo Second	37,898	3,03,941
Expected Outgo Third	37,194	37,736
Expected Outgo Fourth	36,498	37,033
Expected Outgo Fifth	35,814	36,341
Expected Outgo Sixth to Tenth Years	3,77,520	3,25,181

Sensitivity analysis for significant assumptions is as shown below

Particulars	31st March, 2022	31st March, 2021
Impact of increase in 100 bps on discount rate	8,84,456	8,93,509
Impact of decrease in 100 bps on discount rate	9,61,491	9,85,396
Impact of increase in 100 bps on salary escalation rate	9,61,267	9,84,925
Impact of decrease in 100 bps on salary escalation rate	8,84,137	8,93,279

36 Contingent liabilities and commitments

Particulars	As At	
	31st March, 2022	31st March, 2021
A) Contingent liabilities		
Contingent liabilities not provided for in respect of	-	-
Total	-	-

Particulars	As At	
	31st March, 2022	31st March, 2021
(B) Capital and other commitments		
(i) Other commitments – towards partially disbursed/un-encashed loans		
Guarantees issued by the company for acquiring office premises.	-	-
Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary Vertex Securities Limited for margin requirements	-	-
Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary Vertex Securities Limited for OD Facilities	3,50,00,000	3,50,00,000

(C) Lease commitments

The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 22 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognized in the Statement of Profit and Loss as 'Rent' under Note No. 28 is Rs. 1,42,387/- (P.Y. Rs. 3,43,138/-). Future minimum lease rent payable are as follows:

Particulars	As At	
	31st March, 2022	31st March, 2021
Minimum lease obligations:		
Not later than one year	8,800	1,14,000
Later than one year but not later than five years	1,11,320	1,25,400
Later than five years	-	-

37 Analytical Ratios

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Tier-I Capital	2,22,52,284	4,85,36,898
Tier-II Capital (To the extent aggregate does not exceed Tier I Capital)	2,22,52,284	3,54,91,363
Total Capital	4,45,04,568	8,40,28,261
Total Risk Weighted Assets	37,83,59,136	39,21,98,438
CRAR(%)	11.76%	21.42%

38 Related Parties Disclosure

(a) Names of related party and related party relationship:

Relationship	Name of Related Party
(i) Related parties where control exists	
Subsidiary company	Vertex Securities Limited (VSL)
Subsidiary company	Vertex Commodities and Finpro (P) Limited
Subsidiary company	Transwarranty Capital Market Services Private Limited (TCMSPL)
Common Controlled Entity - [Upto March 31, 2021]	Welworth Sales & Services Pvt. Ltd. (WSSPL)
(iii) Key managerial personnel	
Managing Director	Mr. Kumar Nair
Director & Chief Executive officer	Mr. U. Ramachandran
Executive Directors & Chief Financial Officer - VSL	Mr. George Mampilly
Relative of Director	Mrs. Leena Nair
Relative of Director	Mrs. Jyoti Ramachandran
Relative of Director	Mr. Rajendran U

(b) Transactions with Related Parties

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Vertex Securities Limited (VSL)		
Inter corporate deposit given	7,31,44,085	7,36,05,476
Inter corporate deposit received	7,31,44,085	7,36,05,476
Share Trading Debit	2,006	32,24,876
Share Trading Credit	59,219	27,44,233
Current account debit	53,98,335	19,26,844
Current account Credit	53,98,335	19,26,844
Interest paid on ICD	21,33,238	8,49,569
Brokerage and Other Charges Paid on Share Trading	17,274	48,393

Transwarranty Capital Market Services Private Limited (TCMSPL)		
Inter corporate deposit given	11,275	600
Current account debit	6,18,335	-
Welworth Sales & Services Pvt. Ltd. (WSSPL)		
Inter corporate deposit given	-	2,200
Kumar Nair		
Salary and Other Allowances	9,69,664	17,65,526
Loan Received	5,00,000	-
Loan Paid	-	2,40,640
Jyoti Ramachandran		
Interest paid on Non Convertible Debentures	1,20,001	1,19,737
Mr. Rajendran U		
Investment in Non Convertible Debentures	-	5,00,000
Interest paid on Non Convertible Debentures	1,29,452	1,15,824

(c) Balances as at the end of the year

Particulars	As at	
	31st March, 2022	31st March, 2021
Transwarranty Capital Market Services Private Limited (TCMSPL)		
Inter corporate deposit	2,22,255	2,10,980
Current account debit	6,28,235	9,900
Welworth Sales & Services Pvt. Ltd. (WSSPL)		
Inter corporate deposit	-	43,700
Vertex Securities Limited (VSL)		
Share Trading Account	1,15,982	1,73,195
Kumar Nair		
Loan repayable	1,26,20,260	1,21,20,260
Interest payable	2,54,537	2,54,537

39 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2022

Particulars	FVTPL	FVOCI	Carring Value	Fair value measurement using			
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Asset							
Cash and cash equivalents			8,99,289	-	-	-	-
Trade receivables			5,45,75,562	-	-	-	-
Loans			17,63,69,269	-	-	-	-
Investments	1,42,026	10,49,908	14,60,41,584	11,81,434	-	10,501	11,91,935
Other financial assets			8,51,12,708	-	-	-	-
Total	**1,42,026**	**10,49,908**	**46,29,98,411**	**11,81,434**	**-**	**10,501**	**11,91,935**
Financial Liabilities							
Trade payables	-	-	4,85,029	-	-	-	-
Other payables	-	-	35,89,830	-	-	-	-
Debt Securities	-		4,32,22,209	-	-	-	-
Borrowings (other than debt securities)	-	-	32,55,48,353	-	-	-	-
Other financial liabilities	-	-	6,55,14,457	-	-	-	-
Total	**-**	**-**	**43,83,59,878**	**-**	**-**	**-**	**-**

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021

Particulars	FVTPL	FVOCI	Carring Value	Fair value measurement using			
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Asset							
Cash and cash equivalents	-	-	16,43,842	-	-	-	-
Trade receivables	-	-	5,50,66,577	-	-	-	-
Loans	-	-	18,72,61,296	-	-	-	-
Investments	1,37,386	9,17,326	14,60,41,584	10,44,211	-	10,501	10,54,712
Other financial assets	-	-	8,27,75,731	-	-	-	-
Total	**1,37,386**	**9,17,326**	**47,27,89,030**	**10,44,211**	**-**	**10,501**	**10,54,712**
Financial Liabilities							
Trade payables	-	-	4,85,029	-	-	-	-
Other payables	-	-	28,37,983	-	-	-	-
Debt Securities	-		2,79,04,789	-	-	-	-
Borrowings (other than debt securities)	-	-	34,54,75,458	-	-	-	-
Other financial liabilities	-	-	4,75,37,143	-	-	-	-
Total	**-**	**-**	**42,42,40,402**	**-**	**-**	**-**	**-**

40 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/non-convertible debentures or combination of short term /long term debt as may be appropriate.

41 Risk management

A) Liquidity and funding risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company & fellow subsidiary companies within its group to meet any short term fund requirements.

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Assets						
Cash and cash equivalents	8,99,288	-	8,99,288	16,43,842	-	16,43,842
Trade receivables	16,58,299	5,29,17,263	5,45,75,562	22,60,577	5,28,06,000	5,50,66,577
Loans	6,22,43,523	11,41,25,746	17,63,69,269	18,23,66,005	48,95,291	18,72,61,296
Investments	-	14,72,33,518	14,72,33,518	-	14,70,96,296	14,70,96,296
Other financial assets	38,01,200	8,13,11,508	8,51,12,708	24,51,847	8,03,23,884	8,27,75,731
	6,86,02,310	**39,55,88,035**	**46,41,90,346**	**18,87,22,271**	**28,51,21,470**	**47,38,43,741**
Non-financial assets						
Current tax assets (net)	87,72,212	-	87,72,212	67,58,362	-	67,58,362
Deferred tax assets (net)	-	2,13,53,096	2,13,53,096	-	2,13,53,096	2,13,53,096
Property, plant and equipment	-	8,13,58,231	8,13,58,231	-	8,33,49,439	8,33,49,439
Goodwill	-	4,00,000	4,00,000	-	4,00,000	4,00,000
Other intangible assets	-	12,335	12,335	-	25,927	25,927
Other non-financial assets	6,34,027	4,21,14,017	4,27,48,044	1,34,456	4,21,14,017	4,22,48,473
	94,06,239	**14,52,37,679**	**15,46,43,918**	**68,92,818**	**14,72,42,479**	**15,41,35,297**
Financial Liabilities						
Trade payables	4,85,029	-	4,85,029	4,85,029	-	4,85,029
Other payables	35,89,830	-	35,89,830	28,37,983	-	28,37,983
Debt Securities	1,02,00,000	3,30,22,209	4,32,22,209	2,26,04,789	53,00,000	2,79,04,789
Borrowings (other than debt securities)	7,80,24,023	24,75,24,330	32,55,48,353	7,62,05,198	26,92,70,260	34,54,75,458
Other financial liabilities	6,55,14,457	-	6,55,14,457	4,75,37,143	-	4,75,37,143
	18,89,89,618	**24,93,70,260**	**43,83,59,878**	**14,96,70,142**	**27,45,70,260**	**42,42,40,402**
Non-Financial Liabilities						
Provisions	5,81,328	5,88,845	11,70,173	2,10,280	9,99,175	12,09,455
Other non-financial liabilities	39,72,061	-	39,72,061	38,69,299	-	38,69,299
	45,53,388	**5,88,845**	**51,42,234**	**40,79,579**	**9,99,175**	**50,78,754**

B) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

C) Interest rate risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day to- day operations. Further, certain interest bearing liabilities carry variable interest rates

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected.With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Average Exposure to interest rate risk

Particulars	As at 31 March 2022	As at 31 March 2021
Floating rate borrowings	7,80,24,023	7,62,05,198
Total	7,80,24,023	7,62,05,198

A change of 50bps in interest rates would have following impact on profit before tax

Particulars	As at 31 March 2022	As at 31 March 2021
Interest rates - increase by 50 basis point (50 bps)	(3,90,120)	(3,81,026)
Interest rates - decrease by 50 basis point (50 bps)	3,90,120	3,81,026

D) Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial/ contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of counterparties. Inadequate collateral may also lead to financial losses in the event of default. The company has adopted a policy of dealing with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the financial statements.

Since thecompany is into retail lending business, there is no significant credit risk of any individual customer that mayimpact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.The Company's major classes of financial assets are cash and cash equivalents, loans, term deposits, trade receivables and security deposits.The nature of loan products across broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers

E) Impairment Assessment

The Company is mainly engaged in the business of providing gold loans, consumer loans and unsecured personal loans to salaries individuals, traders and self-employed. The tenure of the personal loans generally ranges from 9 months to 18 months.

F) Classification of financial assets under various stages

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 180 days past due on its contractual payments

It is company's policy to assess loss allowance calculations (ECL) in all cases where borrower becomes 90 days past due on its contractual payment. The Company classifies its financial assets other than trade receivables in three stages having the following characteristics:

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

Particulars	As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total
Overdue Days	**0-90 Days**	**90-180 Days**	**180 Days or More**	
Gross carrying amount	5,24,40,642	1,00,76,517	17,88,43,493	24,13,60,652
Less: Expected Credit Loss Allowance	1,31,102	1,42,534	6,47,17,747	6,49,91,383
Net carrying amount	**5,23,09,540**	**99,33,983**	**11,41,25,746**	**17,63,69,269**
ECL Coverage ratio	**0.25%**	**1.41%**	**36.19%**	**26.93%**
Particulars	**As at 31 March 2021**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Overdue Days	**0-90 Days**	**90-180 Days**	**180 Days or More**	
Gross carrying amount	10,90,91,425	7,38,81,632	7,01,02,214	25,30,75,271
Less: Expected Credit Loss Allowance	2,72,729	5,76,840	6,52,06,923	6,60,56,492
Net carrying amount	**10,88,18,696**	**7,33,04,792**	**48,95,291**	**18,70,18,779**
ECL Coverage ratio	**0.25%**	**0.78%**	**93.02%**	**26.10%**

42 Other Information & Events after reporting date

"During the current year ended 31 March 2022, the Company has earned a net loss of ₹ 233.27 Lakhs and has an accumulated deficit of ₹ 692.74 Lakhs. However, based on the projected operations and the Company's marketing efforts, the Company expects to generate adequate surplus in the future and consequently does not foresee any difficulty in settling its liabilities as and when they arise or continue as a going concern.

The company, in addition to its advisory services of Corporate Finance, Investment Banking and Trade Finance, has successfully managed to scale its digital platform for priority sector loans. These online loans are provided to prime customers not having access to mainstream banking products with the objective of furthering financial inclusion and bridging the digital divide. The business has demonstrated significant traction growing from Assets Under Management (AUM) of Rs. 122.15 Lakhs as on March 2021 to Rs. 731.74 Lakhs as on March 2022. The number of loans disbursed in FY 2022 was 10,151 compared to 1,232 loans in FY 2021.

This online lending platform holds tremendous growth potential. The company is in the process of raising additional debt and equity capital including Rights/Preferential issue etc. for financing the growth opportunity. The financial statements have been prepared on a going concern basis and the assets and liabilities have been recorded in the financial statements on the basis that the Company will be able to realise its assets and discharge its liabilities in the normal course of the business."

43 Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Type of Service	01st April 2021	Cash Flows	Changes in fair value	Others	31st March 2022
Debt Securities	2,79,04,789	1,53,17,420			4,32,22,209
Borrowings other than debt securities	34,54,75,458	(1,99,27,105)			32,55,48,353
Total liabilities from financing activities	**37,33,80,247**	**(46,09,685)**	**-**	**-**	**36,87,70,562**
Type of Service	**01st April 2020**	**Cash Flows**	**Changes in fair value**	**Others**	**31st March 2021**
Debt Securities	2,22,84,135	56,20,654			2,79,04,789
Borrowings other than debt securities	17,02,62,735	17,52,12,723			34,54,75,458
Total liabilities from financing activities	**19,25,46,870**	**18,08,33,377**	**-**	**-**	**37,33,80,247**

44 Employee Stock Option Plam

Pursuant to approval of the members at the Annual General meeting held on 27th September, 2019, the company adopted the " Employees Stock Option Plan 2019 (ESOP 2019). As per the said plan, the Company granted 24,99,728 equity shares of Rs.10 each on 10th December, 2019.

The vesting period is over five years from the date of grant, commencing after one year from the date of grant

Excersise period would commence one year from the date of grant, commencing after one year from the date of grant.

The options will be settled in equity shares of the company

The Exercise price of the Vested Option shall be higher of (a) the market price of the shares or (b) the face value of the share Consequently no compensation cost has been recogonised by the Company in accordance with the Guidance Note on "Accounting for Employee share based payments " issued by the Institute of Chartered Accountants of India".

Details of movements of options

Particulars	No of Options	
	31-03-2022	31-03-2021
Options Outstanding at the beginning of the year	16,84,098	24,99,728
Granted during the year		-
Exercised during the year		-
Forfeited during the year	2,15,683	3,94,604
Exercised / Lapsed during the year		-
Vested during the year	3,67,105	4,21,026
Options outstanding at the end of the year	11,01,310	16,84,098
Options Exercisable at the end of the year	7,88,131	4,21,026

Note 45

Covid-19 outbreak was declared as a global pandemic by World Health Organisation.Financial services , which consitutes the major Business of the Group, had been declared as an essentail service and accordingly, the Group has been in operation consistenly with minimal permitted staff. Accordingly as of 31st March 2022, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

As per our attached report of even date

For S.S. Khan & Co
Chartered Accountants
Firm Registeration No. 133324W

Sarfaraz Khan
Proprietor
Membership No. 144212

26th May, 2022
Mumbai

For and on Behalf of Board of Directors

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

Suhas Bargoankar
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of

TRANSWARRANTY FINANCE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Transwarranty Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2022 the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022 its consolidated losses (including other comprehensive income), its consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report .

Key Audit Matter	How our audit addressed the key audit matter
Impairment of financial assets as at balance sheet date (expected credit losses) (Refer Note No. 5 & 6 to the consolidated financial statements)	
Ind AS 109 requires the Group to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's loans and advances.	• Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109. • Read and assessed the Group's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis.

In the process, a significant degree of judgment has been applied by the Management for: • Estimation of behavioral life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/minimal historical defaults In view of the high degree of Management's judgment involved in estimation of ECL it is a key audit matter.	• Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Group's policy on moratorium. • Tested the ECL model, including assumptions and underlying computation. Assessed the floor/ minimum rates of provisioning applied by the Group for loan products with inadequate historical defaults. • Tested assumptions used by the Management in determining the overlay for macro-economic factors.

Emphasis of Matter

We draw attention to Note No. 5 & 6 to the consolidated financial statements wherein the Group has provided for impairment losses of Rs. 42,115,521 on trade receivables and Rs. 64,991,383 on loans given as on March 31, 2022. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of the consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Company's ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiaries, incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Holding Company and its subsidiaries to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 36 to the consolidated financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

For S S KHAN & CO
Chartered Accountants
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212
UDIN:22144212ANUKWP3637

Place: Mumbai
Date: May 26, 2022

ANNEXURE ‘A’ TO INDEPENDENT AUDITORS’ REPORT

(Annexure referred to under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2022 we have audited the internal financial controls over financial reporting of Transwarranty Finance Limited (“the Holding Company”) and its subsidiary companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Group’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S S KHAN & CO
Chartered Accountants
(FRN: 133324W)
SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: May 26, 2022
UDIN: 22144212ANUKWP3637

Consolidated Balance Sheet as at March 31, 2022

Particulars	Note No.	As At 31 March 2022	As At 31 March 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	3	94,685,814	61,741,463
Bank Balances other than cash and cash equivalents	4	158,375,000	82,375,000
Trade Receivables	5	117,131,335	102,434,070
Loans	6	257,641,154	269,280,760
Investments	7	1,428,687	1,268,293
Other Financial assets	8	151,370,872	179,957,173
		780,632,862	**697,056,759**
Non-financial Assets			
Current tax assets (Net)	9	15,450,252	12,446,784
Deferred tax Assets (Net)	10	21,866,380	21,866,380
Property, Plant and Equipment	11	87,417,785	90,753,790
Goodwill on consolidation		68,041,472	68,041,472
Other Intangible assets	12	2,541,615	4,294,903
Other non-financial assets	13	51,480,405	50,149,676
		246,797,909	**247,553,005**
Total Assets		**1,027,430,771**	**944,609,764**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(I) Trade Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		318,979,623	233,461,446
(II) Other Payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		284,878	241,616
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,779,145	2,734,383
Debt Securities	16	43,222,209	27,904,789
Borrowings (Other than Debt Securities)	17	384,118,342	400,987,462
Other financial liabilities	18	75,038,052	59,309,206
		828,422,249	**724,638,902**
Non-Financial Liabilities			
Provisions	19	2,056,440	2,282,650
Other non-financial liabilities	20	9,392,351	8,848,420
		11,448,791	**11,131,070**
EQUITY			
Equity Share capital	18	244,605,680	244,605,680
Other Equity	19	(102,470,759)	(79,915,447)
Total equity attributable to shareholders		**142,134,921**	**164,690,233**
Non Controlling interest		**45,424,810**	**44,149,559**
Total		**187,559,732**	**208,839,792**
Total Liabilities and Equity		**1,027,430,771**	**944,609,764**

Summary of significant accounting policies and key accounting estimates and judgements 2

The accompanying notes form an integral part of the financial statements

As per our attached report of even date
For S.S. Khan & Co
Chartered Accountants
ICAI Firm Registeration No. 133324W

Sarfaraz Khan
Proprietor
Membership No. 144212

Date: 26th May, 2022
Place: Mumbai

For and on Behalf of Board of Directors
For Transwarranty Finance Limited

Kumar Nair
Managing Director
DIN. 00320541

Ramachandran U.
Director & CFO
DIN 00493707

Suhas Bargoankar
Company Secretary

Place: Mumbai
Date : May 26, 2022

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Note No.	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
Income			
Interest Income	23	25,073,932	8,394,443
Fees and Commission Income	24	83,661,658	77,676,730
Sale of Stock	25	39,148,840	56,886,994
Total Revenue from operations		**147,884,430**	**142,958,167**
Other Income	26	17,765,798	18,783,870
Total Income		**165,650,228**	**161,742,037**
EXPENSES			
Finance Costs	27	47,195,469	33,690,443
Purchases of Stock-in-trade	28	39,172,702	56,909,555
Employee Benefits Expenses	29	39,396,468	36,685,449
Depreciation, amortization and impairment	30	5,747,838	5,898,467
Others Expenses	31	55,622,733	57,177,058
Total expenses		**187,135,210**	**190,360,972**
Profit/ (Loss) before exceptional items and tax		**(21,484,981)**	**(28,618,935)**
Exceptional Items:-		-	-
Profit/(Loss) before tax		**(21,484,981)**	**(28,618,935)**
Tax Expenses:			
Current Tax		-	-
Deferred Tax		-	(539,735)
Total income tax expense		**-**	**(539,735)**
Profit/(Loss) for the period		**(21,484,981)**	**(28,079,200)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		121,146	(176,805)
Fair valuation on Equity instrument		23,171	(430,428)
Income tax effect on these items		-	-
		144,317	**(607,233)**
Items that will be reclassified to profit or loss			
Reclassification of financial assets		60,604	-
Income tax effect on these items		-	-
		60,604	**-**
Other comprehensive income for the year, net of tax		204,921	(607,233)
Total comprehensive income for the year		**(21,280,060)**	**(28,686,433)**
Minorty interest		1,275,250	3,056,758
Profit attributable to Equity shareholders		(22,555,309)	(31,743,192)
Net Profit attributable to :			
Owners of equity		(22,787,063)	(31,244,742)
Non-controlling interest		1,302,082	3,165,542
Other Comprehensive Income attributable to:			
Owners of equity		231,753	(498,449)
Non-controlling interest		(26,832)	(108,784)
Total Comprehensive Income attributable to:			
Owners of equity		(22,555,310)	(31,743,191)
Non-controlling interest		1,275,250	3,056,758
Basic EPS (In Rs.)	32	**(0.95)**	**(0.95)**
Diluted EPS (In Rs.)	32	**(0.95)**	**(0.95)**

The accompanying notes form an integral part of the financial statements
As per our attached report of even date

As per our attached report of even date
For S.S. Khan & Co
Chartered Accountants
ICAI Firm Registeration No. 133324W

Sarfaraz Khan
Proprietor
Membership No. 144212

Date: 26th May, 2022
Place: Mumbai

For and on Behalf of Board of Directors
For Transwarranty Finance Limited

Kumar Nair
Managing Director
DIN. 00320541

Ramachandran U.
Director & CFO
DIN 00493707

Suhas Bargoankar
Company Secretary

Place: Mumbai
Date : May 26, 2022

Consolidated Statement of Cash Flows for the year ended March 31, 2022

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Cash flows from operating activities		
Profit before tax for the year	(21,484,981)	(28,618,935)
Adjustments for:		
Reversal of Rent Expense on lease liability	(1,497,804)	(1,634,996)
Depreciation	5,747,838	5,898,467
Remeasurement of the net defined benefit obligation gain / (loss)	121,146	(176,805)
Interest Income	(34,383,835)	(18,578,964)
Dividend Income	(14,628)	(14,687)
Interest Expense	45,759,187	33,430,804
Impairment Allowance	237,382	1,258,024
	(5,515,695)	**(8,437,092)**
Movements in working capital:		
(Increase) / Decrease in Trade and other Receivables	(14,736,453)	(38,452,262)
Increase / (Decrease) in Trade & Other Payables	89,606,201	120,851,049
(Increase)/decrease in loans	11,792,282	(165,448,444)
(Increase)/decrease in other financial assets	32,100,401	(48,277,135)
(Increase)/decrease in other non-financial assets	(1,330,729)	(2,860,555)
Increase / (Decrease) in other financial Liabilities	17,037,856	31,128,273
Increase/(decrease) in provisions	(226,210)	547,441
Increase / (Decrease) in non- financial Liabilities	2,051,444	(1,233,892)
Cash inflow from interest on loans	30,869,628	17,628,815
Income tax paid (net of refunds)	(3,003,468)	(1,413,591)
Net cash generated from operating activities (A)	**158,645,256**	**(95,967,393)**
B. Cash flow from investing activities		
Dividend Income	14,628	14,687
(Purchase)/ Sale of Fixed Deposits	(76,000,000)	(56,950,142)
(Purchase)/ Sale of Investment (Net)	(76,618)	6,009,183
Purchase of Property Plant and Equipment	(1,019,031)	(967,212)
(Purchase)/ Sale of Intangible Asset	-	150,000
Net cash used in investing activities (B)	**(77,081,021)**	**(51,743,484)**
C. Cash flow from financing activities		
Borrowings other than debt securities issued/ (Redeemed) (net)	(16,869,120)	198,131,547
Debt securities issued/ (Redeemed) (net)	15,317,420	5,620,653
Finance cost paid	(47,068,183)	(32,461,119)
Net cash used in financing activities (C)	**(48,619,883)**	**171,291,081**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**32,944,351**	**23,580,204**
Effect of exchange differences on cash and cash equivalent held in foreign currency		
Cash and cash equivalents at the beginning of the year	**61,741,463**	**38,161,259**
Cash and cash equivalents at the end of the year	**94,685,814**	**61,741,463**
Components of cash and cash equivalents		
Cash on hand	1,227,178	1,417,355
With banks - on current accounts	93,458,636	60,324,108
Total cash and cash equivalents	**94,685,814**	**61,741,463**
Summary of significant accounting policies and key accounting estimates and judgements		

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".

The accompanying notes form an integral part of the financial statements

As per our attached report of even date
For S.S. Khan & Co
Chartered Accountants
ICAI Firm Registeration No. 133324W

Sarfaraz Khan
Proprietor
Membership No. 144212

Date: 26th May, 2022
Place: Mumbai

For and on Behalf of Board of Directors
For Transwarranty Finance Limited

Kumar Nair
Managing Director
DIN. 00320541

Ramachandran U.
Director & CFO
DIN 00493707

Suhas Bargoankar
Company Secretary

Place: Mumbai
Date : May 26, 2022

Statement of Changes in Equity

Particulars	Balance as at April 01, 2020	Change during the year 2020-21	Balance as at March 31, 2021	Change during the year 2021-22	Balance as at March 31, 2022
Equity Share Capital	244,605,680	-	244,605,680	-	244,605,680

Other Equity

Particulars	Retained Earnings	Reserve Fund as per RBI Act	General Reserve	Capital Redemption Reserve	Other Comprehensive Income - Equity Instruments	Attributable to owner of equity	Non Controlling Interest	Total Other Equity
At April 1, 2021	(123,633,886)	34,139,639	10,410,797	-	(831,957)	(79,915,407)	44,149,559	(35,765,848)
Profit after tax	(22,787,063)	-	-	-	-	(22,787,063)	1,302,082	**(21,484,981)**
Other comprehensive income	158,858	-	-	-	72,894	231,752	(26,831)	**204,921**
Transfers/Adjustments	-	-	-	2,775,800		-	-	-
	(146,262,092)	**34,139,639**	**10,410,797**	**2,775,800**	**(759,063)**	**(102,470,719)**	**45,424,810**	**(57,045,908)**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-	-		-			-
At March 31, 2022	**(146,262,092)**	**34,139,639**	**10,410,797**	**2,775,800**	**(759,063)**	**(102,470,719)**	**45,424,810**	**(57,045,908)**
At April 1, 2020	(92,316,672)	34,139,639	10,410,797	-	(405,976)	(48,172,212)	41,092,801	**(7,079,411)**
Profit after tax	(31,244,746)	-	-	-	-	(31,244,746)	3,165,542	**(28,079,204)**
Other comprehensive income	(72,468)	-	-	-	(425,981)	(498,449)	(108,784)	**(607,233)**
Change in Non Controlling Interest of Vertex Securities Ltd (a subsidiary)				-				-
	(123,633,886)	**34,139,639**	**10,410,797**	**-**	**(831,957)**	**(79,915,407)**	**44,149,559**	**(35,765,848)**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-	-		-			-
At March 31, 2021	**(123,633,886)**	**34,139,639**	**10,410,797**	**-**	**(831,957)**	**(79,915,407)**	**44,149,559**	**(35,765,848)**

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For and on Behalf of Board of Directors

For S S Khan & Co
Chartered Accountants
ICAI Firm registration number : FRN: 13334W

Sarfaraz Khan
Proprietor
Membership No: 144212

Place : Mumbai
Date : May 26, 2022

Kumar Nair
Managing Director
DIN: 00320541

Ramachandran U.
Director & CFO
DIN: 00493707

Suhas Bargoankar
Company Secretary

Place : Mumbai
Date : May 26, 2022

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

Note 1 CORPORATE INFORMATION

Transwarranty Finance Limited ('the Parent Company'), incorporated in India, is a public limited company, headquartered in Mumbai.The Parent Company is a full service Financial & Capital Market Services Company, providing a wide range of services to over 1,000 Large, Small and Medium companies and thousands of retail clients all over India, since 1994.

The Parent Company is registered with Reserve Bank of India (RBI) as an Non Banking Finance Company (NBFC) and its shares are listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). It is engaged in advisory services like Investment Banking, Corporate Finance, Project Finance, Trade Finance and providing Business & Retail Loans against collateral security of immovable property, liquid assets like shares, other financial assets, gold jewelry etc.

The Parent Company has fast expanding network of branches providing secured, business and retail loans. It is one of the few financial services companies, which is adept at structuring and executing advisory transactions as well as managing fund based business of providing business and retail loans.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

The Consolidated financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These consolidated financial statements were approved by the Parent Company's Board of Directors and authorised for issue on May 26, 2022.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Parent Company's functional currency.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading,

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly."

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements and Estimation uncertainity

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2.6 Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

2.7 Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The list of Subsidiaries considered for consolidation, and the Company's holdings therein are as under:

Name of the Entity	Country of Incorporation	Consolidated as	Percentage of Voting Power as at 31st March, 2020	Percentage of Voting Power as at 31st March, 2019
Vertex Securities Limited	India	Subsidiary	53.04%	53.04%
Vertex Commodities & Finpro (P) Limited	India	Subsidiary of Vertex Securities Limited	100%	100%
Transwarranty Capital Market Services Private Limited	India	Subsidiary	100%	100%

(ii) Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries

Name of the Entities	March 31, 2022							
	Net Assets (Total Assets - Total Liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount `	As a % of consolidated net assets	Amount `	As a % of consolidated net assets	Amount `	As a % of consolidated net assets	Amount `
Parent								
Transwarranty Finance Limited	58.17	175,332,151	109.80	(23,589,787)	127.88	262,056	109.62	(23,327,731)
Subsidiaries								
Vertex Securities Limited	35.11	105,811,320	(10.33)	2,218,482	(83.19)	(170,470)	(9.62)	2,048,012
Transwarranty Capital Market Services Private Limited	(0.26)	(776,402)	3.11	(667,761)	-	-	3.14	(667,761)
Subsidiary of Vertex Securities Limited								
Vertex Commodities and Finpro (P) Limited	6.98	21,032,295	(2.58)	554,094	55.31	113,335	(3.14)	667,429
Total	**100.00**	**301,399,365**	**100.00**	**(21,484,972)**	**100.00**	**204,921**	**100.00**	**(21,280,051)**
Adjustments arising out of consolidation		(113,839,633)		-		-		-
Non-controlling interest		(45,424,810)		(1,302,082)		26,832		(1,275,250)
Grand Total		**142,134,921**		**22,787,054)**		**231,753**		**(22,555,301)**

March 31, 2021								
Name of the Entities	Net Assets		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	(Total Assets - Total Liabilities) As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹
Parent								
Transwarranty Finance Limited	61.57	198,659,883	123.93	(34,797,930)	61.85	(375,594)	122.61	(35,173,524)
Subsidiaries								
Vertex Securities Limited	32.16	103,763,308	(14.45)	4,056,439	38.15	(231,639)	(13.33)	3,824,800
Transwarranty Capital Market Services Private Limited	(0.03)	(108,623)	0.08	(21,792)	-	-	0.08	(21,792)
Subsidiary of Vertex Securities Limited								
Vertex Commodities and Finpro (P) Limited	6.31	20,364,866	(9.56)	2,684,083	-	-	(9.36)	2,684,083
Total	**100.00**	**322,679,434**	**100.00**	**(28,079,200)**	**100.00**	**(607,233)**	**100.00**	**(28,686,433)**
Adjustments arising out of consolidation		(113,839,633)		-		-		-
Non-controlling interest		(44,149,559)		(3,165,542)		108,784		(3,056,758)
Grand Total		**164,690,242**		**(31,244,742)**		**(498,449)**		**(31,743,191)**

2.8 Revenue recognition :

a) Recognition of interest income

Effective Interest Rate (EIR) Method

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

Interest Income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer creditimpaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b) Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

c) Sale of Stock

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

d) Sale of services

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

e) Rent Income

Lease rental income is recognised in the statement of profit and loss on a straight -line basis over the lease term.

f) **Income from securities**

Gains or losses on the sale of securities are recognised in Statement of profit and loss as the difference between fair value of the consideration received and carrying amount of the investment securities.

g) **Dividend Income**

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is robable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

2.9 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it ncreases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Assets	**Useful Life**
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 to 10 years
Buildings	60 years

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (caculated as the differnce between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

2.10 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calcualted using the straight line method to write down the cost of intangible assets over their estimated useful lives.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.11 Investments in subsidiaries and associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2.12 Foreign exchange transactions and translations

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

"Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction."

c) Exchange difference

All exchange differences are accounted in the Statement of Profit and Loss.

2.13 Financial instruments

a) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortised cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

e) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

f) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

g) Impairment of financial instruments

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

Overview of Expected Credit Loss (ECL) model

For all other financial assets, the Company recognizes lifetime expected credit losses (ECL) based on the months past due when there has been a significant increase in credit risk since initial recognition and when the financial asset is credit impaired. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which noECL is recognized. Financial assets where there has been significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets

At initial recognition, allowance (or provision) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off either partially or in their entirety, when there is no realistic prospect of recovery and the company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowancethat is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

Without significant increase in credit risk since initial recognition (stage 1)

No ECL allowance is recognized for stage 1 financial asset as based on company's assessment there is no significant increase in credit risk. The Company has ascertained default possibilities on past behavioral trendsand other performance indicators.

Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

Contractual payments of either principal or interest are past due for more than 365 days

The loan is otherwise considered to be in default.

Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. The Company has calculated ECL using three components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money as necessary.

* Determination of PD is covered above for each stages of ECL.

* EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

* LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value, if any,at the time it is expected to be realised.

The Company recognises lifetime ECL for trade and other receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that may result from all possible default events over the expected life of a financial assets.(refer note 5 - Trade receivables)

2.14 Employee benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss

c) Gratuity

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

d) Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee shared based payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of stock options at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.15 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits,subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

2.16 Taxation - Current and deferred tax

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.17 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cashgenerating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cashgenerating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

2.18 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.19 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

With effect from 1 April 2019, the Company has applied Ind AS 116 ‘Leases’ for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Where the Company is the lessee -

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.

Where the Company is the lessor -

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Cost including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct cost are recognised immediately in Statement of profit and loss.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

1) increased by interest on lease liability;
2) reduced by lease payments made; and
3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.

2.20 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.21 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.22 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

2.23 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note- 3

Cash and Cash Equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks:		
in current accounts	93,458,636	60,324,108
Cash on hand	1,227,178	1,417,355
Total	**94,685,814**	**61,741,463**

4 Bank balances other than cash and cash equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks:		
In Fixed Deposits	158,375,000	82,375,000
Total	**158,375,000**	**82,375,000**

5. Trade Receivables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
-Considered good	98,960,653	84,204,577
-Considered doubtful	-	-
Receivables which have significant increase in Credit Risk	27,282,278	32,883,070
Credit impaired	33,003,925	27,422,756
	159,246,856	**144,510,403**
Less : Allowance for bad and doubtful debts	(42,115,521)	(42,076,333)
Total	**117,131,335**	**102,434,070**

Trade receivables ageing schedule as at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months - 1 year**	**1 -2 years**	**2-3 years**	**More than 3 years**	**Total**
Considered good						
(i) Undisputed Trade receivables	57,689,872	68,217	95,589	75,871	25,000	57,954,549
(ii) Disputed Trade receivables	1,668,726	10,840	292,280	4,535,779	-	6,507,625
Considered doubtful						
(iii) Undisputed Trade Receivables	-	1,153,023	2,235,762	42,839,641	35,751,978	81,980,404
(iv) Disputed Trade Receivables	-	-	508,754	1,138,391	11,157,133	12,804,278
Total	**59,358,599**	**1,232,080**	**3,132,385**	**48,589,682**	**46,934,111**	**159,246,856**

Trade receivables ageing schedule as at 31 March, 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 -2 years	2-3 years	More than 3 years	Total
Considered good						
(i) Undisputed Trade receivables	43,421,679	394,090	172,404	25,000	-	44,013,173
(ii) Disputed Trade receivables	9,586	4,764,284	54,189	-	-	4,828,059
Considered doubtful						
(iii) Undisputed Trade Receivables	-	1,457,795	43,239,244	26,257,766	10,253,360	81,208,165
(iv) Disputed Trade Receivables	711,212	650,593	1,214,804	537	11,883,860	14,461,006
Total	**44,142,478**	**7,266,761**	**44,680,641**	**26,283,303**	**22,137,220**	**144,510,403**

6 Loans

Particulars	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Secured, considered good		
Gold Loan	4,115,100	4,115,100
Less: Impairment loss allowance	-	-
Net	**4,115,100**	**4,115,100**
Unsecured, considered good		
Loans to Related Parties	1,602,435	295,781
Loans to Employee	704,387	433,960
Personal Loans & Consumer Loans Receivables	68,791,192	7,830,471
Inter Corporate Deposits	106,150,000	181,150,000
Loan repayable on demand	82,150,000	82,150,000
	259,398,014	**271,860,212**
Less: Impairment loss allowance	**(5,871,960)**	**(6,694,552)**
Total, Net	**253,526,054**	**265,165,660**
Credit Impaired		
Inter Corporate Deposits	58,850,000	58,850,000
Promissory Note Loan	187,586	187,586
Property Loans	81,837	81,837
	59,119,423	**59,119,423**
Less: Impairment loss allowance	**(59,119,423)**	**(59,119,423)**
Total, Net	**-**	**-**
Total Loans, Net	**257,641,154**	**269,280,760**
Of the above;		
(i) Loans in India		
Public Sector	-	-
Others	322,632,537	335,094,735
Less: Impairment loss allowance	(64,991,383)	(65,813,975)
	257,641,154	**269,280,760**
(i) Loans outside India		
Others	-	-
	-	-

Summary of loans by stage distribution

Particulars	As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	134,590,642	10,076,517	177,965,378	322,632,537
Less: Impairment loss allowance	336,477	142,534	64,512,372	64,991,383
Net carrying amount	**134,254,165**	**9,933,983**	**113,453,006**	**257,641,154**

Particulars	As at March 31, 2022			Total
	Stage 1	Stage 2	Stage 3	
	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	109,091,425	73,881,632	152,121,678	335,094,735
Less: Impairment loss allowance	30,212	576,840	65,206,923	65,813,975
Net carrying amount	**109,061,213**	**73,304,792**	**86,914,755**	**269,280,760**

7 Investments

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments, in India		
At Cost		
Investment in subsidiaries		
At fair value through other comprehensive income		
(i) In equity instruments		
Equity shares	1,130,907	1,150,936
Add: Fair value gain/(losses)	155,754	(20,029)
	1,286,661	1,130,907
At fair value through profit or loss		
(i) In mutual funds	123,081	118,441
(ii) In Government securities	18,945	18,945
Add: Fair value gain/(losses)	-	-
	142,026	137,386
Total Loans, Net	**1,428,687**	**1,268,293**

(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
Mutual Funds				
UTI - Liquid Cash Plan - Daily Dividend	1.04	1,122	1.04	1,085
UTI - Floating Rate Fund-STP-Direct Growth Plan	3.86	14,056	3.86	13,161
HDFC Liquid Fund- Growth	25.93	107,903	25.93	104,194
Sub total (i)	**30.83**	**123,081**	**30.82**	**118,441**
Government Securities				
National Savings Certificate VIII issue	1.00	5,000	1.00	5,000
UTI Master Share	1,000.00	13,945	1,000.00	13,945
Sub total (i)	**1,001.00**	**18,945**	**1,001.00**	**18,945**
Others, Quoted				
South Indian Bank (Right Share)	10.00	75	10.00	83
NEPC India Ltd.	2,000.00	-	2,000.00	-
Shree Rama Newsprints Ltd	1,250.00	21,313	1,250.00	20,813
CSB Limited	700.00	148,120	700.00	162,890
Anil Products Ltd	39.00	-	39.00	-
Castrol India Ltd	1,000.00	100,950	1,000.00	208,040
IDFC First Bank	2,000.00	79,300	2,000.00	131,749
NHPC Limited	5,000.00	139,000	5,000.00	150,250
Kitex Garments	2,000.00	550,650	2,000.00	233,000
	13,999.00	**1,039,408**	**13,299.00**	**906,825**
Others, Unquoted				
Saraswat Co. Op.Bank	1,000.00	10,000	1,000.00	10,000
Regent Chamber Co.Op. Housing Society	2.00	501	2.00	501
Cochin Stock Exchange Ltd	905.00	236,752	905.00	213,581
Total	**1,907**	**247,253**	**1,907**	**224,082**
Grand Total		**1,428,687**		**1,268,293**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

8 Other Financial assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposit	36,822,024	69,188,325
Rent Deposit	2,102,190	2,001,848
Advance Lease rental	52,725	118,461
Interest Accrued on ICD	9,573,475	7,234,892
Interest Accrued on Gold Loan , etc.	5,653,864	4,478,240
Advance to creditors	477,094	622,907
Other Receivables	20,000,000	20,000,000
Unbilled Revenue	927,000	550,000
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	75,762,500
Total	**151,370,872**	**179,957,173**

9 Current tax assets (Net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income Tax (Net of Provisions)	15,450,252	12,446,784
Total	**15,450,252**	**12,446,784**

10 Deferred tax Assets (Net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax Assets	21,866,380	21,866,380
Total	**21,866,380**	**21,866,380**

Deferred tax assets recorded in Balance Sheet	As at 31st March, 2022	As at 31st March, 2021
Deferred tax assets		
Depreciation on property, plant and equipment	809,742	809,742
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	20,413,974	20,413,974
Present value of security deposit	653,359	653,359
Remeasurement of employee benefit	183,032	183,032
Effective Interest Rate (EIR) on financial instruments	126,025	126,025
Gross deferred tax assets	**22,186,132**	**22,186,132**
Deferred tax liabilities		
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	13,507	13,507
Effective Interest Rate (EIR) on financial instruments	152,286	152,286
Present value of security deposit	106,855	106,855
Other timing differences	47,104	47,104
Gross deferred tax liabilities	**319,752**	**319,752**
Deferred tax assets/(liabilities), net	**21,866,380**	**21,866,380**

NOTE 11

Property, Plant and Equipment and Intangible assets

Particulars	Furniture	Computers	Office Equipments	Vehicles	Office Premises No. 403 *	Office Premises No. 405 **	Residential Premises	Land	Total
Gross Block									
At April 1, 2020	19,907,031	23,243,173	18,103,708	6,660,847	47,887,926	48,657,169	234,471	3,085,501	**167,779,826**
Additions	677,900	132,483	156,741	-	-	-	-	-	**967,124**
Disposals	-	-	-	-	-	-	-	-	**-**
At March 31, 2021	**20,584,931**	**23,375,656**	**18,260,449**	**6,660,847**	**47,887,926**	**48,657,169**	**234,471**	**3,085,501**	**168,746,950**
At April 1, 2021	20,584,931	23,375,656	18,260,449	6,660,847	47,887,926	48,657,169	234,471	3,085,501	168,746,950
Additions	477,925	169,332	371,784	-	-	-	-	-	**1,019,041**
Adjustments	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	-	**-**
At March 31, 2022	**21,062,856**	**23,544,988**	**18,632,233**	**6,660,847**	**47,887,926**	**48,657,169**	**234,471**	**3,085,501**	**169,765,991**
Accumulated Depreciation									
At April 1, 2020	14,876,324	22,184,949	14,829,539	6,358,650	4,983,165	10,286,608	116,815	-	**73,636,050**
Charge for the year	1,204,484	472,971	754,934	62,727	1,021,809	837,635	2,550	-	**4,357,110**
Adjustments	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	-	**-**
At March 31, 2021	**16,080,808**	**22,657,920**	**15,584,473**	**6,421,377**	**6,004,974**	**11,124,243**	**119,365**	**-**	**77,993,160**
Charge for the year	690,000	434,196	1,257,173	111,683	1,021,809	837,635	2,550	-	**4,355,046**
Adjustments	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	-	**-**
At March 31, 2022	**16,770,808**	**23,092,116**	**16,841,646**	**6,533,060**	**7,026,783**	**11,961,878**	**121,915**	**-**	**82,348,206**
Net block									
At March 31, 2021	**4,504,123**	**717,736**	**2,675,976**	**239,470**	**41,882,952**	**37,532,926**	**115,106**	**3,085,501**	**90,753,790**
At March 31, 2022	**4,292,048**	**452,872**	**1,790,587**	**127,787**	**40,861,143**	**36,695,291**	**112,556**	**3,085,501**	**87,417,785**

*Carrying amount of Office Premises No. 403 has been hypothicated as a security by the Company against the overdraft facility taken by Vertex Securities Limited (subsidiary company).

**Carrying amount of Office Premises No. 405 has been hypothicated as a security by the Company against the overdraft facility taken by the Company

12 Intangible Assets

Particulars	Goodwill	Right of Use Asset*	Software	License	Bombay Stock Exchange	NMCE	MCX	NCDEX	NSEL	Total
Gross Block										
At April 1, 2020	400,000	6,281,168	9,938,758	12,326,335	1,000,000	100,000	251,000	500,000	250,000	**31,047,261**
Additions	-	-	-	-	-	-	-		-	**-**
Disposals/Adjustments	-	592,601	150,000	-	-	-	-	-	-	**742,601**
At March 31, 2021	**400,000**	**5,688,567**	**9,788,758**	**12,326,335**	**1,000,000**	**100,000**	**251,000**		**250,000**	**30,304,660**
At April 1, 2021	**400,000**	**5,688,567**	**9,788,758**	**12,326,335**	**1,000,000**	**100,000**	**251,000**		**250,000**	**29,804,660**
Additions	-	-	-	-	-	-	-		-	**-**
Disposals/Adjustments	-	538,474	-	-	-	-	-		-	**538,474**
At March 31, 2022	**400,000**	**5,150,093**	**9,788,758**	**12,326,335**	**1,000,000**	**100,000**	**251,000**		**250,000**	**29,266,186**
Accumulated Depreciation										
At April 1, 2020	**-**	**1,472,425**	**9,574,867**	**11,597,927**	**1,000,000**	**100,000**	**251,000**	**500,000**	**227,877**	**24,724,096**
Charge for the year	-	1,187,106	110,819	221,309	-	-	-	-	22,123	**1,541,357**
Disposals/Adjustments	-	255,696	-	-	-	-	-		-	**255,696**
At March 31, 2021	**-**	**2,403,835**	**9,685,686**	**11,819,236**	**1,000,000**	**100,000**	**251,000**		**250,000**	**26,009,757**
Charge for the year	-	1,228,914	90,735	73,143	-	-	-	-	-	**1,392,792**
Disposals/Adjustments	-	177,978	-	-	-	-	-		-	**177,978**
At March 31, 2022	**-**	**3,454,771**	**9,776,421**	**11,892,379**	**1,000,000**	**100,000**	**251,000**		**250,000**	**27,224,571**
Net block										
At March 31, 2021	**400,000**	**3,284,732**	**103,072**	**507,099**	**-**	**-**	**-**		**-**	**4,294,903**
At March 31, 2022	**400,000**	**1,695,322**	**12,337**	**433,956**	**-**	**-**	**-**		**-**	**2,541,615**

*** Represents Right-of-use assets recognised on application of Ind AS 116 ‘Leases’ w.e.f 1 April 2019.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note: 13
Other non-financial assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advances	40,806,489	40,844,898
Balance with tax authorities	355,251	214,479
MAT Credit Entitlement	1,339,017	1,339,017
Prepaid Expense	5,288,893	4,717,047
Plan asset - Gratuity	177,979	327,373
Cenvat Credit	83,287	60,550
Advances to others	3,429,489	2,646,312
Total	**51,480,405**	**50,149,676**

14 Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) total outstanding dues of micro enterprises and small enterprises		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	318,979,623	233,461,446
Total	**318,979,623**	**233,461,446**

15 Other Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) total outstanding dues of micro enterprises and small enterprises	284,878	241,616
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,779,145	2,734,383
Total	**7,064,023**	**2,975,999**

Trade payables ageing schedule as at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	
(i) MSME - Undisputed	-	-	-	-	-
(ii) Others - Undisputed	278,097,319	33,176,226	1,720,213	3,101,068	316,094,826
(iii) Others - Disputed	-	-	-	2,884,796	2,884,796
Total	**278,097,319**	**33,176,226**	**1,720,213**	**3,101,068**	**318,979,623**

Trade payables ageing schedule as at 31 March, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	
(i) MSME - Undisputed	-	-	-	-	-
(ii) Others - Undisputed	225,958,458	1,064,373	789,033	2,764,786	230,576,650
(iii) Others - Disputed	-	403,714	195	2,480,887	2,884,796
Total	**225,958,458**	**1,064,373**	**789,033**	**2,764,786**	**233,461,446**

16 Debt Securities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Debt Securities, in India		
At Amortised Cost		
Secured #		
Privately placed redeemable non-convertible debentures (Refer note A)	35,600,000	26,200,000
Less: Amortization of finance cost	(523,563)	(368,783)
Total, Net	**35,076,437**	**25,831,217**
Unsecured		
Privately placed redeemable non-convertible debentures	8,300,000	2,200,000
Less: Amortization of finance cost	(154,228)	(126,428)
Total, Net	**8,145,772**	**2,073,572**
Total Debt Securities	**43,222,209**	**27,904,789**

Note A: Secured by way of first ranking pari passu charge with the existing secured creditors on the movable assets of the company to the extent of 100% of the amount of outstanding NCDs and interest thereon.

Terms of repayment of non-convertible debentures (NCDs)

Maturity Period	As at 31st March 2022		As at 31st March 2021	
	Interest range	Amount (Rs)	Interest range	Amount (Rs)
A) Secured				
Maturity between 3 to 5 years	11.25% - 11.75%	5,100,000	11.25% - 11.75%	1,700,000
Maturity between 1 to 3 years	11.25% - 11.50%	20,300,000	11.25% - 11.50%	15,100,000
Maturity within 1 year	11% - 11.25%	10,200,000	11% - 11.25%	5,300,000
Total at face value		**35,600,000**		**22,100,000**
Less: Unamortised finance cost		(523,563)		(368,783.00)
Total amortised cost		**35,076,437**		**21,731,217**
B) Unsecured				
Maturity between 3 to 5 years	11.25% - 11.75%	3,700,000	11.25% - 11.75%	700,000
Maturity between 1 to 3 years	11.25% - 11.50%	4,600,000	11.25% - 11.50%	5,600,000
Maturity within 1 year	11.00%	-	11.00%	-
Total at face value		**8,300,000**		**6,300,000**
Less: Unamortised finance cost		(154,228)		(126,428)
Total amortised cost		**8,145,772**		**6,173,572**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

17 Borrowings (other than debt securities)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Borrowings, in India		
At Amortised Cost		
Secured		
Term Loans		
From banks 1	4,875,000	-
Loans repayable on demand		
Overdraft Facility from banks 2	111,719,012	111,470,622
Loan from Life Insurance Corporation 3	8,354,070	-
Total, Net	**124,948,082**	**111,470,622**
Unsecured		
Inter corporate Deposits	246,550,000	277,150,000
Loans from related parties	12,620,260	12,366,840
Total, Net	**259,170,260**	**289,516,840**
Total Debt Securities	**384,118,342**	**400,987,462**

Terms of repayment:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Interest range	Amount	Interest range	Amount
Secured				
A) Demand Loans, overdraft facility				
Maturity within 1 year	10.50% - 13.40%	111,719,012	10.50% - 13.40%	111,470,622
B) Term Loans				
Maturity within 1 year	9.00% -10.5%	10,520,736		-
Maturity between 1 to 3 years		2,708,334		
Total amortised cost		**124,948,082**		**111,470,622**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Interest range	Amount	Interest range	Amount
Unsecured				
C) Inter corporate deposits				
Maturity between 1 to 3 years	9.00% to 12.50%	246,550,000	10.00% to 12.50%	277,150,000
D) Loans from related parties				
Maturity between 3 to 5 years	15.00%	12,620,260	15.00%	12,366,840
Total amortised cost		**259,170,260**		**289,516,840**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1 Term Loan taken from South Indian Bank is under the 'Emergency Credit Line Guarantee Scheme' (ECLGS) floated by GOI in the wake of COVID-19 pandemic, repayable in 36 months. Hypothecated against the entire current assets of the Company as primary security and property owned by Transwarranty Finance Limited as a collateral security.

2 Overdraft from The CSB Bank Limited is Working Capital Facility for lending in Gold Loans, Personal Loans and Loans under digital platform. The credit facility is secured by first pari passu charge on movable assets and personal guarantee of the Managing Director.

Tenure of the credit facility is for 12 months and repayable on demand. This shall be renewed before the expiry of the sanctioned period of one year. "

3 Overdraft from The South Indian Bank Limited is Working Capital Facility for Onward lending. Loan is Secured against entire current Assets of the company, collateral security of Office premises No. 405 and personal guarantee of the Managing Director. Tenure of the loan is for 12 months and repayable on demand. Limit shall be renewed before the expiry of the sanctioned period of one year. "

4 Credit Facility from Life Insurance Corporation is against Key-man Insurance Policy. Repayable at the time of maturity of the policy i.e. by F.Y. 2026-27.

18 Other Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accured	4,338,272	5,647,279
Book Overdraft	63,559,996	45,312,505
Deposit	-	51
Security Deposit from Franchises & Advances	6,827,914	6,728,764
Employee benefits payable	294,905	1,493,402
Others	16,965	127,205
Total	**75,038,052**	**59,309,206**

19 Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity	352,213	452,926
Compensated absences	1,704,227	1,829,724
Total	**2,056,440**	**2,282,650**

20 Other Non-Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Dues	2,735,151	1,157,914
Lease Liability	2,062,858	3,570,388
Others	4,594,342	4,120,118
Total	**9,392,351**	**8,848,420**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

21 Equity Share Capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised		
31,000,000 Equity Shares of Rs.10/- each	310,000,000	310,000,000
	310,000,000	**310,000,000**
Issued, Subscribed and Paid Up		
24,460,568 Equity Shares of Rs.10/- each fully paid up	244,605,680	244,605,680
Total	**244,605,680**	**244,605,680**

Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Numbers	Amount
As at 1 April 2020	24,460,568	244,605,680
Equity share capital issued, subscribed and fully paid up	-	
As at 31st March 2021	24,460,568	244,605,680
As at 1 April 2021	24,460,568	244,605,680
Equity share capital issued, subscribed and fully paid up	-	-
As at 31st March 2022	**24,460,568**	**244,605,680**

Terms/rights/restrictions attached to equity shares

The company has only one class of Equity share having a Par Value of Rs.10/- each. Each holder of equity share is entitled for one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuring Annual General Meeting.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Numbers	Amount	Numbers	Amount
Kumar Nair	12,708,694	51.96%	12,708,694	51.96%
TFL-TCCPL and TFCPL Merger Trust	5,225,000	21.36%	5,225,000	21.36%
Total	**17,933,694**	**73.32%**	**17,933,694**	**73.32%**

Details of shares held by promoters/promoter group

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% of Total Shares	% Change during the year	Number of shares	% of Total Shares	% Change during the year
Kumar Nair	12,708,694	51.96%	0.00%	12,708,694	51.96%	0.00%
Leena Kumar Nair	267,473	1.09%	0.00%	267,473	1.09%	0.00%
Jayachandran K	22,717	0.09%	0.00%	22,717	0.09%	0.00%
Anitha Plakkot	50,000	0.20%	0.00%	50,000	0.20%	0.00%
Cheralath Chandran	35,603	0.15%	0.00%	35,603	0.15%	0.00%
C. D. Padmini Devi	20,840	0.09%	0.00%	20,840	0.09%	0.00%
Karthikeyan Karkatvallil	7,650	0.03%	0.00%	7,650	0.03%	0.00%
Indiradevi	1,950	0.01%	0.00%	1,950	0.01%	0.00%
Total	**13,114,927**	**53.62%**		**13,114,927**	**53.62%**	

22 Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
(I) Retained Earnings		
Balance at the beginning of the year (a)	(123,633,886)	(92,316,672)
Profit/(Loss) for the year (b)	(22,787,063)	(31,244,746)
Other Comprehensive income (c)	158,858	(72,468)
Less: Transfer to Capital Redemption Reserve	(2,775,800)	-
Balance at the end of the year (a+b+c)	**(149,037,892)**	**(123,633,886)**
(II) Other Comprehensive Income - fair value on equity instruments		
Balance at the beginning of the year (a)	(831,957)	(405,976)
Gain / (Loss) on fair valuation on equity instruments (b)	72,894	(425,981)
Balance at the end of the year (a+b)	**(759,063)**	**(831,957)**
Other Reserves		
(II) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	34,139,639	34,139,639
Add: Transferred during the year	-	-
Balance as at the end of the year	**34,139,639**	**34,139,639**
(III) General Reserve		
Balance as at the beginning of the year	10,410,757	10,410,757
Add: Transferred during the year	-	-
Balance at the end of the year	**10,410,757**	**10,410,757**
(IV) Capital Redemption Reserve		
Balance as at the beginning of the year	-	-
Add: Transferred during the year	2,775,800	-
Balance at the end of the year	**2,775,800**	**-**
Total	**(102,470,759)**	**(79,915,447)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve and a sum not less than twenty per cent of its net profit every year is transferred each year.

(iiI) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

23 Interest Income

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
At Amortised Cost		
- On Loans	4,667,773	3,222,045
- On Inter Corporate Deposits	12,729,494	2,821,316
- On Fixed Deposits & Others*	7,676,665	2,351,082
	25,073,932	**8,394,443**

*** interest received on fixed deposit with bank which are pledged with exchange for margin purpose.**

24 Fees and Commission Income

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
ICD-Syndication Fees	3,020,733	1,862,005
LC-Syndication Fees	2,099,970	1,702,206
Processing Fees & Other Charges	697,051	343,603
Suppliers Credit & Buyers Credit	2,037,690	1,288,794
Fees and commission income	69,454,821	69,651,704
Income from DP operation	3,561,393	2,828,418
Professional Charges	915,000	-
Corporate Finance	1,125,000	-
Investment Banking	750,000	-
	83,661,658	**77,676,730**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

25 Sale of Stock

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Sale of Shares held in Stock -in -Trade	39,148,840	56,886,994
	39,148,840	**56,886,994**

26 Other Income

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Rent Income	-	629,128
Dividend Income	14,628	14,687
Keyman Insurance Maturity Claim	3,965,000	-
Interest on Inter Corporate Deposits	5,334,506	6,204,084
Other interest income	3,975,397	3,980,437
Unwinding of discounting of deposits	45,342	47,305
Miscellaneous Income	4,430,925	7,908,229
	17,765,798	**18,783,870**

27 Finance costs

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Interest on borrowings	45,759,187	32,150,895
Interest expense on lease liablity	350,769	482,337
Other Financial Charges	1,085,513	1,057,211
	47,195,469	**33,690,443**

28 Purchases of Stock-in-trade

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2022
Purchase of Shares held in Stock-in-Trade	39,172,702	56,909,555
	39,172,702	**56,909,555**

29 Employee benefits expense

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Employees emoluments	37,240,779	34,781,297
Contribution to provident fund and Other Funds	1,862,030	1,658,295
Staff welfare expenses	293,659	245,857
	39,396,468	**36,685,449**

30 Depreciation and amortization expense

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Depreciation on tangible assets	4,355,046	4,357,110
Amortisation on intangible assets	1,392,792	1,541,357
Total	**5,747,838**	**5,898,467**

31 Other expenses

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Rent	1,234,468	909,765
Rates, taxes and energy	1,290,870	1,455,918
Annual Subscription	-	1,120,769
AMC Charges	654,231	588,538
Connectivity Charges	1,392,295	1,620,289
Software Connectivity License/Maintenance Expenses	4,612,466	4,403,444
Repairs and maintenance	138,933	141,737
Marketing fee/Commission paid	7,116,724	9,102,920
Brokerage and Commission	25,179,555	24,283,163
Demat & Other Charges	1,104,334	1,013,463
Legal and Professional charges	2,649,485	1,976,075
Society Charges	398,019	423,900
Travelling Expense	916,815	279,268
Communication Cost	807,187	855,088
Printing and stationery	316,784	338,593
Advertisement and publicity	315,023	417,205
Director’s fees, allowances and expenses	420,446	80,000
Auditor’s fees and expenses	417,500	464,850
Office Maintenance	522,096	367,294
Fees to Exchanges	562,536	450,950
Insurance	347,388	392,760
Client Meeting Expenses and Business Promotion	135,376	145,727
Stock Exchange Charges	340,683	192,046
Electricity Charges	102,436	76,824
Bad Debts Written Off	45,518	341,569
Computer Expense	510,679	535,978
Listing Expense	1,730,202	540,000
Annual Custody Fees	150,000	150,000
Credit Verification Charges	59,314	21,540
Impairement Allowance	191,864	1,258,024
Miscellaneous Expenses	1,959,506	3,229,360
Total	**55,622,733**	**57,177,058**

Payment to auditors (excluding taxes)	As at 31st March, 2022	As at 31st March, 2021
For Statutory audit	351,000	351,000
For taxation matters	75,000	75,000
Other Services	97,206	97,206
	523,206	**523,206**

32 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company. Fees and Comission Income

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) Net profit attributable to equity shareholders	(22,787,063)	(31,244,742)
(B) Weighted average number of equity shares for basic and diluted earnings per share	24,460,568	244,605,680
Basic earning price per share (Rs) (A/B)	(0.93)	(0.13)
Diluted earning price per share (Rs) (A/B)	(0.93)	(0.13)

33 Segment Information

Disclosure under Indian Accounting Standard 108 - 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounting to 10% or more of the Company's total revenue for the year ended March 31, 2022 or 31 March 31, 2021.

34 Revenue from contract with customers

Particulars	For the year ended	
	31st March 2022	31st March 2021
Type of Service		
ICD-Syndication Fees	3,020,733	1,862,005
LC-Syndication Fees	2,099,970	1,702,206
Processing Fees & Other Charges	697,051	343,603
Suppliers Credit & Buyers Credit	2,037,690	1,288,794
Fees and commission income	69,454,821	69,651,704
Income from DP operation	3,561,393	2,828,418
Professional Charges	915,000	-
Corporate Finance	1,125,000	-
Investment Banking	750,000	-
Total	**83,661,658**	**77,676,730**

Particulars	For the year ended	
	31st March 2022	31st March 2021
Geographical market		
India	83,661,658	77,676,730
Outside India	-	-
Total	**83,661,658**	**77,676,730**
Timing of revenue recognition		
Services transferred at a point in time	83,661,658	77,676,730
Services transferred over time	-	-
Total	**83,661,658**	**77,676,730**

Contract Balances

Particulars	For the year ended	
	31st March 2022	31st March 2021
Gross Trade receivables (refer note 5)	159,246,856	144,510,403

NOTE 35
Income tax expense

Particulars	For the year ended	
	31st March 2022	31st March 2021
Current tax		
Current tax on profits for the year	-	-
Total Current tax expense	-	-
Deferred tax		
Decrease / (increase) in deferred tax asset	-	(539,735)
(Decrease) / increase in deferred tax liabilities	-	-
Total Deferred tax expense/(benefit)	-	(539,735)
Total Income tax expense	**-**	**(539,735)**
Income tax expense/(credit) is attributable to:		
Profit from continuing Operations	-	(539,735)
Profit/(Loss) from discontinuing Operations	-	-
Total	**-**	**(539,735)**

36 Contingent liabilities and commitments

Particulars	For the year ended	
	31st March 2022	31st March 2021
A) Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
a. Tax demand in respect of:-		
Income Tax demand order for FY 2013-14	127,290	127,290
Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
Service Tax orders for FY 2008-09 to 2012-13	882,042	882,042
Service Tax orders for FY 2013-14	54,560	54,560
Service Tax orders for FY 2014-15	110,971	110,971
Total	**1,796,863**	**1,796,863**

Particulars	For the year ended	
	31st March 2022	31st March 2021
B) Capital and other commitments		
(i) Other commitments – towards partially disbursed/un-encashed loans		
Counter guarantee issued in favour of the banker for guarantee given by them to NSE for margin requirement for Rs. 52.80 Mn and to BSE Rs. 2.57 Mn for Margin requirement	-	55,375,000
Corporate Guarantee given to bank on behalf of subsidiary company Vertex Commodities & Finpro (P) Limited		20,000,000
Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary Vertex Securities Limited for OD Facilities	35,000,000	35,000,000

Particulars	For the year ended	
	31st March 2022	31st March 2021
(C) Lease commitments		
The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 22 months and are renewable as may be mutually decided. These are generally cancellable in nature. Lease payments recognized in the Statement of Profit and Loss as 'Rent' under Note No. 30 is Rs. 1,234,468/- (P.Y. Rs. 909,765/-). Future minimum lease rent payable are as follows:		

Particulars	For the year ended	
	31st March 2022	31st March 2021
Minimum lease obligations:		
Not later than one year	658,250	546,290
Later than one year but not later than five years	1,616,570	125,400
Later than five years	-	-

Note 37

Related party transactions

(a) Names of related party and related party relationship:

Description of relationship	Names of related parties
(i) Related parties where control exists	
Subsidiary company	Vertex Securities Limited (VSL)
Subsidiary company	Vertex Commodities and Finpro (P) Limited
Subsidiary company	Transwarranty Capital Market Services Private Limited (TCMSPL)
Common Controlled Entity - [Upto March 31, 2021]	Welworth Sales & Services Pvt. Ltd. (WSSPL)
(iii) Key managerial personnel	
Managing Director	Mr. Kumar Nair
Director & Chief Executive officer	Mr. U. Ramachandran
Executive Directors & Chief Financial Officer - VSL	Mr. George Mampilly
Relative of Director	Mrs. Leena Nair
Relative of Director	Mrs. Jyoti Ramachandran
Relative of Director	Mr. Rajendran U

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
(b) Transactions with related parties:		
Welworth Sales & Services Pvt. Ltd. (WSSPL)		
Inter corporate deposit given	-	2,200
Kumar Nair		
Salary and Other Allowances	969,664	1,765,526
Loan Received	500,000	-
Loan Paid	-	240,640
Jyoti Ramachandran		
Interest paid on Non Convertible Debentures	120,001	119,737
Mr. Rajendran U	-	500,000
Investment in Non Convertible Debentures	129,452	115,824
Interest paid on Non Convertible Debentures		

Particulars	As at	
	31st March, 2022	31st March, 2021
(c) Balances as at the end of the year		
Welworth Sales & Services Pvt. Ltd. (WSSPL)		
Inter corporate deposit	-	43,700
Kumar Nair		
Loan repayable	12,620,260	12,120,260
Interest payable	254,537	254,537

38 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs:- financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2022

Particulars	Fair value measurement using						
	FVTPL	FVOCI	Carring Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets							
Cash and cash equivalents			94,685,814				-
Trade receivables			117,131,335				-
Loans			257,641,154				-
Investments	142,026	1,286,661	-	1,181,434	-	247,253	**1,428,687**
Other financial assets			151,370,872				-
	142,026	**1,286,661**	**620,829,175**	**1,181,434**	**-**	**247,253**	**1,428,687**
Financial Liabilities							
Trade payables	-	-	318,979,623	-	-	-	-
Other payables	-	-	7,064,023	-	-	-	-
Debt Securities	-	-	43,222,209	-	-	-	-
Borrowings (other than debt securities)	-	-	384,118,342	-	-	-	-
Other financial liabilities	-	-	75,038,052	-	-	-	-
	-	**-**	**828,422,249**	**-**	**-**	**-**	**-**

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021

Particulars	Fair value measurement using						
	FVTPL	FVOCI	Carring Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets							
Cash and cash equivalents	-	-	61,741,463	-	-	-	-
Trade receivables	-	-	102,434,070	-	-	-	-
Loans	-	-	269,280,760	-	-	-	-
Investments	137,386	1,130,907	-	1,044,211	-	224,082	**1,268,293**
Other financial assets	-	-	179,957,173	-	-	-	-
	137,386	**1,130,907**	**613,413,466**	**1,044,211**	**-**	**224,082**	**1,268,293**
Financial Liabilities							
Trade payables	-	-	233,461,446	-	-	-	-
Other payables	-	-	2,975,999	-	-	-	-
Debt Securities	-	-	27,904,789	-	-	-	-
Borrowings (other than debt securities)	-	-	400,987,462	-	-	-	-
Other financial liabilities	**-**	**-**	59,309,206	**-**	**-**	**-**	-
	-	**-**	**724,638,902**	**-**	**-**	**-**	**-**

39 Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/non-convertible debentures or combination of short term /long term debt as may be appropriate.

40 Risk management

A) Liquidity and funding risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company & fellow subsidiary companies within its group to meet any short term fund requirements.

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Assets						
Cash and cash equivalents	94,685,814	-	94,685,814	61,741,463	-	61,741,463
Bank Balances other than cash and cash equivalents	-	158,375,000	158,375,000	-	82,375,000	82,375,000
Trade receivables	64,249,672	52,881,663	117,131,335	49,628,069	52,806,001	102,434,070
Loans	144,188,148	113,453,006	257,641,154	182,366,005	86,914,755	269,280,760
Investments	-	1,428,687	1,428,687	-	1,268,293	1,268,293
Other financial assets	11,442,928	139,927,944	151,370,872	8,684,871	171,272,302	179,957,173
	314,566,562	**466,066,300**	**780,632,862**	**302,420,408**	**394,636,351**	**697,056,759**
Non-financial assets						
Current tax assets (net)	15,450,252	-	15,450,252	12,446,784	-	12,446,784
Deferred tax assets (net)	-	21,866,380	21,866,380	-	21,866,379	21,866,379
Property, plant and equipment	-	87,417,785	87,417,785	-	90,753,790	90,753,790
Other intangible assets	-	2,541,615	2,541,615	-	4,294,903	4,294,903
Other non-financial assets	9,156,920	42,323,485	51,480,405	7,638,388	42,511,288	50,149,676
	24,607,172	**154,149,265**	**178,756,437**	**20,085,172**	**159,426,360**	**179,511,532**
Financial Liabilities						
Trade payables	318,979,623	-	318,979,623	233,461,446	-	233,461,446
Other payables	7,064,023	-	7,064,023	2,975,999	-	2,975,999
Debt Securities	10,200,000	33,022,209	43,222,209	22,604,789	5,300,000	27,904,789
Borrowings (other than debt securities)	122,239,748	261,878,594	384,118,342	111,470,622	289,516,840	400,987,462
Other financial liabilities	68,210,138	6,827,914	75,038,052	52,580,442	6,728,764	59,309,206
	526,693,532	**301,728,717**	**828,422,249**	**423,093,298**	**301,545,604**	**724,638,902**
Non-Financial Liabilities						
Provisions	793,053	1,263,387	2,056,440	423,257	1,859,393	2,282,650
Other non-financial liabilities	8,512,351	880,000	9,392,351	7,033,836	1,814,584	8,848,420
	9,305,403	**2,143,387**	**11,448,791**	**7,457,093**	**3,673,977**	**11,131,070**

B) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

C) Interest rate risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day to- day operations. Further, certain interest bearing liabilities carry variable interest rates.

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected.With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Average Exposure to interest rate risk

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Floating rate borrowings	111,719,012	111,470,622

A change of 50bps in interest rates would have following impact on profit before tax

Particulars	For the year ended	
	31st March, 2022	31st March, 2021
Interest rates - increase by 50 basis point (50 bps)	(558,595)	(557,353)
Interest rates - decrease by 50 basis point (50 bps)	558,595	557,353

D) Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial/contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of counterparties. Inadequate collateral may also lead to financial losses in the event of default. The company has adopted a policy of dealing with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the financial statements.

Since the company is into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.The Company's major classes of financial assets are cash and cash equivalents, loans, term deposits, trade receivables and security deposits.The nature of loan products across broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers.

E) Impairment Assessment

The Company is mainly engaged in the business of providing gold loans, consumer loans and unsecured personal loans to salaries individuals, traders and self-employed. The tenure of the personal loans generally ranges from 9 months to 18 months.

F) Classification of financial assets under various stages

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 180 days past due on its contractual payments.

It is company's policy to assess loss allowance calculations (ECL) in all cases where borrower becomes 90 days past due on its contractual payment. The Company classifies its financial assets other than trade receivables in three stages having the following characteristics:

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

Particulars	As at 31 March 2022			Total
	Stage 1	Stage 2	Stage 3	
Overdue Days	**0-90 Days**	**90-180 Days**	**180 Days or More**	
Gross carrying amount	52,440,642	10,076,517	178,843,493	241,360,652
Less: Expected Credit Loss Allowance	131,102	142,534	64,717,747	64,991,383
ECL Coverage ratio	0.25%	1.41%	36.19%	26.93%

Particulars	As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Stage 4
Days past due (DPD)	**0 -90 DPD**	**90-180 DPD**	**180 -365 DPD**	**365 DPD or more**
Gross Carrying Value	57,095,691	738,203	1,194,075	33,003,925
Allowance for ECL	-	369,101	895,556	28,175,865
ECL Coverage ratio	-	50%	75%	85%

Particulars	As at 31 March 2021			Total
	Stage 1	Stage 2	Stage 3	
Overdue Days	**0-90 Days**	**90-180 Days**	**180 Days or More**	
Gross carrying amount	109,091,425	73,881,632	70,102,214	253,075,271
Less: Expected Credit Loss Allowance	272,729	576,840	65,206,923	66,056,492
ECL Coverage ratio	0.25%	0.78%	93.02%	26.10%

Particulars	As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Stage 4
Days past due (DPD)	**0 -90 DPD**	**90-180 DPD**	**180 -365 DPD**	**365 DPD or more**
Gross Carrying Value	41,812,999	430,699	7,102,371	27,422,756
Allowance for ECL	-	215,349	1,763,228	27,422,756
ECL Coverage ratio	-	50%	25%	100%

41 Other Information & Events after reporting date

During the current year ended 31 March 2022, the Company has earned a net loss of ₹ 212.80 Lakhs and has an accumulated deficit of ₹ 1024.71 Lakhs. However, based on the projected operations and the Company's marketing efforts, the Company expects to generate adequate surplus in the future and consequently does not foresee any difficulty in settling its liabilities as and when they arise or continue as a going concern.

The company, in addition to its advisory services of Corporate Finance, Investment Banking and Trade Finance, has successfully managed to scale its digital platform for priority sector loans. These online loans are provided to prime customers not having access to mainstream banking products with the objective of furthering financial inclusion and bridging the digital divide. The business has demonstrated significant traction growing from Assets Under Management (AUM) of Rs. 122.15 Lakhs as on March 2021 to Rs. 731.74 Lakhs as on March 2022. The number of loans disbursed in FY 2022 was 10,151 compared to 1,232 loans in FY 2021.

This online lending platform holds tremendous growth potential. The company is in the process of raising additional debt and equity capital including Rights/Preferential issue etc. for financing the growth opportunity. The financial statements have been prepared on a going concern basis and the assets and liabilities have been recorded in the financial statements on the basis that the Company will be able to realise its assets and discharge its liabilities in the normal course of the business.

Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Type of Service	April 01, 2021	Cash Flow	Changes in fair value	Others	31st March 2022
Debt Securities	27,904,788	15,317,420	-	-	43,222,208
Borrowings other than debt securities	400,987,462	(16,869,120)	-	-	384,118,342
Total liabilities from financing activities	**428,892,250**	**(1,551,700)**	**-**	**-**	**427,340,550**
Type of Service	**April 01, 2020**	**Cash Flow**	**Changes in fair value**	**Others**	**31st March 2021**
Debt Securities	22,284,135	5,620,653	-	-	27,904,788
Borrowings other than debt securities	202,855,915	198,131,547	-	-	400,987,462
Total liabilities from financing activities	**225,140,050**	**203,752,200**	**-**	**-**	**428,892,250**

43 Employee Stock Option Plan

Pursuant to approval of the members at the Annual General meeting held on 27th September, 2019, the company adopted the " Employees Stock Option Plan 2019 (ESOP 2019). As per the said plan, the Company granted 24,99,728 equity shares of Rs.10 each on 10th December, 2019.

The vesting period is over five years from the date of grant, commencing after one year from the date of grant.

Excersise period would commence one year from the date of grant, commencing after one year from the date of grant.

The options will be settled in equity shares of the company.

The Exercise price of the Vested Option shall be higher of (a) the market price of the shares or (b) the face value of the share. Consequently no compensation cost has been recogonised by the Company in accordance with the Guidance Note on "Accounting for Employee share based payments " issued by the Institute of Chartered Accountants of India".

Details of movements of options

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Options Outstanding at the beginning of the year	1,684,098	2,499,728
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	215,683	394,604
Exercised / Lapsed during the year		-
Vested during the year	367,105	421,026
Options outstanding at the end of the year	1,101,310	1,684,098
Options Exercisable at the end of the year	**788,131**	**421,026**

Note- 44

Covid-19 outbreak was declared as a global pandemic by World Health Organisation.Financial services , which consitutes the major Business of the Group, had been declared as an essentail service and accordingly, the Group has been in operation consistenly with minimal permitted staff. Accordingly as of March 31, 2022 based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

As per our attached report of even date

For S.S. Khan & Co
Chartered Accountants
Firm Registeration No. 133324W

Sarfaraz Khan
Proprietor
Membership No. 144212

26th May, 2022
Mumbai

For and on Behalf of Board of Directors
For Transwarranty Finance Limited

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

Suhas Bargoankar
Company Secretary

Place : Mumbai
Date : May 26, 2022

KEY ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the relevant Consolidated Financial Statements. For details see "***Financial Statements***" on page 81 of this Letter of Offer

Ratios	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Profit After Tax as per Consolidated P&L Account* (₹ in Lakhs)	(212.80)	(286.86)
Weighted Average Number of Equity Shares at the end of the Year	2,44,60,568	2,44,60,568
Net Worth (₹ in Lakhs) (Refer Note 1)	1421.35	1646.90
Earnings Per Share		
Basic & Diluted	(0.92)	(1.30)
Return on Net Worth (%)	(14.97)	(17.42)
Net Asset Value Per Share (₹)	5.81	6.73
Nominal Value per Equity share (₹)	10	10
EBITDA	305.78	98.45
Total Borrowings	3,687.70	3,733.80

Source: As certified by the S. S Khan & Co., Chartered Accountant (Statutory Auditor) vide their certificate dated June 21, 2022.

The ratios have been computed as below:

Basic earnings per share	Profit/(loss) for the period/year as per consolidated statement of profit and loss attributable to owners of Company / Weighted average number of Equity shares outstanding during the period/ year as adjusted for effects of all dilutive potential equity shares
Return on net worth (%)	Profit/(loss)for the period/year as per the consolidated statement of profit and loss in the financial statements / Net Worth at the end of the year /period
Net asset value per Equity Share	Net Worth / Number of Equity shares subscribed and fully paid outstanding as at March 31

MANAGEMENT DISCUSSION AND ANALYSIS CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with the "***Financial Information***" beginning on page 81. You should read the following discussion and analysis of our financial condition and results of operations together with the Financial Statements, including the significant accounting policies, notes thereto and reports thereon, which have been prepared in accordance with Companies Act and SEBI ICDR Regulations. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "***Risk Factors***" and "***Forward Looking Statements***" beginning on page 22 and 15 of this Letter of Offer, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

The Financial Statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including IFRS. Accordingly, the degree to which Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2022 included herein is based on the Limited Review Audited Consolidated Financial Statements. For further information, refer "***Presentation of Financial, Industry and Market Data***" and "***Financial Statements***" on page 17 and 81 of this Letter of Offer respectively.

OVERVIEW OF THE BUISNESS

Our Company was incorporated and commenced its business on August 09, 1994 as "Trans Warranty Finance Limited" under the Companies Act, 1956. Consequently, the name of our Company was changed to "Transwarranty Finance Limited" and fresh certificate of incorporation upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai dated July 8, 2005. Our Company is a non-deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI to carry on the NBFC activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-13.00971.

Our subsidiaries

1. Vertex Securities Ltd. (VSL) is a SEBI licensed Merchant Bank and Member of NSE & BSE. VSL is national level retail broking Company with around 200 branches / franchise offices across India. It is also category 1 Merchant Banker registered with Securities Exchange Board of India (SEBI) undertaking a wide variety of assignments. We help companies in mobilizing capital from the public and also provide a wide range of compliance services.

2. Vertex Commodities & Finpro Pvt. Ltd. (Subsidiary of VSL) is a Member of NCDEX, MCX and NMCE.

3. Transwarranty Capital Market Services Private Limited is a technology platform. It provides all required support to our Company for API integrations & fintech applications. It is also engaged in developing Fintech App for the Company.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the following factors, amongst others, have significantly affected our results of operations, cash flows and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

- Availability of cost-effective sources of capital
- Changes in Government Regulations and Policies
- Credit quality and provisioning
- General economic conditions in India.
- Competition in our industry

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please see section titled “***Financial Statements***” on page 81.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in section “***Financial Information***” on page 81, there has been no change in accounting policies in last 3 years.

RESULTS OF OPERATIONS

The following table sets out selected data from the Un-Audited Consolidated Profit and Loss accounts for the quarter ended on 30th June 2022 and 30th June 2021, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	For the period ended June, 2022		For the period ended June, 2021	
	₹ in lacs	% to total income	₹ in lacs	% to total income
Income				
Revenue from Operations	262.43	80.38	256.80	83.17
Other Income	64.04	19.62	51.96	16.83
Total Income	326.47	100.00	308.76	100.00
Expenses				0.00
Employee Benefit Expenses	103.46	31.69	101.55	32.89
Finance Cost	153.97	47.16	116.79	37.83
Purchases of stock-in-trade		0.00	0.31	0.10
Depreciation and amortisation expense	12.14	3.72	14.76	4.78
Other Expenses	172.44	52.82	136.24	44.12
Total Expenses	442.01	135.39	369.65	119.72
Profit / (Loss) before exceptional items and extraordinary items and Tax	(115.54)	(35.39)	(60.89)	(19.72)
Exceptional Items				0.00
Profit / (Loss) after exceptional items and extraordinary items and before Tax	(115.54)	(35.39)	(60.89)	(19.72)
Tax Expense				
Current Tax	0.00	0.00	0.00	0.00
Deferred Tax	0.00	0.00	(0.02)	(0.01)
Profit/ Loss After Tax				
Profit /(loss) from discontinuing operations	(115.54)	(35.39)	(60.87)	(19.71)
Tax expense of discontinuing operations	0.00	0.00	0.00	0.00
Profit /(loss) from discontinuing operations (after tax)				
Profit /(loss) for the period	(115.54)	(35.39)	(60.87)	(19.71)
Earnings per Share				
Basic (in Rs)	(0.49)	(0.15)	(0.26)	(0.08)

Particulars	For the period ended June, 2022		For the period ended June, 2021	
	₹ in lacs	% to total income	₹ in lacs	% to total income
Diluted (In Rs.)	(0.49)	(0.15)	(0.26)	(0.08)

The following table sets out selected data, Consolidated Audited Financial Statement for Fiscal 2022, Fiscal 2021 and Fiscal 2020, together with the percentage that each line item represents of our total revenue for the periods presented**.**

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	₹ in lacs	% to total income	₹ in lacs	% to total income	₹ in lacs	% to total income
Income						
Revenue from Operations	1478.84	89.27	1429.58	88.39	659.83	81.34
Other Income	177.66	10.73	187.84	11.61	151.41	18.66
Total Income	**1656.5**	**100.00**	**1617.42**	**100.00**	**811.23**	**100.00**
Expenses						
Employee Benefit Expenses	393.96	23.78	366.85	22.68	419.62	51.73
Finance Cost	471.95	28.49	336.9	20.83	273.65	33.73
Purchases of stock-in-trade	391.73	23.65	569.1	35.19		0.00
Depreciation and amortisation expense	57.48	3.47	58.98	3.65	65.64	8.09
Other Expenses	556.23	33.58	571.77	35.35	923.97	113.90
Total Expenses	**1871.35**	**112.97**	**1903.61**	**117.69**	**1682.88**	**207.45**
Profit / (Loss) before exceptional items and extraordinary items and Tax	(214.85)	(12.97)	(286.19)	(17.69)	(871.65)	(107.45)
Exceptional Items	-	-	-	-	-	-
Profit / (Loss) after exceptional items and extraordinary items and before Tax	(214.85)	(12.97)	(286.19)	(17.69)	(871.65)	(107.45)
Tax Expense						
Current Tax	-	-	-	-	-	-
Deferred Tax	-	-	(5.4)	(0.33)	(13.4307)	(1.66)
Profit/ Loss After Tax	**(214.85)**	**(12.97)**	**(280.79)**	**(17.36)**	**(858.21799)**	**(105.79)**
Profit /(loss) from discontinuing operations	-	-	-	-	-	-
Tax expense of discontinuing operations	-	-	-	-	-	-
Profit /(loss) from discontinuing	-	-	-	-	-	-

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	₹ in lacs	% to total income	₹ in lacs	% to total income	₹ in lacs	% to total income
operations (after tax)						
Profit /(loss) for the period	**(214.85)**	**(12.97)**	**(280.79)**	**(17.36)**	**(858.21)**	**(105.79)**
Earnings per Share						
Basic (in Rs)	(0.87)	(0.05)	(1.28)	(0.08)	(2.69)	(0.33)
Diluted (In Rs.)	(0.87)	(0.05)	(1.28)	(0.08)	(2.69)	(0.33)

Total income

Our revenue comprises of: Revenue from operations by sale of services, sale of products and other incomes.

Revenue from operations

Our revenue from operations arises out of sale of corporate financing, Interest Income and Fees & Commission.

Other Income

Our Other income is from interest income and foreign exchange gain.

Expenses

Our expenses consist of (i) employee benefit expenses; (ii) finance costs; (iii) depreciation and amortization expense; and (iv) other expenses, (v) Purchases of stock-in-trade.

Employee benefit expenses

Employee benefit expense consists of salary, contribution to provident fund expense and other expense, gratuity expense and staff welfare expense.

Finance costs

Our finance costs comprise of interest expense on debt and borrowings, finance and other charges, Interest expense on Statutory Dues, Bill Discounting charges, Interest Others, Inland LC Amendment charges & Issue charges.

Depreciation and amortization expenses

Depreciation and amortization expenses consist of Tangible and intangible assets which are depreciated and amortized over periods corresponding to their estimated useful lives.

Other expenses

Our other expenses primarily include legal, professional and consultancy fees, travelling and conveyance, Power and fuel, postage, Repairs to machinery, Printing stationery, Advertising promotional expenses, Transportation distribution expenses, Payment for audit services and Miscellaneous expenses.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

Comparison of Consolidated Financial Results of Operations for the quarter ended June 30, 2022 with quarter ended June 30, 2021

Revenues:

Our total revenues for the quarter ended 30th June, 2022 were ₹ 326.47 Lakh, an increase of 5.74% over our total revenues of ₹ 308.76 Lakh for the quarter ended 30th June, 2021.

Our revenues from operation for the quarter ended 30th June, 2022 were ₹ 262.43 Lakh, an increase of 2.19% over our revenues from operation of ₹ 256.80 Lakh for the quarter ended 30th June, 2021.

Other income

Our other income for the quarter ended 30th June, 2022 was ₹ 64.04 Lakhs which is a decrease of 23.25 % as compared to ₹ 51.96 Lakh for the quarter ended 30th June, 2021.

Employee benefit expenses

Employee costs net of capitalized cost for the quarter ended 30th June, 2022 stood at ₹ 103.46 Lakh, an increase of 1.88% over our employee costs net of capitalized cost of ₹ 101.55 Lakh for the quarter ended 30th June, 2021. Employee costs relate to salaries and incentive paid to employees.

Finance costs

Finance costs for the quarter ended 30th June, 2022 were ₹ 153.97 Lakh, an increase of 31.83 % from our finance costs of ₹ 116.79 Lakh for the quarter ended 30th June, 2021.

Depreciation and Amortization Expense

Our depreciation and amortization charge were ₹ 12.14 Lakh and ₹ 14.76 Lakh for the quarter ended 30th June, 2022 and 30th June, 2021 respectively representing a decrease of 17.75%.

Other expenses

Our other expenses net of capitalized expenses increased by 26.57% from ₹ 136.24 lakhs for the quarter ended 30th June, 2021 to ₹ 172.44 lakh for the quarter ended 30th June, 2022.

Profit/Loss before Tax

In light of above discussions, our loss before tax increased by ₹ 54.65 Lakh or by 89.75% from a loss of ₹ (60.89) lakh for the quarter ended 30th June, 2021 to a Loss of ₹ (115.54) lacs for the quarter ended 30th June, 2022.

Profit/Loss after Tax

For the various reasons discussed above, and following adjustments for tax expense, we recorded a loss of ₹ (115.54) lakh for the quarter ended 30th June, 2022 as compared to a loss of ₹ (60.87) lakh for the quarter ended 30th June, 2021 which was an increase in loss after tax by 89.81%.

Comparison of Consolidated Financial Results of Operations of Fiscal 2022 with Fiscal 2021

Revenues:

Our total revenues in the fiscal year ended 31st March, 2022 were ₹ 1,656.50 Lakh, an increase of 2.42% over our total revenues of ₹ 1,617.42 Lakh in the fiscal year ended 31st March, 2021.

Our revenues from operation in the fiscal year ended 31st March, 2022 were ₹ 1,478.84 Lakh, an increase of 3.46% over our revenues from operation of ₹ 1,429.58 Lakh in the fiscal year ended 31st March, 2021.

Other income

Our other income primarily comprises of interest on bank deposits and foreign exchange earnings. Our other income in the fiscal year ended 31st March, 2022 was ₹ 177.66 Lakhs which is a decrease of 5.42 % as compared to ₹ 187.84 Lakh in the fiscal year ended 31st March, 2021.

Employee benefit expenses

Employee costs net of capitalized cost in the fiscal year ended 31st March, 2022 stood at ₹ 393.96 Lakh, an increase of 7.39% over our employee costs net of capitalized cost of ₹ 366.85 Lakh in the fiscal year ended 31st March, 2021. Employee costs relate to salaries and incentive paid to employees.

Finance costs

Finance costs in the fiscal year ended 31st March, 2022 were ₹ 471.95 Lakh, an increase of 40.10% from our finance costs of ₹ 336.90 Lakh in the fiscal year ended 31st March, 2021.

Depreciation and Amortization Expense

Our depreciation and amortization charge were ₹ 57.48 Lakh and ₹ 58.98 Lakh for the year ended 31st March, 2022 and 31st March, 2021 respectively representing a decrease of 2.54%.

Other expenses

Our other expenses net of capitalized expenses decreased by 2.72% from ₹ 571.77 lakhs in Financial Year 2021 to ₹ 556.23 lakh in Financial Year 2022.

Profit/Loss before Tax

In light of above discussions, our loss before tax decreased substantially by ₹71.34 Lakh or by 24.93% from a loss of ₹ (286.19) lakh in Financial Year 2021 to a Loss of ₹ (214.85) lacs in Financial Year 2022.

Profit/Loss after Tax

For the various reasons discussed above, and following adjustments for tax expense, we recorded a loss of ₹ (214.85) lakh in Financial Year 2022 as compared to a loss of ₹ (280.79) lakh in the Financial Year 2021 which was a decrease in loss after tax by 23.48%.

Financial Year 2021 compared to Financial Year 2020

Revenues:

Our total revenues in the fiscal year ended 31st March, 2021 were ₹ 1,617.42 Lakh, an increase of 99.38 % over our total revenues of ₹ 811.23 Lakh in the fiscal year ended 31st March, 2020.

Our revenues from operation in the fiscal year ended 31st March, 2021 were ₹ 1,429.58 Lakh, an increase of 116.67% over our revenues from operation of ₹ 659.81 Lakh in the fiscal year ended 31st March, 2020.

Other income

Our other income in the fiscal year ended 31st March, 2021 was ₹ 187.84 Lakh which is an increase of 5.42 % as compared to ₹ 151.41 Lakh in the fiscal year ended 31st March, 2020.

Employee benefit expenses

Employee costs net of capitalized cost in the fiscal year ended 31st March, 2021 stood at ₹ 366.85 Lakh, an decrease of 12.57% over our employee costs net of capitalized cost of ₹ 419.62 Lakh in the fiscal year ended 31st March, 2020.

Finance costs

Finance costs in the fiscal year ended 31st March, 2021 were ₹ 336.90 Lakh, an increase of 23.11% from our finance costs of ₹ 273.65 Lakh in the fiscal year ended 31st March, 2020.

Depreciation and Amortization Expense

Our depreciation and amortization charge were ₹ 58.98 Lakh and ₹ 65.64 Lakh for the year ended 31st March, 2021 and 31st March, 2020 respectively representing a decrease of 10.14%.

Other expenses

Our other expenses net of capitalized expenses decreased by 38.11% from ₹ 923.96 lakh in Financial Year 2020 to ₹ 571.77 lakh in Financial Year 2021.

Profit/Loss before Tax

Our loss before tax decreased substantially by ₹585.46 Lakhs or by 67.17% from a loss of ₹ (871.64) lakh in Financial Year 2020 to a Loss of ₹ (286.19) lakh in Financial Year 2021.

Profit/Loss after Tax

We recorded a loss of ₹ (280.79) lakh in Financial Year 2021 as compared to a loss of ₹ (858.22) lakh in the Financial Year 2020 which was a decrease in loss after tax by 67.28%.

SECTION VI- LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND DEFAULTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoters or Group Companies; (ii) action taken by statutory or regulatory authorities involving our Company, Directors, Promoters or Group Companies; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action; (iv) outstanding claim involving our Company, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (v) outstanding proceedings initiated against our Company for economic offences; (vi) defaults or non-payment of statutory dues by our Company; (vii) issues of moral turpitude or criminal liability on the part of our Company (viii) pending litigations involving our Company, Directors, Promoters, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations.

- In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';

- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended,
  Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

CONTINGENT LIABILITIES OF OUR COMPANY

Except the direct tax liabilities which are outstanding as on the date of the Letter of Offer, as per the Financial Statements for the Financial Year ending March 31, 2022, there are no contingent liabilities.

LITIGATION INVOLVING OUR COMPANY

1. Litigation Involving Actions by Statutory/Regulatory Authorities

As on date of this Letter of Offer, there are no actions by statutory / regulatory authorities against our Company.

2. Litigation involving Tax Liabilities

<u>Direct Tax Liabilities</u>

As on date of this Letter of Offer, the Company and its Subsidiary Companies has following Income Tax outstanding demand:

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)
Against our Company		
Tax	12	285.20 Lakhs
By our Company		
Tax	12	285.20 Lakhs
Against our directors		
Tax	NIL	NIL
By our directors		
Tax	NIL	NIL
By our Subsidiary Company		
Tax	1	2.59 Lakhs
Against Subsidiary Company		
Tax	1	2.59 Lakhs

The Litigation being tax litigation shown above represents the demand raised by the Department upon completion of Assessment Years 2007-08 to 2018-19. These are under various stages of appeal and therefore the entire demand raised by the department is also shown as appeals filed by the Company. Therefore, the amount of demand and the amount of appeal remains the same. This is also applicable to demand of Rs. 2.59 Lakhs raised for the Assessment Year 2013-14 for the Subsidiary Company wherein the said demand is also in appeal.

The details are as under :

Company Name :-		**Transwarranty Finance Limited.**	
PAN	AAACT3959J		
A.Y.	**Section**	**Amount (Rs)**	**Remarks**
A.Y. 2016-17	Demand U/S. 143(3)	8,20,490	Appeal Filed
	Interest	3,44,402	
A.Y. 2016-17	Demand U/S. 272A (1) a	10,000	Appeal Filed
	Interest	400	
A.Y. 2017-18	Demand U/S 154	11,710	Appeal Filed
	Interest	2,457	
A.Y. 2017-18	Demand U/S 154	96,140	Appeal Filed
	Interest	20,181	
A.Y. 2018-19	Demand U/S. 143(1) (a)	11,14,890	Appeal Filed
	Interest	2,00,664	
	Total	**26,21,334**	

Company Name :-		**Transwarranty Advisors Private Limited.**	
PAN	AAACH6068C	**(Merged with Transwarranty Finance Limited)**	
A.Y.	**Section**	**Amount (Rs)**	**Remarks**
A.Y. 2007-08	Demand U/S. 148	26,20,707	No such demand notice received by us
A.Y. 2010-11	Demand U/S. 143 (3)	23,80,950	No such demand notice received by us
	Interest	4,56,149	
A.Y. 2011-12	Demand U/S. 143 (3)	34,27,233	Tribunal dismissed the Demand. No rectification done at the site.
	Interest	8,60,820	
A.Y. 2015-16	Demand U/S. 143 (3)	1,23,04,390	No such demand notice received by us
	Interest	7,49,425	
	Total	**2,27,99,674**	

We had received Appeal Order in our favour for A. Y. 2011-12, 2012-13 &2013-14. But department had filed appeal with Tribunal court and tribunal court dismissed the said appeal. So, there is no Tax demand in our name. Since IT Department has modified their site. The above demand is appearing in our name. This needs to rectify.

Company Name :-		Transwarranty Private Limited (Merged with Transwarranty Finance Limited)	
A.Y.	**Section**	**Amount (Rs)**	**Remarks**
A.Y. 2014-15	Demand U/S. 143 (3)	13,12,540	No such demands appearing in our books. No Notice received.
	Interest	34,126	
A.Y. 2015-16	Demand U/S. 143 (3)	15,56,740	Appeal Filed.
A.Y. 2015-16	Demand U/S. 143 (3)	1,71,820	Appeal Filed
	Interest	24,160	
	Total	**30,99,386**	

Year	Outstanding	Interest	Section	Status
Demand Reference No. 2021201337002605822C Assessment Year : 2013	45,07,642.00	2,59,427.00	147	Appeal Filed on 24/12/2021 - Not yet heard
Demand Reference No. 2021201337002605833T Assessment Year : 2013			147	This amount is added to Demand Ref. No: 2021201337002605822C

3. Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Letter of Offer, there are no issues of moral turpitude or criminal liability on the part of our Company.

4. Proceedings involving Material Violations of Statutory Regulations by our Company

As on date of this Letter of Offer, there are proceedings involving Material Violations of Statutory Regulations by our Company.

5. Matters involving economic offences where proceedings have been initiated against our Company

As on date of this Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

6. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

As on date of this Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

7. The Company in the course of its business has Lent money to various Borrowers. These loans are amounting to less than Rs. 50,000/- (Rupees Fifty Thousand Only) per person and these are short

term individual loans given solely based on the security of post-dated cheques and payment mandates under the Payments and Settlements Act. In the state of Kerala and in some places in Mumbai & Gujarat, these Borrowers have defaulted in the repayment and the Company has presented the cheques for encashment of those post-dated cheques of the erring Borrowers through its Mumbai Account. The cheques which were returned unpaid amounting to a total of Rs. 37,82,599/- was proceeded against under Section 138 of the Negotiable Instruments Act and Section 25 of the Payments and Settlements Act. These are pending before various Magistrates Court in Mumbai and Navi Mumbai and these 187 cases represent the same.

LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP

1. Litigation Involving Actions by Statutory/Regulatory Authorities

As on date of this Letter of Offer, there are no subsisting litigations involving actions by statutory/ regulatory authorities filed by or against our directors, promoters, and promoter group;

2. Litigation involving Tax Liabilities

Direct Tax Liabilities

As on date of this Letter of Offer following stated are the details of the income tax outstanding demand's:

Name of the Cases	Number of cases	Total amount involved (₹ in Lakhs)
Against our directors		
Tax	NIL	NIL
By our directors		
Tax	NIL	NIL

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2022

Except as mentioned in this Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

GOVERNMENT APPROVALS OR OTHER APPROVALS

The Company has obtained all necessary consents, permissions and approvals from the Board and the Government and Regulatory Authorities that are material in nature for carrying out the proposed rights issue wherever it is necessary. The Company is an RBI regulated NBFC and the RBI has not come out with any stipulation which requires the prior approval of RBI in carrying out the present rights issue. The license granted by RBI to the Company to continue and function as a NBFC is still in place and it does not need any renewal. The company has not been prevented by any authorities in continuing their business and also which mandates any prior approval.

SEBI has not put any embargo on the company or its directors barred from approaching the market to raise equity. The company is not required to obtain any licenses or approvals from the Government or regulatory authority for the objects of this issue. Attention is drawn to the section titled Objects of this Issue of this letter of Offer for getting more clarity with regard to objects and reasons for which the company is coming out with the proposed rights issue.

OTHER REGULATORY AND STATUTORY APPROVALS

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on February 14, 2022 and May 26, 2022 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Our Board in its meeting held on October 26, 2022 has resolved to issue Equity Shares to the Eligible Equity Shareholders, at ₹ 10.00 per Equity Share(at face value of equity share), in the ratio of 1 Equity Share for every 1 Equity Share as held on the Record Date. The Issue Price of ₹ 10.00 per Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

Our Company has received "In-Principle Approval" from BSE and NSE vide their letter dated October 07, 2022 and August 23, 2022 respectively in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN-INE804H20012for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see "***Terms of the Issue***" beginning on page 209.

Association of our Directors with securities market

Except Kumar Nair, Shishir Vasant Dalal, Ramachandran Unnikrishnan, Sudharsanan Nair, none of our Directors are associated with the securities market.

PROHIBITION BY SEBI

Our Company, Promoters, member of the Promoter Group, Directors and persons in control of our Company have not been prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Letter of Offer.

The companies with which our Promoter or our Directors are associated as promoter or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoter nor our Directors have been declared as Fugitive Economic Offenders or willful defaulter.

None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange.

There are no proceedings initiated by SEBI, Stock Exchange, or ROC, etc., against our Company, Directors, Group Companies;

Directors of our Company who are associated with the securities market and details of outstanding actions, if any, in initiated by SEBI against the entities operating in the securities market with which such Directors are associated.

Our Directors Kumar Nair, Shishir Vasant Dalal, Ramachandran Unnikrishnan, Sudharsanan Nair are associated with the securities market. There are no outstanding actions initiated by SEBI against the entities operating in the securities market with which our Directors are associated.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed Company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE and NSE. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B - Clause 1 of Schedule VI of the SEBI ICDR Regulations.

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges and has received their "In-Principle Approvals" for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for this Issue.

COMPLIANCE WITH CLAUSE (1) PART B OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1) Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

2) The reports, statements and information referred to above are available on the websites of BSE and NSE; and

3) Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

1) The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in ;

2) Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;

3) Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue;

DISCLAIMER CLAUSE OF SEBI

This Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 5,000.00 Lakhs.

As required, a copy of the Letter of Offer will be submitted to SEBI.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisements or any other material issued by or at instance of the above-mentioned and that anyone placing on any other source of information, including website of our Company or Lead Manager would be doing so at his or her own risk.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

DISCLAIMER CLAUSE OF BSE LIMITED

The Designated Stock Exchange for the purposes of this Issue is BSE Limited. As required, a copy of this Letter of Offer has been submitted to the BSE. BSE Limited has given vide its letter dated October 07, 2022 to use its name in this Letter of Offer. The Disclaimer Clause as intimated by the BSE are as follows:

"BSE Limited ("the Exchange") has given vide its letter dated October 07, 2022, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*
- *Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- *Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*
- *and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange.*

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

DISCLAIMER CLAUSE OF NSE

As required, a copy of this Letter of Offer has been submitted to the NSE. NSE India has given vide its letter dated August 23, 2022 to use its name in this Letter of Offer. The Disclaimer Clause as intimated by the NSE to us are as follows:

"As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/32127 dated August 23, 2022 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

FILING

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company had filed Draft Letter of Offer with the Stock Exchanges for obtaining in-principle approval.

SELLING RESTRICTIONS

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHERJURISDICTION AT ANY TIME.

For more detail, please see "***Notes to Investor***" on page 12 of this Letter of Offer.

FILING

For details, please see Section Titled "***General Information***" on page 44 of this Letter of Offer.

LISTING

The Designated Stock Exchange for the purposes of the Right Issue will be BSE Limited. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholders complaints is within 15 (fifteen) days. Additionally, we have been registered with SCORES, as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature.

Our Company has constituted Stakeholders Relationship Committee which currently comprises of Sudharshan Nair, Kumar Nair and Nirmala Parab.

Our Company provides easy access to information regarding our services and ensure timely disclosures of financial as well as non-financial material information. Grievances are resolved in a timely, efficient and fair manner, and processes are promptly initiated to prevent recurrence.

Grievance Redressal Mechanism

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholders complaints is within 15 (fifteen) days.

Additionally, we have been registered with SCORES, as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature.

Our Company has constituted Stakeholders Relationship Committee which currently comprises of:

Name	Designation	Chairman/Member
Sudharsanan Nair	Non-Executive - Independent Director	Chairman
Kumar Nair	Executive Director	Member
Nirmala Parab	Non-Executive - Independent Director	Member

Our Company provides easy access to information regarding our services and ensure timely disclosures of financial as well as non-financial material information. Grievances are resolved in a timely, efficient and fair manner, and processes are promptly initiated to prevent recurrence.

Status of outstanding investor complaints

As on the date of this Letter of Offer, no complaint is pending or unattended or unsolved.

As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner

Investor Grievances arising out of the Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar to the Issue provides for a period for which records shall be retained by the Registrar to the Issue in order to enable the Registrar to the Issue to redress grievances of Investors.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB in case of ASBA process, giving full details such as Folio No. / Demat Account No., name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, serial number of Application Form, amount blocked (in case of ASBA process) the name of the bank/ SCSB and the branch where the Application Form was deposited, along with a photocopy of the acknowledgement slip (in case of ASBA process)). In case of renunciation, the same details of the Renouncee should be furnished. For details on the ASBA, please see the section titled "***Terms of the Issue***" on page 209.

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice / share certificates / Demat credit / refund orders etc.

Company Secretary and Compliance Officer	Registrar to the Issue
Suhas Borgaonkar 403, Regent Chambers, Nariman Point, Mumbai – 400021400021 **Email Id**: companysecretary@transwarranty.com **Website**: www.transwarranty.com **Tel**: 022 40010900 Fax: 022 66306655	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, L.B.S Marg, Vikhroli West, Mumbai, Maharashtra 400083 **Tel.No**: 022- 4918 6200/810 811 4949 **E-mail Id**: transwarranty.rights@linkintime.co.in **Investor grievance:** transwarranty.rights@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Sumeet Deshpande **SEBI Registration No**: INR000004058

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (*www.linkintime.co.in*). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties is: 022- 4918 6200/810 811 4949.

SECTION VII - ISSUE INFORMATION
TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI – Rights Issue Circular"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, our company will send/dispatch at least three days before the issue opening date, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- our Company at www.transwarranty.com
- the Registrar to the Issue at www.linkintime.co.in
- the Lead Managers at www.fedsec.in
- the Stock Exchanges at www.bseindia.com and www.nseindia.com

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the issue at www.linkintime.co.in by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.transwarranty.com.

Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for non- dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e- mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Equity Shares under the laws of any jurisdiction which apply to such person.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use ASBA. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective (i) demat accounts; and (ii) demat suspense escrow account (namely LIIPL TRANSWARRANTY FINANCE RIGHTS 2022 ESCROW DEMAT ACCOUNT) For further details on the Rights Entitlements and demat suspense escrow account, see "***Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page 220 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.
Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "*Grounds for Technical Rejection*" on pages 216. Our Company, the Lead Managers and the Registrar shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" beginning on page 218 of this Letter of Offer.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.linkintime.co.in and link of the same would also be available on the website of our Company at (www.transwarranty.com)

Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:
i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for a Additional Rights Shares; or
v. renounce its Rights Entitlements in full.

A. Procedure for application through ASBA Facility

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please see to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.
Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***Application on Plain Paper under ASBA process***".

B. Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date.

2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

3. The remaining procedure for Application shall be same as set out in "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" beginning on page 218 of this Letter of Offer.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Application for Additional Rights Shares

Investors are eligible to apply for Additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Shares shall be considered and Allotment shall be made in accordance with the applicable Regulations and in the manner as set out in "***Basis of Allotment***" beginning on page 236 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Shares.

General instructions for Investors in relation to making of an Application

a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.

b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

c) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

f) Application should be made only through the ASBA facility or using.

g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 218 of this Letter of Offer.

h) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

i) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Managers.

j) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

k) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Managers shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

l) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

m) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be in English language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

   Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange

n) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, SCSBs or the Registrar will not be liable for any such rejections.

o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

p) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

q) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page 209 of the Chapter "***Terms of the Issue***" of this Letter of Offer.

r) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

s) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore. Cash payment or payment by cheque or demand or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

u) By signing the Application Forms, Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

v) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

Additional general instructions for Investors in relation to making of an Application

w) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

x) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

y) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

z) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

aa) Do not pay the Application Money in cash, by money order, pay order or postal order.

bb) Do not submit multiple Applications.

cc) No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

dd) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's for Investors applying through ASBA:

a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be Allotted in the dematerialized form only.
c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

d) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don’ts for Investors applying through ASBA:

a) Don’t apply if you are not eligible to participate in the issue under the securities laws applicable to your jurisdiction.
b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
c) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
d) Do not send your physical Application to the Lead Managers, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
e) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
f) Do not submit Application Form using third party ASBA account
g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
h) Do not pay the Application Money in cash, by money **order, pay order or postal order.**

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(q) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(r) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(s) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS

SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using Additional Rights Shares will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "***Procedure for Applications by Mutual Funds***" on page 233 of this Letter of Offer.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "***Capital Structure***" on page 48 of this Letter of Offer.

C. Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Managers. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The envelope should be super scribed "*Transwarranty Finance Limited – Rights Issue*" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars**:**

1. Name of our Company, being Transwarranty Finance Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue Documentary evidence for exemption to be provided by the applicants;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Equity Shares entitled to;
8. Number of Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Equity Shares applied for;
11. Total amount paid at the rate of ₹ 10 per Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("Regulation S") to existing shareholders who are non-U.S. Persons and located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions and (ii) within the United States or to U.S. Persons that are

"qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("U.S. QIB") pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the United States Investment Company Act of 1940, as amended) ("QPs") in reliance upon section 3(c)(7) of the U.S. Investment Company Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and a non-U.S. Person and eligible to subscribe for the Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.
I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise except in an offshore transaction in accordance with Regulation S or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

D. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.transwarranty.com).

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares under dispute, including any court proceedings, as applicable g) non-institutional equity shareholders in the United States.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE804H20012.804H20012 The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.
Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by November 29, 2022 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

E. Renunciation & Trading of the Rights Entitlements

Trading of Rights Entitlements

Pursuant to Sebi Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 the requirement regarding minimum time period between closure of trading in Right Entitlements on stock exchange platform and closure of the rights issue, which requires trading in REs on the secondary market platform of stock exchanges commence along with the opening of the rights issue has been changed to 3 working days prior to the closure of right issue.

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.
The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.
The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

a. **On Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE804H20012 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from November 15, 2022 to November 23, 2022 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE804H20012 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b. Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE804H20012, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date i.e. November 04, 2022.

Terms of Payment

Amount Payable per Right Equity Share	Face Value	Premium	Total
On Application	3	Nil	3
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time*	7	Nil	7
Total	10	Nil	10

Rights Equity Shares in respect of which the Call payable remains unpaid may be forfeited, at any time after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and our Articles of Association.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/ unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Record date for Call and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchanges for the purpose of determining the list of holders of the Rights Equity Shares to whom the notice for the Call would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the call has been made may be suspended prior to the Call Record Date.

Procedure for Call for Rights Equity Shares

Our Company would convene a meeting of the Board of Directors to pass the required resolutions for making the Call and suitable intimation would be given by our Company to the Stock Exchanges. Further, advertisements for the same will be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Marathi language daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is situated), all with wide circulation. The Call shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call may be revoked or postponed at the discretion of the Board.

Pursuant to the provisions of the Articles of Association, the Investors would be given at least 15 days' notice for the payment of the Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the Call. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Call, and if it does not receive the Call Monies as per the timelines stipulated unless extended by the Board, the defaulting holders of the Rights Equity Shares will be liable to pay interest as may be fixed by the Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Call made.

Payment of Call Money

In accordance with the SEBI circular SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in call for partly paid specified securities issued by the listed entity, the holders of Rights Equity Shares may make payment of the Call Monies using ASBA Mechanism through the Designated Branch of the SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call, in the Investor's ASBA Account. The holders of Rights Equity Shares may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Monies.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 Rights Equity Share for every 1 Equity Share held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 1 Equity Share or is not in the multiple of 1 Equity Share, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one Additional Rights Equity Share if they apply for Additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 1 Equity Share shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for Additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank pari-passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Equity Shares to be issued pursuant to this Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. INE804H20012 for REs so obtained will be permanently deactivated from the depository system.

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations. Our Company has received In-Principle approval from the NSEN through letter bearing reference number NSE/LIST/32127 dated August 23, 2022 and from the BSEB through letter bearing reference number DCS/RIGHT/VK/FIP/2671/2022-23 dated October 07, 2022. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip code: 532812) and NSE (Scrip code: TFL) under the ISIN: INE804H01012. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and members of the Promoter Group

Pursuant to the letter dated November 06, 2022, our Promoter, on behalf of promoter and promoter group has undertaken that they will:

a. subscribe, jointly and / or severally to the extent of their Rights Entitlements, and
b. subscribe, jointly and/ or severally to the extent of any Rights Entitlement that may be renounced in favour by any other Promoters or Member(s) of the Promoter Group of our Company;
c. that they shall not renounce their Right Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations; and
d. at their sole discretion, apply for and subscribe to additional Rights Equity Shares, and any such subscription for Rights Equity Shares shall be over and above their Rights Entitlement.

The aforementioned subscription of Rights Equity Shares and Additional Rights Shares by our Promoter shall not result in a change of control of the management of our Company and shall not result in an obligation on our Promoter to make an open offer to the public shareholders of our Company in terms of the SEBI Takeover Regulations. Further, as on the date of this Letter of Offer, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with the applicable provisions of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

a. The right to receive dividend, if declared;

b. The right to receive surplus on liquidation;
c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
d. The right to free transferability of Equity Shares;
e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Letter of Offer; and
f. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

General Terms of The Issue

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share. Further, the Rights Equity Shares shall be allotted only in dematerialised form.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.
Since the Allotment of Rights Equity Shares shall be in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants ("DPs") of the Eligible Equity Shareholders (Investors) would prevail. Any Eligible Equity Shareholders (Investor) holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares will be traded in dematerialised form only and therefore the marketable lot is one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, MCA General Circular No. 21/2020, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of

Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. However, the Letter of offer Abridged Letter of Offer, Application Form and other applicable Issue materials will be made available on the websites of the Company, registrar to the issue, stock exchanges and the lead manager to the issue. Further, best efforts will be made to reach out the Eligible Equity Shareholders who have not registered their e-mail id with our Company including but not limited to sending SMS or audio-visual advertisement on television or digital advertisement, etc.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai, where our Registered Office is situated).

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident Equity Shareholders including Additional Rights Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at email transwarranty.rights@linkintime.co.in or physically/postal means at the address of the Registrar mentioned on the cover page of this Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at the office of the registrar to the issue at C-101, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 or e-mail at transwarranty.rights@linkintime.co.in .

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 237 OF THIS LETTER OF OFFER.

ISSUE SCHEDULE

Issue Opening Date	November 15, 2022
Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlement#	November 23, 2022
Issue Closing Date*	November 29, 2022
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	December 07, 2022
Date of Allotment (on or about)	December 07, 2022
Date of credit (on or about)	December 14, 2022
Date of listing (on or about	December 14, 2022

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., November 29, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., November 29, 2022 .

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. November 04, 2022, see *"**Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form**"* on page 211 of this Letter of Offer.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.
The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdiction.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Issue Materials and the Application Form. However, the Letter of offer Abridged Letter of Offer, Application Form and other applicable Issue materials will be made available on the websites of the Company, registrar to the issue, stock exchanges and the lead manager to the issue. Further, best efforts will be made to reach out the Eligible Equity Shareholders who have not registered their e-mail id with our Company including but not limited to sending SMS or audio-visual advertisement on television or digital advertisement, etc.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar(www.linkintime.co.in)by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.transwarranty.com).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date i.e. November 04, 2022 and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see *"Grounds for Technical Rejection"* on page 216 of this Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see *"Application on Plain Paper under ASBA process"* on page 218 of this Letter of Offer.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Applications by Overseas Corporate Bodies
By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Investment / Procedure for applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

a. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 – IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI Route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals

Applications by mutual funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made. In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights

Procedure for Applications by non-resident Indians (NRIs)

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian Company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Last Date for Application

The last date for submission of the duly filled in Application Form is the Issue Closing Date i.e., November 29, 2022. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date i.e. November 15, 2022.

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the section, "***Basis of Allotment***" on page 236 of this Letter of Offer.
Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges or such extended time as permitted by the Stock Exchanges.
Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period (before Issue Closing) by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date**.**

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date subject to necessary confirmation from the regulatory authority and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

For Resident Investors

All payments on the Application Forms shall be made only through ASBA. Applicants are requested to strictly adhere to these instructions.

For Non-Resident Investors

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.
  Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at transwarranty.rights@linkintime.co.in
- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the

Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. FRIDAY, NOVEMBER 04, 2022 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part as adjusted for fractional entitlement.

(b) As per SEBI Rights Issue Circulars, whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches or Controlling branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

Allotment Advices/Refund Orders/Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund instructions/intimations (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 44 days from the Issue Closing Date. In case of failure to do so, our Company and "our Directors" who are officers in default shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 44 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 44 days of the Issue Closing Date i.e. November 29, 2022 .

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/ REVERSED/ FAILED.

Investors shall be Allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and an agreement with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in "***Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" on page 211 of this Letter of Offer, respectively.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:
1. *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
2. *makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
3. *otherwise induces directly or indirectly a Company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Minimum subscription

This Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 5,000.00 Lakhs.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

(i) Object of the Issue being other than capital expenditure for a project; and
(ii) Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

Therefore, minimum subscription clause is not applicable and the size of the issue will stand reduced to the extent of the Rights Issue subscribed.

Utilization of Issue Proceeds

Our Board of Directors/ Rights issue Committee members declares that:

A. All monies received out of issue of shares or specified securities to the public shall be transferred to a separate bank account.

B. Details of all monies utilised out of the issue referred to in clause (A) shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilised; and

C. Details of all unutilised monies out of this issue referred to in clause (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Undertaking

Our Company undertakes the following:

i. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

iii. The funds required for making refunds/unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

v. In case of refund/unblocking of the application money/amount for unsuccessful applicants or part of the application money / amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.

vi. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

vii. Adequate arrangements shall be made to collect all ASBA Applications.

viii. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Investor Grievances, Communication & Important Links

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "Transwarranty Finance Limited – Rights Issue" on the envelope and postmarked in India or in the email) to the Registrar at the following address: C-101, 247 Park, L.B.S Nagar, Vikhroli West, Mumbai, Maharashtra 400083In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 4918 6200.

The Investors can visit links www.linkintime.co.in or www.transwarranty.com for the below-mentioned purposes:

a. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors at www.linkintime.co.in.

b. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company at www.linkintime.co.in

c. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form at www.linkintime.co.in.

d. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders at transwarranty.rights@linkintime.co.in

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Circular 2020"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee Company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the registered office of the Company between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date and Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email tocompanysecretary@transwarranty.com .

A) Material contracts for the Issue

1. Issue Agreement dated July 29, 2022 between our Company and the Lead Manager.

2. Registrar Agreement dated July 29, 2022 between our Company and Registrar to the Issue.

3. Bankers to the Issue Agreement dated October 21, 2022 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.

B) Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.

2. Resolutions of the Board of Directors dated February 14, 2022 and May 26, 2022 in relation to the Issue and other related matters.

3. Resolution passed by our Rights Issue Committee dated October 26, 2022 finalizing the terms of the Issue including Record Date and the Rights Entitlement ratio.

4. The Audited Standalone & Consolidated Financial Statements for year ended March 31, 2022 and the unaudited Standalone & Consolidated Financial Results for period ended June 30, 2022.

5. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, , and Banker to the Issue to include their names in this Letter of Offer and to act in their respective capacities.

6. The Report dated October 22, 2022 from the Statutory Auditors of our Company, confirming the Statement of Special Tax Benefits available to our Company and its Shareholders as disclosed in this Letter of Offer.

7. Annual Reports of our Company for Fiscal 2022, 2021, 2020, 2019 and 2018.

8. Copy of Prospectus in respect of the initial public offering of Equity Shares by our Company.

9. In-principle listing approvals dated October 07, 2022 and August 23, 2022 issued by BSE and NSE respectively under Regulation 28(1) of the SEBI Listing Regulations.

10. Tripartite agreement amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue

11. Tripartite agreement amongst our Company, National Securities Depository Limited and Registrar to the Issue.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Sd/- Kumar Nair Managing Director & CEO DIN: 00320541	Sd/- Ramachandran Unnikrishnan Executive Director & CFO DIN: 00493707
Sd/- Pravin Khatau Independent Director DIN: 02425468	Sd/- Nirmala Parab Independent Director DIN: 07149007
Sd/- Shishir Vasant Dalal Independent Director DIN: 00007008	Sd/- Sudharsanan Nair Independent Director DIN: 01510505
Sd/- Mr. Suhas Borgaonkar (Company Secretary and Compliance Officer)	

Date: November 07, 2022
Place: Mumbai