



**RR Financial
Consultants Limited**

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To,

18.01.2023

BSE Limited (Listing Department)
25th Floor, P J Tower
Dalal Street, Mumbai – 400001

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015 of (i) Acquisition of Compulsorily Convertible Preference Shares of Entritt Solutions Private Limited and (ii) Sale and transfer of Equity Shares of RR Fincap Private Limited (subsidiary of RR Financial Consultants Limited)

Ref: BSE Scrip Code: 511626

Dear Sir/Madam,

With reference to the captioned subject, we wish to inform you that our company RR Financial Consultants Limited (“**RRFCL**” or the “**Company**”) has entered into a binding term sheet dated 17.01.2023 (“**Binding Term Sheet**”) with RR Fincap Private Limited (“**RRFPL**”) and Entritt Solutions Private Limited (“**ESPL**”), which contemplates the following transactions:

- I. Acquisition of 1563 0.0001% Compulsory Convertible Preference Shares (“**CCPS**”) representing 25.008% of share capital of ESPL on fully diluted basis (“**Transaction 1**”); and
- II. Sale and transfer of the entire equity shareholding by RRFCL in RRFPL, a subsidiary company of RRFPL duly incorporated under the provisions of the Companies Act, 1956, and a Non-Banking Financial Company (NBFC) registered with the Reserve bank of India vide registration no. N-14.03215 (“**Transaction 2**”).

Upon completion of all the formalities comprised under the Binding Term Sheet and subject to approval of the Reserve Bank of India for the consummation of the Transaction 2, RRFPL would cease to be a subsidiary of RRFCL.

The details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 09,

2015, with respect to Transaction 1 and Transaction 2 are given below under **Annexure 1** and **Annexure 2**, respectively.

Kindly take the above on your record.

Thanking You

Yours Faithfully
For RR Financial Consultants Limited

Rajat Prasad
Managing Director
DIN: 00062612

ANNEXURE 1

Disclosure for the acquisition of 1563 Compulsory Convertible Preference Shares (CCPS) of Entritt Solutions Private Limited

S. No.	Disclosure Requirement	Disclosure Details
1.	Name of the target entity, details in brief such as size, turnover etc.	Entritt Solutions Private Limited (“ESPL”) The annual turnover of ESPL, for the financial year 2021-2022, is Rs. 52,00,000 (Rupees Fifty-two Lakh only).
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	The acquisition of 1563 0.0001% Compulsorily Convertible Preference Shares (“CCPS”) of ESPL by RRFCL would not fall under the ambit of related party transaction. The promoters of RRFCL do not have any interest in ESPL, as on the date of the disclosure.
3.	Industry to which the entity being acquired belongs	Fintech
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Business expansion
5.	Brief details of any governmental or regulatory approvals required for the acquisition	Not Applicable
6.	Indicative time-period for completion of the acquisition	March 2023
7.	Nature of consideration – whether cash consideration or share swap and details of the same	Cash consideration

8.	Cost of acquisition or the price at which the shares are acquired	The consideration for acquisition of 1563 CCPS of ESPL shall not be less than the fair market value calculated in accordance with Section 11UA of the Income Tax Act, 1961
9.	Percentage of shareholding / control acquired and / or number of shares acquired	25.008% of the total share capital on a fully diluted basis
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>ESPL is a company incorporated on 1stJanuary, 2016 under the Companies Act, 2013. The Corporate Identification Number (CIN) of the target entity is U72200CH2016PTC035878.</p> <p>The turnover of ESPL for the last three financial years are as follows:</p> <p>2019-2020: Rs. 50,00,000/- 2020-2021: Rs. 24,00,000/- 2021-2022: Rs. 52,00,000/-</p> <p>ESPL is a registered start-up with Department of Promotion of Industry and Internal Trade (DPIIT) registration number is DIPP26375. It offers services related to IT, software development, software maintenance and mainly in the field of financial technologies and educational industry. Presently, ESPL has presence only in India.</p> <p>The promoters of ESPL are:</p> <p>(i) Mr. Manik Soodan, who is a graduate in B.E. (IT) and holding technical background with more 12 years of hand on experience in the field of IT, Education and financial technologies fields, and</p> <p>(ii) Mr. R.P Sharma who is an ex-service man, BA in Qualification and holding more than 32 years in administration.</p>

ANNEXURE 2

Disclosure for the transfer of equity shares held in RR Fincap Private Limited

S. No.	Disclosure Requirement	Disclosure Details
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	<p>The revenue of the subsidiary company, namely, RR Fincap Private Limited (“RRFPL”) in the financial year 2021-22 was Rs. 4,88,232.00, which accounts for 0.33% of the consolidated revenue of RR Financial Consultants Limited (“RRFCL” or the “Company”) and its subsidiaries.</p> <p>The net worth of RRFPL in the financial year 2021-22 was Rs. 2,44,27,253.32/-, which accounts for 5.067% of the consolidated net worth of RRFCL and its subsidiaries.</p> <p>It may be noted that RRFPL does not constitute as a material subsidiary of the Company.</p>
2.	Date on which the agreement for sale has been entered into	The Binding Term Sheet has been entered into for sale and transfer of equity shares held by the Company in RRFPL to ESPL, on January 17, 2023.
3.	The expected date of completion of sale/disposal	<p>The sale and transfer of equity shares of RRFPL held by the Company shall be completed in the following two tranches:</p> <p><u>Tranche 1:</u></p> <p>By end of 2023, the Company shall sell and transfer 50,00,000 equity shares being 25% equity shares of the total paid up share capital of RRFPL to ESPL.</p> <p><u>Tranche 2:</u></p> <p>Subject to the terms of the Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, the Company shall sell and transfer the</p>

		remaining 75% shareholding in RRFPL constituting 1,50,00,000 equity shares to ESPL upon receipt of approval of the Reserve Bank of India to consummate the proposed transfer of shares.
4.	Consideration received from such sale/disposal	<p>For tranche 1, i.e., the sale of 50,00,000 equity shares of RRFPL, the consideration shall not less than the fair market value calculated in accordance with Section 11UA of the Income Tax Act, 1961.</p> <p>For tranche 2, i.e., the sale of the remaining 1,50,00,000 equity shares of RRFPL (being 75% shareholding), the consideration shall be received by the Company as per the fair market value arrived at and certified under a valuation report by a registered valuer.</p>
5.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof	<p>The equity shares held by RRFCL in RRFPL shall be sold to Entritt Solutions Private Limited.</p> <p>The buyer does not belong to the promoter/ promoter group/group companies of the Company.</p>
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”	The transaction disclosed does not fall within the ambit of related party transactions, as on the date of this disclosure.
7.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger shall be disclosed by the listed entity with respect to such slump sale	Not Applicable