

RATING RATIONALE

12 Sep 2025

Transcorp International Ltd

Brickwork Ratings downgrades the rating for the bank loan facility of Rs 10 Crores and Fixed Deposit of Rs 0.37 Crores of Transcorp International Ltd, and also withdraws the rating for the Bank Guarantee of Rs 0.50 Crores.

Particulars:

Facilities**	Amount Rs Cr.		Tenure	Rating	
	Previous	Present		Previous (13 Sep 2024)	Present
Fund-Based - Short Term Revolving Loan (STRL)	10.00	10.00	Long term	BWR BB+/Stable/Assignment	BWR BB/Stable Downgraded
Non-Fund-Based - Bank Guarantee (BG)	0.50	0.00		BWR BB+/Stable/Downgraded	Withdrawn
Fixed Deposits (FDs) Issue	1.70	0.37		BWR BB+/Stable/Downgraded	BWR BB/ Stable Downgraded
Total	12.20	10.37	INR Ten Crores Thirty Seven Lakhs Only		

^Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

**Details of Facilities is captured as Annexure 1

RATING ACTION / OUTLOOK:

Brickwork Ratings (BWR) has downgraded the rating for the bank loan facility of Rs 10.00 Crores, Fixed Deposit of Rs 0.37 Crores (Outstanding as of July 2025, reduced from Rs 1.70 Crores) of Transcorp International Ltd. BWR also withdraws the rating for the Bank Guarantee of Rs 0.50 Crores, at the request of the company and confirmation by the lender as it is fully backed by Fixed Deposits.

The rating action factors in the concern regarding the sizable quantum of the Show Cause Notice (SCN) issued by the Directorate of Enforcement (ED), issued in April 2022. As the matter remains under judicial consideration and involves a material sum, the potential implications on the company remains uncertain. BWR notes that the SCN has been under adjudication with the ED for over three years. The Bombay High Court granted a stay order in February 2023, and the matter is currently sub judice. As per company's management, the SCN is unrelated to the company's ongoing businesses and is therefore not expected to adversely impact its financials. The SCN was issued pursuant to ED's investigation, which highlighted serious lapses in adherence to the RBI's Master Directions and regulatory guidelines and in contraventions under FEMA, 1999. The delay in its resolution from the court remains a key rating monitorable for BWR. BWR shall monitor the developments and take appropriate rating action, depending upon

outcome of the court orders, until such time the rating remains a monitorable.

The rating also factors in the decline in operating revenue and operating profits of the company during FY25 over FY24, due to the company's alignment of its business model in line with the evolving regulatory guidelines. The Company's profitability continues to be driven by other income and its dependence on its investments in the group concern. The Company had renewed its Authorised Dealers - II licence recently, and expects the business growth to accelerate in the near to medium term and thereby support its income and profitability growth from core operations, with less dependence on its income from its investments.

The Stable Outlook reflects management's digital strategy, including the launch of its online foreign exchange platform, which complements the physical branch network. This initiative is expected to reduce operating costs, improve efficiency, and strengthen profitability over the medium term. With a stronger emphasis on bottom-line improvement, the company anticipates that the shift toward digital operations will contribute to higher profitability going forward. BWR shall monitor the developments in this regard.

The withdrawal of the rating of the bank guarantee facility of Rs 0.50 Crores is at the request of the company and confirmation from the lending bank. The said facility is fully backed by fixed deposits, and hence there is no requirement for rating of this facility. The withdrawal of rating is in line with BWR's Rating Withdrawal Policy.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED:

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

Key Rating Drivers

Credit Strengths:-

Experienced promoters and management team, and an 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 an adequate gearing level, as overall Gearing continued to be less than 1x as on 31 March 2025.

Minimal dependence on external debt amid prudent working capital management: The company has reduced its debt from its lenders. Long-term borrowings declined to Rs 0.05 Crores as of FY25, as compared to FY24 (Rs 1.43 Crores). The Net Cash Accruals have increased to Rs 4.73 Crores as compared to Rs 2.59 Crores in FY24 due to improvement in PAT and efficient working capital management in FY25.

Credit Risks:-

- **Exposure to Foreign Exchange Market Risk and average 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. The Company's revenue from sale of foreign currency increased from Rs.4.57 Crs in Q4FY25 to Rs.4.53 Crs in Q1FY26, and revenue from sale of travellers cheques and cards grew from Rs.37.16 Crs in Q4FY25 to Rs.48.71 Crs in Q1FY26. Though the company ensures adequate mitigating measures, the segment remains exposed to foreign exchange market risk.
- **Dependency on subsidiaries for supporting Profits after Tax:** In FY25, the company's profitability was significantly supported by dividend income from its subsidiaries, which played a key role in strengthening its bottom line. However, going forward, the company is expected to shift its focus toward strengthening its core revenue streams. As a result, the reliance on dividend income from subsidiaries is projected to decline, reflecting the company's strategic emphasis on sustainable, organic growth in its core business operations. There was a decline in operating revenue and operating profits of the company during FY25 over FY24, due to the company's alignment of business model in line with the evolving regulatory guidelines. The Company's profitability continues to be driven by other income and its dependence on its investments in the group concern. The Company had renewed its Authorised Dealers - II licence recently, and expects the business growth to accelerate in the near to medium term and thereby support its income and profitability growth from core operations, with less dependence on its income from its investments. BWR considers it as a key rating monitorable.
- **Prolongation on the outcome of the SCN issue remains monitorable:** The Company was issued the SCN in April 2022, for the transactions of 2018 and the company had subsequently closed down those businesses. At present the company continues with its business operations under AD-II licence and PPI segments, under the regulatory framework. BWR notes that the company is adapting with the regulatory guidelines, in terms of changing its model with reduced levels of bulk sales, as well as obtaining renewal of AD-II licence from the regulator. The prolonged outcome of the court orders on the SCN and the underlying quantum involved, remains to be a key rating monitorable

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has considered the standalone financial profile of Transcorp International Ltd and has applied its rating methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Positive:

- Favourable judgment from the court order on the Company pertaining to the SCN issue.
- Sustained increase in revenue of over 20% from the current levels along with improvement in operating and net profitability from its core operations, with less dependence on the income and profitability from investments in subsidiaries.
- Efficient working capital management leading to low to nil reliance on external debt and hence sustenance of a robust financial risk profile and liquidity

Negative:

- Unfavorable judgment from the court order on the Company pertaining to the SCN issue.
- Decline in cash accruals on account of decline in revenues by more than 10% over present levels from the fee-based nature of the substantial business,
- Further degradation in operating revenue and operating margins/Financial risk profile of the company.

LIQUIDITY POSITION - ADEQUATE

The company's liquidity position for FY25 is assessed as adequate, supported by net cash accruals of Rs 4.73 crore against Current Portion Of Long Term debt (CPLTD) of Rs 1.36 crore and an improved DSCR of 1.73x as of 31 March 2025. Although the current ratio remained modest at 0.83x as of 31 March 2025, it showed improvement from the previous year. Cash and bank balances, including encumbered deposits, rose to Rs 58 crore in FY25, comfortably covering short-term borrowings of Rs 20.69 crore and outside obligations of Rs 11.41 crore. As of June 30, 2025, liquidity remained sufficient with Rs 14.18 crore available to meet upcoming repayment obligations, while the rated FD outstanding stood at Rs 0.37 crore, maturing in December 2025.

COMPANY PROFILE

Transcorp International Ltd (Transcorp) was incorporated on 20 December 1994, having its 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. Transcorp 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. Transcorp 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 transfer. Transcorp 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 24 Audited	FY 25 Audited	Q1FY26 reviewed
Revenue from Operations	In Crs	2137.85	1425.29	228.17
EBITDA &	In Crs	0.65	0.52	1.16
PAT	In Crs	0.55	3.09	0.65
Tangible Net Worth	In Crs	50.56	52.32	Not Available
Total Debt/Tangible Net Worth	%	0.33	0.40	Not available
Current ratio	%	0.74	0.83	Not Available

& excludes the dividend income received from investments in its subsidiaries

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY:

No non-cooperation rating with other Credit Rating Agencies.

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S. N	Facilities	Current Rating (Sep 2025)			Rating History		
		Type	Amount (Rs in Cr)	Rating	2024 13 Sep 2024	2023 15 Sep 2023	2023 19 May 2023
1	Fund-Based - Short Term Revolving Loan (STRL)	Long Term	10.00	BWR BB/ Stable Downgraded	BWR BB+/Stable Assignment	-	-
2	Non-Fund Based Bank Guarantee (BG)		0.00	Withdrawn	BWR BB+/Stable Downgraded	BWR BBB-/ Rating Watch with Negative Implications removal from Issuer Not Cooperating* category/ Upgrade	BWR BB+/Issuer Not Cooperating** /Downgrade; Rating Watch with Negative Implications
3	Fixed Deposits (FDs) Issue*	Long Term	0.37	BWR BB/ Stable Downgraded	BWR BB+/Stable Downgraded	BWR BBB-/ Rating Watch with Negative Implications removal from Issuer Not Cooperating* category/ Upgrade	BWR BB+/Issuer Not Cooperating** /Downgrade; Rating Watch with Negative Implications
4	Fund-Based (Cash Credit)	Long Term	0.00	-	Withdrawn	BWR BBB-/ Rating Watch with Negative Implications (Removal of ratings from	BWR BB+/ Rating Watch with Negative Implications/ Issuer Not Cooperating*

						Issuer Not Cooperating* category / Upgrade)	/Downgrade
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**Issuer did not cooperate; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria:

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

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Transcorp International Limited

ANNEXURE I

Details of Long-term Bank Loan Facilities rated by BWR

Name of The Bank	Facilities	Long Term (Rs in Crs)	Short Term (Rs in Crs)	Total	Complexity of the Instrument
Bajaj Finance Limited	Short Term Revolving Loan (STRL)	10.00	-	10.00	Simple
HDFC Bank	Bank Guarantee	0.00	-	0.00	
Total		10.00	-	10.00	

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II

Details of NCDs rated by BWR

Instrument	Issue Date	Amount Raised (Rs. Crs)	Coupon Rate	Maturity Date	ISIN Particulars	Complexity
Fixed Deposit	As per individual instruments	0.37	As per individual instruments	As per individual instruments	Not Available	Simple
Total		0.37				

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE-III

Extent of consolidation:

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA

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