

June 24, 2022

To

The Board of Directors

Transcorp International Limited

Plot No. 3, HAF Pocket,

Sector 18A, Near Veer Awas, Dwarka,

Phase II, New Delhi - 110 075, India

Subject: Merchant Banker's Fairness Opinion for Share Entitlement Ratio for the proposed Composite Scheme of Arrangement between Transcorp International Limited ("Amalgamated Company" / "Demerged Company"), Transcorp Estates Private Limited ("Amalgamating Company"), Transwire Forex Limited ("Resulting Company 1") and Transcorp Payments Limited ("Resulting Company 2") and their respective shareholders and creditors

We refer to our discussions wherein the management of Transcorp International Limited ("the Amalgamated / Demerged Company") requested Shreni Shares Private Limited ("We", "Our" or "Us") in our capacity as a Merchant Banker to give a fairness opinion on the Share Entitlement Ratio for the proposed Composite Scheme of Arrangement between Transcorp International Limited ("Amalgamated Company" / "Demerged Company"), Transcorp Estates Private Limited ("Amalgamating Company"), Transwire Forex Limited ("Resulting Company 1") and Transcorp Payments Limited ("Resulting Company 2") and their respective shareholders and creditors

Trust the above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Shreni Shares Private Limited



Hardik Makwana

Assistant Manager

Shreni Shares Pvt.Ltd. (SEBI Registered Category - I Merchant Banker)

Registered Office : A- 102, Sea Lord CHS, Above Axis Bank, Ram Nagar, Borivali (W) Mumbai - 400092

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1. BACKGROUND OF THE COMPANIES

1.1. Transcorp International Limited:

Transcorp International Limited (“Demerged Company” / “Amalgamated Company”) is a public company, limited by shares and having its equity shares listed on the BSE Limited. The Amalgamated Company / Demerged Company was incorporated under the Companies Act, 1956 on December 20, 1994 and is presently having its registered office situated at Plot No. 3, HAF Pocket, Sector 18A, Near Veer Awas, Dwarka, Phase II, New Delhi – 110075, India. The Corporate Identification Number (‘CIN’) of the Amalgamated Company / Demerged Company is L51909DL1994PLC235697. Amalgamated Company / Demerged Company is engaged in the business of (i) buying and selling of foreign exchange, money changing and various permissible outward remittance activities as Authorised Dealer Category II licensed by Reserve Bank of India, (ii) issuing and operating payment system for pre-paid payment instruments in India under Prepaid Payment Instruments (“PPI”) license granted to it by Reserve Bank of India, (iii) Financial Inclusion services as National Business Correspondent of State Bank of India and providing services such as Domestic Money Transfer, cash withdrawal and deposition, opening of non-frill accounts, participating in various Govt. incentive and benefit schemes etc. The Amalgamated Company / Demerged Company also has four wholly owned subsidiaries namely, Transcorp Estates Private Limited, Transwire Forex Limited, Transcorp Payments Limited and Ritco Travels and Tours Private Limited.

1.2. Transcorp Estates Private Limited:

Transcorp Estates Private Limited ("Amalgamating Company") is a private limited company and a wholly owned subsidiary of Amalgamated Company. The Amalgamating Company was incorporated under the provisions of the Companies Act, 1956 on September 17, 2010 and is presently having its registered office situated at 5th Floor, Transcorp Towers, Moti Doongri Road, Jaipur, Rajasthan - 302004. The Corporate Identification Number (‘CIN’) of the Resulting Company 1 is U45201RJ2010PTC032864. Amalgamating Company is engaged in the

business of renting of and dealing in immovable properties and also holds certain investments.

1.3. Transwire Forex Limited:

Transwire Forex Limited (“Resulting Company 1”) is a public limited company and a wholly owned subsidiary of the Demerged Company. The Resulting Company 1 was incorporated under the provisions of the Companies Act, 2013 on June 23, 2022 and is presently having its registered office situated at C/o IHMR, 2nd Floor, Plot No. 3, HAF Pocket, Sector 18A, Dwarka, Phase-II Dwarka, Delhi -110075. The Corporate Identification Number (‘CIN’) of the Resulting Company 1 is U67100DL2022PLC400559. Main object of the Resulting Company 1 is:

(a) To act as money changers, brokers, dealers, agents, buyers, and sellers of all in foreign exchange in the form of currencies, travelers cheques, Bonds, notes. Instruments, papers, documents, to take positions hold and trade on the movements of foreign currencies on behalf of customers or otherwise, to hold, operate and transact in foreign currencies and/or exchange by maintaining foreign currency bank accounts or otherwise, and to issue or act as agents for travelers cheques, credit cards, phone cards and all Instruments in any currency subject to all rules, regulations and approvals as may be necessary. To undertake the business of money transfer (inward remittance and outward remittance), money remittance or prepaid cards with all its variations or extensions which are in existence or which may come into existence, within India and outside and as a principal or as an agent for any other person carrying on such business and to undertake export and import all foreign currencies. To deal in currency or exchange options, swaps, futures, in foreign or Indian currencies in direct or derivative forms in India or abroad on the Company’s own behalf or on behalf of its clients, to manage, acquire, hold, exchange, dispose of monies, foreign exchange, funds, pools relating to and/or emanating from India or elsewhere on its own behalf or on behalf of its clients, customers, dealers, brokers, agents, trusts, funds, Govt. or other bodies, to do the business of broking in exchange, currencies, shares, securities, monies, or in other derivatives, to do the business of

custodial services, assets, and securities, and/or portfolio management in India or abroad, on its own or on behalf of its clients, dealers, brokers and others.

1.4 Transcorp Payments Limited:

Transcorp Payments Limited (“Resulting Company 2”) is a public limited company and a wholly owned subsidiary of the Demerged Company. The Resulting Company 2 was incorporated under the provisions of the Companies Act, 2013 on June 20, 2022 and is presently having its registered office situated at C/o IHMR, 2nd Floor, Plot No. 3, HAF Pocket, Sector 18A, Dwarka, Phase-II Dwarka, Delhi - 110075. The Corporate Identification Number (‘CIN’) of the Resulting Company 2 is U72900DL2022PLC400316. Main objects of the Resulting Company 2 are as under:

(a) To engage in the business of issuance of pre-paid payment instruments, cash cards, pre-paid cards, processing payments through online and offline modes including, without limitation, point of sale, mobile and internet platforms, telephone and IVR, mobile and e-wallets, money transfer services and any other related services and to undertake systems study, analysis, design, development of software systems, hardware and related activities for the implementation of above mentioned activities in the areas of payment systems; and to undertake any associated or ancillary activities. To carry on the business of providing different types of payments related services both online and offline including, without limitation, payment aggregation services and payment gateway services, development of infrastructure relating to, amongst other things, information technology, handling, facilitating, processing and settlement of payment related transactions, resolution of grievances and disputes between various parties and allied activities.

(b) To operate as a Bharat Bill Payment Operating Unit (BBPOU) for on-boarding billers, customers and aggregators and facilitating processing of payments and to undertake any associated or ancillary activities. To carry on the business of processing and settlement of import and export related payments an Online Payment Gateway Service Provider (OPGSP) and to undertake any associated or ancillary activities. To carry on sale, purchase, promotion, technology integration and management of coupons, vouchers, loyalty cards, gift cards through online and

offline modes including, without limitation, all types of mobile and internet platforms; to undertake tie-ups and alliances with various persons or entities for the above mentioned activities and to undertake any associated or ancillary activities. To carry on the business of providing mobile and web designing and development services, mobile and web application solutions, software development services, web hosting services, provision of electronic services, internet related consultancy services, internet marketing, online information services, online application integration, information technology and information technology enabled services, maintenance services and other mobile and internet related systems, services, products, information, technology and solutions, to act as a banking correspondent, service provider, marketing partner, distribution partner and/or as an agent or partner or service provider acting in any other capacity for any banks or other financial institutions or any other entities issuing or selling any financial, investment or insurance related products, instruments or services, and to undertake any associated or ancillary activities. To establish and operate business activities in the area of artificial intelligence and other technology related to Payment systems in India and outside India.

(c) To carry on the business in India or elsewhere of providing a platform, technology services and/or other mechanism through any future known or unknown technology, in the physical and/or electronic form, and/or any other means, to facilitate transactions, conduct business, and such similar, incidental and ancillary activities thereto including but not limited to any advertisements, promotions and analytics services. To carry on the business in India and elsewhere of designing, researching, developing, manufacturing, assembling, purchasing, importing, exporting, supplying, buying, selling, repairing and otherwise dealing in and handling portfolio of products that integrate Automates Teller Machine (ATM) management, Point of Sale (POS) and merchant systems, credit and debit card systems and internet banking all related and auxiliary items and accessories and provide any time – anywhere transactions by deploying Automated Teller Machines, cash dispensers or their variations and/or to act as a Shared Payment Network System (SPNS) provider and operator engaged in setting up, maintaining and supporting the ATM network(s) so deployed that supports credit cards, debit cards and smart cards across the card issuing banks and/or institutions and to

provide POS facilities by sponsoring POS terminals in the network on modes such as Standard Interface, Direct Connect or Host Interface and provide other related services. To establish and run payment systems in emerging markets. To act as White Lable ATM deployer and operator providing end to end ATM and network management and to apply to Reserve Bank of India or any other designated Authority empowered to provide the required authorization, procure and implement appropriate license(s).

Upon the Scheme becoming effective, entire issue, subscribed and paid up capital of the Amalgamating Company shall, ipso facto, without any further application, act, deed of instrument stand extinguished and cancelled and no new equity shares of the Amalgamated Company will be issued or allotted with respect to the equity shares held by the Amalgamated Company and its nominees in the Amalgamating Company.

Upon the Scheme coming into effect, the authorized share capital of the Amalgamated Company shall automatically stand increased by merging the authorized share capital of the Amalgamating Company by value with the Amalgamated Company having face value INR 2 each without any further act or deed on the part of the Amalgamated Company.

As per the draft scheme and discussions with the management of the Amalgamated Company, We understand that in pursuance of the amalgamation, the entire business and undertaking of the Amalgamating Company shall be and stand transferred to and be vested in the Amalgamated Company. In consideration thereof, there will be no issue and allotment of shares by the Amalgamated Company in consideration of amalgamation of the Amalgamating Company with the Amalgamated Company as the Amalgamating Company is a wholly owned subsidiary of the Amalgamated Company. Also, all equity shares held by the Amalgamated Company and its nominees in the Amalgamating Company shall be cancelled and extinguished as on the Appointed Date.



Upon demerger all the shareholders of the Demerged Company are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company 1 and the Resulting Company 2 and in the same ratio as they hold shares in the Demerged Company, as on record dates to be decided by the management of the Demerged Company and the set of shareholders and holding proportion being proposed for the Resulting Company 1 and Resulting Company 2, both, is identical to that of the Demerged Company. Hence the beneficial economic interest of the shareholders of the Demerged Company in the Resulting Company 1 and Resulting Company 2, both, and also the Demerged Company will remain identical after the demerger.

Upon the Scheme coming into effect on the Effective Date 1 (as defined in the draft scheme) and immediately after issuance of the equity shares of the Resulting Company 1 to the equity shareholders of the Demerged Company, 2,50,000 (Two Lakh Fifty Thousand) equity shares of the Resulting Company 1 having face value of Rs. 2 (Rupees Two only) each held by the Demerged Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company 1 as on the Effective Date 1 shall stand cancelled without any further act or deed on the part of the Resulting Company 1.

Upon the Scheme coming into effect on the Effective Date 2 (as defined in the draft scheme) and immediately after issuance of the equity shares of the Resulting Company 2 to the equity shareholders of the Demerged Company, 2,50,000 (Two Lakh Fifty Thousand) equity shares of the Resulting Company 2 having face value of Rs. 2 (Rupees Two only) each held by the Demerged Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company 2 as on the Effective Date 2 shall stand cancelled without any further act or deed on the part of the Resulting Company 2.

Consequently, the Resulting Company 1 and the Resulting Company 2 will have mirror shareholding and the shares of the Resulting Company 1 and the Resulting Company 2 would be listed on the BSE Limited (“BSE”).



2 SOURCE OF INFORMATION

2.1 For the said examination and for arriving at the Fairness Opinion set forth below, we have considered the following documents representations and explanations provided to us by the management of the Company.

- a. Audited financial statement of Amalgamating Company and the Amalgamated Company / Demerged Company as on March 31, 2022;
- b. Being newly incorporated companies, and no business operations, no financials of the Resulting Company 1 and Resulting Company 2 were available;
- c. Draft copy of the Composite Scheme of Arrangement between Transcorp International Limited (“Amalgamated Company” / “Demerged Company”), Transcorp Estates Private Limited (“Amalgamating Company”), Transwire Forex Limited (“Resulting Company 1”) and Transcorp Payments Limited (“Resulting Company 2”) and their respective shareholders and creditors
- d. Fair Share Entitlement Ratio Report of Abhinav Agarwal, Registered Valuer, dated 24th June 2022.
- e. Such other information and explanations as we have required and which have been provided by the Management.

3 KEY FEATURES OF THE SCHEME

As mentioned in the proposed Composite Scheme of Arrangement shared with us, the rationale of the scheme will be beneficial to the companies as under:

The Amalgamated Company / Demerged Company is engaged in the business of (i) buying and selling of foreign exchange, money changing and various permissible outward remittance activities as Authorised Dealer Category II licensed by Reserve Bank of India, (ii) issuing and operating payment system for pre-paid payment instruments in India under Prepaid Payment Instruments (“PPI”) license granted to it by Reserve Bank of India, Financial Inclusion services as National Business Correspondent of State Bank of India and providing services such as Domestic Money



Transfer, cash withdrawal and deposition, opening of non-frill accounts, participating in various Govt. incentive and benefit schemes etc. The Amalgamated Company / Demerged Company also has two wholly owned subsidiaries namely, Transcorp Estates Private Limited and Ritco Travels and Tours Private Limited.

The business(es) mentioned at (i) and (ii) in Para C above are regulated for which the Amalgamated Company / Demerged Company has obtained registration as Authorised Dealer (Category II) and for issue of Prepaid Payment Instruments. The Amalgamated Company / Demerged Company is also required to maintain net owned funds and net worth, respectively, for these licences as per the applicable provisions of law.

This Scheme envisages to separately identify the assets and liabilities for each of the above regulated businesses being undertaken by the Amalgamated Company so as to achieve greater transparency in each of the business operations undertaken by the Amalgamated Company and to de-risk each of the regulated business with the uncertainties / risks and having independent management focus on each of such businesses.

The Composite Scheme of Arrangement is expected to achieve the following benefits / purpose:

1. Consolidation of funds and resources of Amalgamating Company will lead to optimisation of working capital utilisation and stronger financial leverage given the simplified capital structure, improved balance sheet and optimised management structure with direct control over the assets being held by the Amalgamating Company;
2. Demerger of Foreign Exchange Undertaking and Payment Systems Undertaking (both, as defined hereinafter) will help segregation of assets and liabilities of each of such undertaking and achieve greater transparency in the business operations of the Company. The said demerger will also de-risk each of the regulated business with the



uncertainties / risks related to Foreign Exchange Undertaking and Payment Systems Undertaking interse and of other business;

3. Foreign Exchange Undertaking and Payment Systems Undertaking have separate potential for growth. The nature of risk, competition, challenges, opportunities, business operations, management, process and regulatory compliances of the Foreign Exchange Undertaking and Payment Systems Undertaking are separate and distinct. Thus, the Scheme, envisages demerger of Foreign Exchange Undertaking and Payment Systems Undertaking into two separate companies, which would enable this business to innovate, scale up and run independently to pursue growth opportunities in a more focused manner;
4. As part of the Resulting Company 1 and Resulting Company 2, the Foreign Exchange Undertaking and Payment Systems Undertaking respectively shall be amenable to benchmarking and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders and providing scope of independent collaboration and expansion.
5. There would be enhanced focus on the operations of the Foreign Exchange Undertaking and Payment Systems Undertaking under dedicated management team of the Resulting Company 1 and Resulting Company 2, who can chart out and pursue an independent strategy to maximize value creation for stakeholders. Likewise, there would be greater management focus on the Remaining Business (hereinafter defined) of Amalgamated Company.
6. The listing of shares of the Resulting Company 1 and Resulting Company 2 on the Stock Exchange, would enable independent bench-marking of Foreign Exchange Undertaking and Payment Systems Undertaking and give a distinct identity to the Foreign Exchange Undertaking and Payment Systems Undertaking, individually, which are independent and accountable to the interest of all stakeholders and thus, is expected to provide enhanced liquidity to the investors of Amalgamated Company.

The Board of Directors of the Amalgamated Company / Demerged Company, the Amalgamating Company, the Resulting Company 1 and the Resulting Company 2 believe

that the Scheme is in the best interests of the respective entities and their respective stakeholders including its minority shareholders for the reasons aforesaid and is not prejudicial to the interests of any of the concerned shareholders, creditors or the public at large.

3 VALUER'S RECOMMENDATION

As of the Report Date the issued and subscribed paid up capital of the Demerged Company consists of 3,17,82,744 Equity Shares of face value Rs. 2/- each.

We understand from the Management of the Demerged Company that the Resulting Company 1 is a wholly owned subsidiary of the Demerged Company and it proposes to engage in the business of foreign exchange dealing including interbank broking in foreign exchange, advisory and consultancy services being carried on by the Demerged Company and other related objects as per the Memorandum of Association of the Resulting Company 2. Being newly incorporated, the Resulting Company 1 has not commenced commercial operations.

We understand from the Management of the Demerged Company that the Resulting Company 2 is a wholly owned subsidiary of the Demerged Company and it proposes to engage in the business of issuance of pre-paid payment instruments and other related objects as per the Memorandum of Association of the Resulting Company 2. Being newly incorporated, the Resulting Company 2 has not commenced commercial operations.

As per the draft scheme provided to us and information provided by the Management of the Demerged Company, We understand that pursuant to the Scheme, 100% of the pre-scheme total issued and subscribed capital of the Resulting Company 1 and the Resulting Company 2, held by the Demerged Company and its nominees, shall stand cancelled, without any further act or deed on part of the Resulting Companies and the same shall be adjusted against the retained earnings of the Resulting Company 1 and the Resulting Company 2 in the manner provided for in the Composite Scheme of Arrangement. (Refer to the Clause 16 of Section II and the Clause 16 of Section III relating to the reorganization and reduction of the issued,



subscribed and paid up equity share capital of the Resulting Company 1 and Resulting Company 2 respectively as per the Draft Scheme provided to us).

Section I of the Scheme

Since the Amalgamating Company is a wholly owned subsidiary of the Amalgamated Company, no equity shares are proposed to be issued by the Amalgamated Company upon amalgamation.

Based on the representation received from the Management of the Company, We understand that in consideration of the demerger of Demerged Undertaking, the Resulting Company 1 and the Resulting Company 2 would issue its equity shares to the equity shareholders of the Demerged Company in the following manner so as to achieve a minimum required paid up capital of Rs. 3,00,00,000 for listing purpose on BSE Limited:

Section II of the Scheme: For Resulting Company 1 (the “Share Entitlement Ratio 1”)

“For every 2 (two) equity shares of face value Rs. 2 (Rupees two only) each held in the Demerged Company as on the Record Date 1, the equity shareholders of the Demerged Company shall be issued 1 (one) equity share of face value Rs. 2 (Rupees two only) each as fully paid-up in the Resulting Company 1”

Section III of the Scheme: For Resulting Company 2 (the “Share Entitlement Ratio 2”)

“For every 2 (two) equity shares of face value Rs. 2 (Rupees two only) each held in the Demerged Company as on the Record Date 2, the equity shareholders of the Demerged Company shall be issued 1 (one) equity share of face value Rs. 2 (Rupees two only) each as fully paid-up in the Resulting Company 2”

Share Entitlement Ratio 1 and Share Entitlement Ratio 2 are collectively referred to as Share Entitlement Ratio in this Report.

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for the Resulting Company 1 and Resulting Company 2, both, is identical to that of the Demerged Company. Hence the beneficial economic interest of the



shareholders of the Demerged Company in the Resulting Company 1 and Resulting Company 2, both, and also the Demerged Company will remain identical after the demerger.

We believe that the abovementioned share entitlement ratio is fair and reasonable considering that all the shareholders of the Demerged Company are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company 1 and the Resulting Company 2 and in the same ratio as they hold shares in the Demerged Company, as on record dates to be decided by the management of the Demerged Company.

The report by Abhinav Agarwal, Registered valuer and Share Entitlement Ratio are based on the current equity share capital structure of the companies, proposed cancellation of existing share capital of the Resulting Company1 and the Resulting Company 2 held by the Demerged Company and its nominees in the manner as envisaged in the draft Scheme. Any other variation in the equity capital structure of the companies forming part of the Scheme, apart from the above mentioned prior to the Scheme of Arrangement becomes effective, may have an impact on share entitlement ratio.

4 FAIRNESS OPINION

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the Scheme and Share Entitlement Ratio is fair and reasonable.

5 LIMITATIONS

5.1 Our fairness opinion is based on the information furnished to us being complete and accurate in all material aspects. We have relied upon the information, explanation and representations provided to us by the management of the company without carrying out any audit or other tests to verify their accuracy with limited independent appraisal.

5.2 The procedures performed were limited in nature and as such thus report may not necessarily disclose all significant matters or reveal errors or irregularities, if any in the underlying information. Furthermore such procedures do not constitute an audit, examination or review in accordance with generally accepted auditing standards

and therefore we do not express an opinion or any other form of assurance on the information presented in our report. We also do not make any representation regarding the sufficiency of procedures performed.

- 5.3 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the company and our work does not constitute any verification of any financial information of the company. Accordingly, we do not express any opinion on the fairness or accuracy of any financial information referred to this opinion.
- 5.4 Our fairness opinion is not intended to and does not constitute any recommendation to any shareholder of the company as to how such shareholder should vote or act in connection with the scheme or any matter related therein.
- 5.5 Our fairness opinion is not, nor should it be construed as our opinion on/ or certification of compliance of the scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or losses arising therein.
- 5.6 We do not assume any responsibility for updating or revising our fairness opinion based on circumstances or events occurring after the date thereof.
- 5.7 We do not express any opinion on the fair value of the equity shares of the company, and/ or the price at which the equity shares of the company may trade at any time, including subsequent to the date of this fairness opinion.
- 5.8 This fairness opinion has been issued for the sole purpose to facilitate the company's compliance with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021.



5.9 The Conclusions reached by us are dependent upon the above Information being complete and accurate in all material respect. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us.

5.10 We assume no responsibility for the legal description or matters including legal or title considerations. Title to the subject assets, properties, or business interests is assumed to be good and marketable unless otherwise stated.

5.11 This opinion has been issued for use by the company only and does not owe any responsibility to any third party.

For Shreni Shares Private Limited



Hardik Makwana

Assistant Manager