

TRANSCORP INTERNATIONAL LTD.

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Date: 6th June 2020

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Subject: Impact of Coronavirus (COVID-19) Pandemic
Ref.: SCRIP CODE: **532410**
Transcorp International Limited

Dear Sir/Madam,

Please find attached analysis report pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 on Impact of the CoVID-19 pandemic on the business and specific inputs on information sought for Transcorp International Limited.

This is for your information and records please.

Thanking you

Yours faithfully

For Transcorp International Limited



Dilip Kumar Morwal
Group Company Secretary
ACS 17572

Encl.: As above

Impact of the CoVID-19 pandemic on the business and specific inputs on information sought for Transcorp International Limited are as below:

Transcorp International Limited is having following businesses: -

1. Foreign Exchange Business as Authorised Dealer Category II licensed by Reserve Bank of India
2. Payment Systems as PPI issuer licensed by Reserve Bank of India
3. Other Businesses: DMT, SBI-BC and General Insurance

1. Ability to maintain operations including the factories/units/office spaces functioning and closed down:

During the lockdown, all the offices/ branches of the company remained closed for some time. However, being in service industry, we managed to keep our Business operations, Compliance, Legal, treasury, accounts and back office teams operational due to work from home arrangements.

Post relaxations allowed in lockdown, the company has started opening its offices with minimum staff strength (as allowed by govt.) after ensuring the social distancing (Do Guz ki doori), use of masks, sanitizers, Arogya Setu app, proper hygiene and other measures as prescribed by the Ministry of Home Affairs.

2. Schedule, if any, for restarting the operations:

Being in service industry, the company has managed to continue some of the business and back office operations from home. Further, out of the total 19 Branch locations, the company has already opened its offices in the State of Uttarakhand, Rajasthan, Gujrat, Delhi, Haryana, Punjab, Tamil Nadu, Karnataka, Kerala, Telangana and West Bengal. Subject to the relaxations provided in Lock down by Maharashtra, the company will open its offices in Maharashtra.

3. Steps taken to ensure smooth functioning of operations:

The company has already started operations through opening of its branch offices in all States (except Maharashtra) as mentioned above and it is taking all prescribed precautions while doing branch operations.

The company is having a wide spread customer and sub-agent base and is hopeful of achieving normal customer flow very soon.

4. Estimation of the future impact of CoVID-19 on its operations:

Foreign Exchange Business:

The foreign exchange business has witnessed a dip of in the month of April 2020 in comparison to the same month last year.

The Management foresees that the Company's forex business would continue to be impacted till travel restrictions are removed, international flights / travel resumes and global lockdowns get lifted. The Company's business depends on the global economy and also a lot depends on how major countries manage the COVID-19 pandemic spread.

There has been pursuing a strategic focus on digital transformation of its forex business covering each and every segment as a key element for succeeding in the new paradigm. The Management have been using this opportunity to strengthen and transform Company processes to digital to the extent practical to remain relevant when business resumes.

Since many countries have declared the timeline of opening their borders for travels hence Forex Business is expected to recover by 50% by August 2020 and it is likely to recover up to 70% by November 2020.

Payment systems and other businesses:

There is no adverse impact of COVID-19 crisis on Payment System and other businesses of the company viz., Domestic Money Transfer, SBI-BC, Pre-Paid Instrument and other misc. businesses.

5. Details of impact of CoVID-19 on following aspects of Transcorp International Limited:–

a. Capital and financial resources:

The Management has been prudently using its equity and overdraft facility for working capital requirement and having the sufficient resources for running its business operations.

b. Profitability:

Keeping in view of temporary dip in business, there will be an adverse effect on the profits of the company for first and second quarter of the Financial Year 2020-21. The Management expect some improvement from quarter three onwards as by that time things will be started normalizing. During the month of April 2020, the total loss due to COVID-19 impact was around Rs. 67 Lakhs.

c. Liquidity position:

As mentioned above, the Management has been prudently using its equity and overdraft facility for working capital requirement and is able to meet its fixed expenses. The Company's financial position remains stable and it has adequate liquidity for its subdued operations. The management has also taken some cost rationalization measures to reduce various costs which will be helpful for achieving positive bottom-line in coming months when the normal business levels will be achieved.

d. Ability to service debt and other financing arrangements:

The Management using its overdraft facility efficiently and is sufficiently able to meet its all debt obligations including principal and interest thereto.

e. Assets:

The temporary dip in business will have temporary adverse impact on growth in financial assets of the company. However, no distress sale of any asset of the Company will have to be resorted to by the Company.

f. Internal financial reporting and control:

The company is having a sufficient internal financial report and control system. The company is using a centralized accounting system which can be accessed by the authorised persons from their respective locations. During the lock down the limited business operations were going on through employees from their respective homes. Due to the centralized accounting system back office and accounts and finance staff was able to support the business team.

The management of the company do not foresee any adverse effect of COVID-19 on internal financial reporting and control.

g. Supply chain:

The company is a service provider hence there is no impact on supply chain.

For Foreign Exchange Business there will not be any impact on supply of the currency notes and other paid instruments.

For payment system business the vendors will keep supplying the material like pre-paid cards etc.

There will not be any impact of supply chain on other misc. businesses of the company.

h. Demand for its products/services:

At present the company is providing following services: -

S.No.	Business	Nature of business	Impact on demand
1	Foreign Exchange and Outward Remittance	As authorised dealer category II licenses by Reserve Bank of India	During the period of lockdown although the company was running its outward remittance operations and forex card re-loading but due to the restrictions on travel there was a huge impact on the demand of these services. Since now the company has opened all its locations (except Maharashtra) and in coming months the international travel is going to be started hence demand for retail sales will be increased. Similarly demand for outward remittance will also be increased.

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2	Pre-Paid Instruments	Payment	Licensed by RBI for issuance and operations of semi-closed loop pre-paid payment instruments	No impact on demand. Due to COVID-19 the demand for cashless transactions have been increased.
3	Other businesses			
A	Domestic Money Transfer		Under BC model	During the lock down period also company was running its DMT business operations and
B	SBI-BC CSP		As national BC of SBI	No impact on demand of these services
C	General Insurance Business		As corporate agent licensed by IRDA	No impact on demand of these services

Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:

There are no Existing contracts/agreements where non-fulfilment of the obligations by any party will have any impact on the Company's business.

Impact on Going Concern assumption

Keeping in view of above and keeping view of measures taken by Management regarding cost optimization and exploring new avenues of business, the management do not foresee any adverse effect of COVID-19 on going concern assumption or status of the company.

Other relevant material updates about the listed entity's business.

The management of the company is exploring possibility and opportunity in new businesses such as export of currency, life insurance business etc.

For Transcorp International Limited



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Group Company Secretary
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