

**14<sup>th</sup> September 2024**

To,

Listing Department  
Bombay Stock Exchange  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy  
Towers, Dalal Street, Kala  
Ghoda, Fort, Mumbai,  
Maharashtra-400001

**Sub.: Intimation for Credit Rating  
Scrip code. 532410, Transcorp International Limited**

Dear Madam/Sir,

Pursuant to Regulation 30(6) read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Brickwork Ratings. (Credit Rating Agency) has reviewed the credit rating in respect of Bank Loan facilities & Fixed Deposits facilities of the company as hereunder:

<b>Name of Facility</b>	<b>Amount (Rs Crs)</b>	<b>Rating</b>
Fund Based	10.00	BWR BB+/ Stable Assignment
Non-Fund Based	0.50	BWR BB+/ Stable Downgraded
Fixed Deposits	1.70	BWR BB+/ Stable Downgraded

The ratings have been downgraded. However, the company does not accept the current rating, as it does not fully capture the company's financial performance and recent strategic developments. Therefore, the company has applied for a re-evaluation of the assigned rating with the credit rating agency.

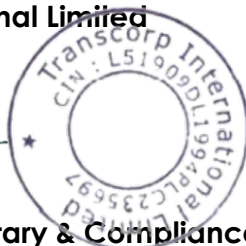
The letter received from Brickwork is available on website of Company i.e., [www.transcorpint.com](http://www.transcorpint.com) and is also attached herewith.

This is for your information and records

Thanking you  
Yours faithfully

**For Transcorp International Limited**

  
**Jayesh Pooniya**  
**Group Company Secretary & Compliance Officer**



**Transcorp International Limited**

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**Regd. & Corporate office:** Plot No. 3, HAF Pocket, Sector 18A, Phase-II Dwarka, New Delhi-110075 (India)  
**H.O.:** 5th Floor, Transcorp Towers, Moti Doongri Road, Jaipur-302004 (Rajasthan)  
Telephone: 0141- 2363888, 23639999 Fax: 91-141-237 2066  
CIN: L51909DL1994PLC235697



## RATING RATIONALE

13 Sep 2024

### Transcorp International Ltd

**Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of Rs. 0.50 Crs. and Fixed Deposits of Rs. 1.70 crores of Transcorp International Ltd while simultaneously removing the Rating Watch with Negative Implications and assigning the ratings for the Bank Loan Facilities of Rs. 10.00 Crs. of the company.**

#### Particulars

Instrument/ Facilities**	Amount (Rs Crs)		Tenure	Rating#	
	Previous	Present		Previous (15 Sep 2023)	Present
<b>Fund based</b>	0.00	<b>10.00</b>	<b>Long Term</b>	-	<b>BWR BB+/ Stable Assignment</b>
<b>Non-Fund Based</b>	0.50	<b>0.50</b>	<b>Long Term</b>	BWR BBB-/ Rating Watch with Negative Implications removal from Issuer Not Cooperating* category / Upgrade	<b>BWR BB+/ Stable Downgraded</b>
<b>Fund based</b>	4.50	<b>0.00</b>	<b>Long Term</b>	BWR BBB-/ Rating Watch with Negative Implications removal from Issuer Not Cooperating* category / Upgrade	<b>Withdrawal</b>
<b>Fixed Deposits</b>	3.43	<b>1.70</b>	<b>Long Term</b>	BWR BBB-/ Rating Watch with Negative Implications removal from Issuer Not Cooperating* category / Upgrade	<b>BWR BB+/ Stable Downgraded</b>
<b>Total</b>	8.43	<b>12.20</b>	<b>Rupees Twelve Crores and Twenty Lakhs Only</b>		

#Please refer to BWR website [www.brickworkratings.com](http://www.brickworkratings.com) for the definition of the ratings

\*\*Details of Bank Loan facilities, consolidation or instruments are provided in Annexure I

\*Issuer did not cooperate; based on best available information.



## **RATING ACTION / OUTLOOK**

Brickwork Ratings downgrades the long-term rating for the BG Facility of Rs. 0.50 Crs and Fixed Deposits of Rs. 1.70 crs to BWR BB+ and assigns the rating for the WCDL Facility of Rs. 10.00 Crs at BWR BB+ and simultaneously withdraws the rating for Fund Based CC Facility of Transcorp International Limited.

The ratings action has been taken based on the deterioration in the cash accruals, and declining operational performance of the company. The rating derives comfort from experienced promoters with a long track record of operations, diversified business portfolio, geographical reach, and the track record of the company in the timely repayment of debt.

The ratings continue to be constrained by the weakening operating performance of the company, and its reliance on the non-operating income for profitability.

***Removal of Rating Watch with Negative Implications:*** The company was placed under rating watch with Negative Implications in the annual review dated April 2022 on account of show cause notice related to the MTSS of the business of the company (which the company has stopped in 2017-18). The matter has been with the ED for more than 3 years and a stay order has been provided by Bombay High Court in February 2023. No further development in the matter has been reported as on date. The matter continues to be subjudice and the status quo is maintained without any certainty about its resolution.

Meanwhile, the financial performance of the company has also declined resulting in the downgrade of the rating. In view of this, the BWR removes the rating watch with negative implications and revises the outlook to 'Stable'. However, BWR shall continue to monitor the developments in this aspect, and going forward it shall be a key rating monitorable.

**Rating Outlook:** Stable

## **KEY RATING DRIVERS**

### **Credit Strengths:-**

- **Experienced promoters and management team and established track record of the company:**

Transcorp International Limited is run by a professional management team with all the directors having significant experience in the financial services sector. The Managing Director of the company has expertise in money changing and remittance business. The directors have also hired qualified professionals to manage different aspects of their operations. The board also includes an adequate number of independent directors to manage corporate governance.

- **Comfortable solvency parameters:**

The company has a comfortable capital structure as marked by adequate gearing level as overall Gearing is less than 1 as on 31 March 2024.



- **Minimal dependence on external debt amid prudent working capital management :**  
The company has reduced its debt from its lenders and also not inviting any public deposits during the current fiscal year.

#### **Credit Risks:**

- **Financial risk profile:**  
The company has reported a revenue of Rs. 2137.85 crores through its operating activities in FY24 as compared to Rs. 2881.22 crores in FY23. The company management attributes this decline to shifting the focus from bulk business to retail business. Further, the PAT has improved to Rs. 0.55 crores in FY24 as against Rs. 0.39 Crs in FY23. However, the same is dependent on other income (the major part of which is dividend income from subsidiary companies) of Rs. 3.91 crores in FY24 as against Rs. 2.69 crores in FY23.
- **Low Profitability margins:**  
There has been a significant drop in bulk business of the company in FY24 due to which the operating & net profitability margins remained very low at 0.03% and 0.03% respectively in FY24.
- **Exposure to Foreign Exchange Market Risk and moderate credit risk:**  
The company has exposure to foreign exchange and any wide fluctuations in foreign exchange rates can have an adverse effect on the performance of the company. Further, the increase in competition, reduction in profit margins, and change in government policies may affect the operation of the company.
- **Dependency on subsidiaries for supporting Profits after Tax :**  
The company is highly dependent on its subsidiaries to support its bottom line as noticed in FY24.

#### **ANALYTICAL APPROACH - Standalone**

For arrive at its ratings, BWR has considered the standalone financials of the company. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

#### **RATING SENSITIVITIES**

##### **Upward factors**

- Sustained increase in revenue along with improvement in operating and net profitability leading to more than expected net cash accruals.
- Efficient working capital management leading to low to nil reliance on external debt and hence sustenance of robust financial risk profile and liquidity



**Downward factors**

- Decline in cash accruals on account of decline in revenues from fee-based nature of the substantial business having an impact from external factors/government/others.
- Any unfavorable judgment from ED impacting the business/operational performance of the company.
- Further degrading in operating revenue and Operating margins/Financial risk profile of the company.

**LIQUIDITY INDICATORS - Adequate**

The Liquidity indicators takes into account the latest Q1FY25 ISCR which stood at 1.53 times but also considered the low coverage and current ratios in FY24, that is ISCR at 0.33x, DSCR at 1.45x, and current ratio at 0.74x. The net cash accruals of the company stood at Rs. 2.58 crores as against a CPLTD of Rs. 1.35 crores in FY24. The cash & cash equivalents stood at Rs. 33.43 crores in FY 24 as against Rs. 33.15 crores in FY23. However, as per the BWR projections and the latest information made available by the company’s management vide email dated 09 September 2024, the company has paid Rs. 0.70 crores in FY25 as on date (outstanding of FDR for FY25 remains to be paid is Rs. 0.69 crores and repayment of FDR due in FY26 is Rs. 1.01 crores). The upcoming repayment of FDs is well covered by the expected net cash accruals of Rs. 2.86 crores in FY25.

**ABOUT THE ENTITY**

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Financial Technology (Fintech)	Financial Technology (Fintech)

Transcorp International Ltd (Transcorp) was incorporated on 20 December 1994 having head office at Moti Doongri Road, Jaipur, Rajasthan. The company is listed on the Bombay Stock Exchange (BSE). The company started as a Full Fledged Money Changer (FFMC) and subsequently received an Authorized Dealer -II (AD - II) license from RBI. TIL now undertakes money transfer activities as a sub-agent of Ebix Money Services Pvt Ltd (EMSPL). The company presently operates in money changing, outward remittances, and prepaid instruments by way of prepaid cards and wallets. The company is also a Business Correspondent for SBI and a corporate agent for Bajaj Allianz General Insurance. TIL offers various services including Prepaid cards and wallets in association with RUPAY and Yes Bank, traveler's cheque in association with AMEX, Forex travel cards in association with Axis Bank, ICICI Bank, etc., and domestic money transfers. TIL is also a National Business Correspondent of SBI which essentially means that it can act as an extension to the SBI official branch providing a slew of services on behalf of the bank like collection of various deposits as well as processing and disbursement of loans.



**KEY FINANCIAL INDICATORS (Standalone)**

Key Parameters	Units	FY 2022	FY 2023	FY 2043	Q1FY25
Result Type		Audited	Audited	Audited	Unaudited
Operating Revenue	Rs.Crs	2312.89	2881.22	2137.85	399.97
EBITDA	Rs.Crs	1.37	2.05	0.65	0.81
PAT	Rs.Crs	0.27	0.39	0.55	0.25
Tangible Net Worth	Rs.Crs	50.13	50.17	50.56	Not Available
Total Debt/ Tangible Net Worth	Times	0.20	0.12	0.33	Not Available
Current Ratio	Times	0.70	0.74	0.74	Not Available

**KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED**

The key covenants are as per the standard terms and conditions as stipulated in the sanction letters of the rated facilities.

**NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY:** Not Applicable

**RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)**

Facilities	Current Rating (2024)			2023		2023		2022		
	Type	Tenure	Amount (Rs. Crs)	Rating	Date	Rating & Date	Date	Rating & Date	Date	Rating & Date
Bank Loan Facilities - FB	LT	10.00	BWR BB+ /Stable Assignment	NA	NA	NA	NA	NA	NA	NA
Bank Loan Facilities - NFB	LT	0.50	BWR BB+ /Stable Downgraded	15Sep2023	BWR BBB-/ Rating Watch with Negative Implications (Removal of ratings from Issuer Not Cooperating* Category / Upgrade)	19May2023	BWR BB+/ Rating Watch with Negative Implications (Issuer Not Cooperating* /Downgrade)	28Apr2022	BWR BBB- Reaffirmation/ Rating Watch with Negative Implications	

Fixed Deposit Issue	ST	1.70	BWR A4 Continues to be in ISSUER NOT COOPERATING* category /Downgraded	15Sep2023	BWR BBB-/ Rating Watch with Negative Implications (Removal of ratings from Issuer Not Cooperating* category / Upgrade)	19May2023	BWR BB+/ Rating Watch with Negative Implications (Issuer Not Cooperating* /Downgrade)	28Apr2022	BWR BBB- Reaffirmation/ Rating Watch with Negative Implications /Reaffirmation
Bank Loan Facilities - FB	LT	0.00	Withdrawal	15Sep2023	BWR BBB-/ Rating Watch with Negative Implications (Removal of ratings from Issuer Not Cooperating* Category / Upgrade)	19May2023	BWR BB+/ Rating Watch with Negative Implications (Issuer Not Cooperating* /Downgrade)	28Apr2022	BWR BBB- Reaffirmation/ Rating Watch with Negative Implications

\*Issuer did not cooperate; based on best available information.

### COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com / download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

Any other information: None

### Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Sector](#)
- [BWR Withdrawal Policy](#)

Analytical Contacts	
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1-860-425-2742	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**Transcorp International Limited**

**ANNEXURE I**

**Details of Bank Facilities rated by BWR**

Name of the Bank	Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total Amount (Rs. Crs.)	Complexity
HDFC Bank	Cash Credit	0.00	-	0.00	-
	Bank Guarantee	0.50	-	0.50	Simple##
Bajaj Finance Limited	WCDL	10.00	-	10.00	Simple##
		10.50	-	10.50	
TOTAL (Rupees Ten Crores and Fifty Lakhs Only)				10.50	

##BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com](http://www.brickworkratings.com) / download / ComplexityLevels.pdf. Investors' queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**ANNEXURE-II**

**INSTRUMENT DETAILS**

Instrument	Issue Date	Amount (Rs. Crs.)	Coupon Rate	Maturity Date (Rs. Crs.)	ISIN Particulars	Complexity
Fixed Deposits	As per individual instruments	1.70	As per individual instruments	As per individual instruments	Not Applicable	Simple##
		1.70		0		Simple##
TOTAL (Rupees One Crore and Seventy Lakhs Only)						

**ANNEXURE-III**

List of entities consolidated

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil





### **Print and Digital Media**

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non-convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitization Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

### **Disclaimer**

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