



**GROWTH SECURITIES PRIVATE LIMITED**

Corporate Identification No. (CIN) - U74899GJ1996PTC119714

Registered Office: Unit No. 503 A-B, 504 A-B, 5<sup>th</sup> Floor, Tower A

WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, Gujarat.

Tel: [+91- 9910032394](tel:+91-9910032394) E-mail: [secretarial@growthsec.in](mailto:secretarial@growthsec.in) Website: [www.growthsec.com](http://www.growthsec.com)

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF GROWTH SECURITIES PRIVATE LIMITED PURSUANT TO ORDER DATED ARIL 04, 2024 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH**

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| <b>Day</b>   | Saturday   |
| <b>Date</b>  | May 18, 2024   |
| <b>Time</b>  | 11:30 a.m.   |
| <b>Mode of Meeting</b>   | As per the directions of the Hon'ble National Company Law Tribunal, Ahmedabad Bench, the meeting shall be conducted through Video Conferencing / Other Audio-Visual Means ('VC' / 'OAVM') with the facility of remote e-voting |
| <b>Cut-off date for sending notices to unsecured creditors</b> | Tuesday, December 19, 2023   |
| <b>Cut-off date for e-voting</b>                               | Tuesday, December 19, 2023   |
| <b>Remote e-voting start date and time</b>                     | Tuesday, May 14, 2024, at 9:00 a.m. (IST)  |
| <b>Remote e-voting end date and time</b>                       | Friday, May 17, 2024, at 5:00 p.m. (IST)   |

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**The Notice of the Meeting, Statement under Section 102, 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable circulars and Annexures 1 to Annexure 17 (Page nos. 36 to 363) constitute a single and complete set of documents and should be read in conjunction with each other, as they form integral part of this document.**

**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH  
C.A. (CAA)/ 70(AHM)2023**

In the matter of Sections 230 to 232 read with Section 66 and other applicable sections and provisions of the Companies Act, 2013 read together with the Rules made there under;

AND

In the matter of Scheme of Arrangement amongst Growth Securities Private Limited, Algoquant Investments Private Limited and Algoquant Fintech Limited and their respective shareholders and creditors.

**Growth Securities Private Limited**

**(CIN: U74899GJ1996PTC119714 )**

A Public Limited Company incorporated under the provisions of Companies Act, 1956 having its Registered Office at Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, in the State of Gujarat

**... Demerged Company**

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF GROWTH SECURITIES PRIVATE LIMITED**

**To,  
The Unsecured Creditors of  
Growth Securities Private Limited**

Notice is hereby given that, by an order dated April 04, 2024 in the Company Application No. CA(CAA)/70(AHM)2023 ('**Order**'), the Hon'ble National Company Law Tribunal, Ahmedabad Bench ('**Tribunal**' / '**NCLT**') has directed, *inter-alia*, that a meeting of the unsecured creditors of Growth Securities Private Limited ('**Company**') to be convened and held on Saturday, May 18, 2024 at 11:30 a.m. (IST) through Video-Conferencing or Other Audio-Visual Means ('**VC/OAVM**') for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Growth Securities Private Limited ('**GSPL**' / '**Demerged Company**'), Algoquant Investments Private Limited ('**AIPL**' / '**Amalgamating Company**') and Algoquant Fintech Limited ('**AFL**' / '**Resulting Company**' / '**Amalgamated Company**') (*collectively referred hereinafter as '**Participating Companies**'*) and their respective shareholders & creditors ('**Scheme**').

Pursuant to the said Order of the Hon'ble NCLT and as directed therein, the notice is hereby given that the meeting of the Unsecured creditors of the Company will be held through VC/OAVM on May 18, 2024 at 11:30 a.m. (IST) ('**Meeting**') in compliance with the provisions of the Companies Act, 2013 ('**Act**') read with the applicable general circulars issued by the Ministry of Corporate Affairs and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('**SS-22**').



The Scheme, if approved by the requisite majority of unsecured creditors of the Company as per Section 230(6) of the Act and other applicable provisions of the Act, if any, will be subject to subsequent approval of the Hon'ble Tribunal and such other approvals, permissions, and sanctions from any other regulatory or statutory authority(ies) as may be deemed necessary.

In compliance with the provisions of the Order of the Hon'ble NCLT and Section 108, and other applicable provisions of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings through e-voting *vide* General circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022, and 9/2023 dated September 25, 2023 (collectively '**MCA Circulars**'), the Company has provided the facility of remote e-voting prior to the Meeting as well as e-voting during the Meeting, using the services of National Securities Depository Limited ('NSDL') so as to enable the unsecured creditors to consider and if thought fit, approve, with or without modification(s), the Scheme by way of approval of the resolution mentioned below. The unsecured creditors may refer the **Notes** to this Notice for the Instructions for joining the Meeting and manner of casting votes through remote e-voting or e-voting at the Meeting.

The Hon'ble Tribunal has appointed Mr. Inderjeet Singh, Practicing Advocate, Bar Council Reg. No. D/2620/2009 or failing him, Mr. Afnaan Siddiqui, Practicing Advocate, Bar Council Reg. No. D/2139/2018 as the Chairman of the Meeting including for any adjournments thereof. The Hon'ble Tribunal has appointed Mr. Sachin Khurana, Practicing Company Secretary, Membership No. F10098, as Scrutinizer for the Meeting, including any adjournments thereof, to scrutinize the process of remote e-voting prior to the Meeting as well as e-voting during the Meeting, to ensure that it is fair and transparent.

The voting rights of unsecured creditors shall be in proportion to the principal amount due to them by the Company as on December 19, 2023 ('**Cut-off Date**').

The Statement under Section(s) 102, 230 to 232 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('**CAA Rules**'), along with a copy of the Scheme and other Annexures to the Statement are enclosed herewith. A copy of this Notice, Statement and the Annexures are available on the website of the Company at [secretarial@growthsec.in](mailto:secretarial@growthsec.in), the website of National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) being the depository appointed by the Company to provide remote e-voting /e-voting and other facilities for the Meeting. Alternatively, the Company will furnish a copy of this Notice to the unsecured creditor if any written request is received from the unsecured creditor by the Company by e-mail at [secretarial@growthsec.in](mailto:secretarial@growthsec.in).

A copy of the Notice together with the accompanying documents can be obtained free of charge on any day (except Saturday, Sunday, and public holidays) from the Registered Office of the Company at Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, Gujarat between 11:00 a.m. to 04:00 p.m. [IST] on all days (except Saturdays, Sundays and public holidays) prior to the date of the Meeting.

**TAKE NOTICE** that the following resolution is proposed under Section 230 and other applicable provisions of the Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum of Association and Articles of Association of the Company, for the purpose of considering, and if thought fit, with or without modification(s), pass the following resolution with the requisite majority:

***“RESOLVED THAT*** in terms of Sections 230-232 read with Section 66 and other applicable provisions of the Act along with CAA Rules (including any statutory modification or re-enactment thereof for the time being in force), applicable circulars and notifications issued by MCA, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon’ble National Company Law Tribunal, bench at Ahmedabad (***‘Tribunal’ / ‘NCLT’***) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ***‘Board’***, which term shall be deemed to mean and include one or more committee(s) constituted / to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the proposed Scheme of Arrangement amongst Growth Securities Private Limited (***‘GSPL’ / ‘Demerged Company’***), Algoquant Investments Private Limited (***‘AIPL’ / ‘Amalgamating Company’***) and Algoquant Fintech Limited (***‘AFL’ / ‘Resulting Company’ / ‘Amalgamated Company’***) and their respective shareholders & creditors (***‘Scheme’***), as enclosed with this Notice of the NCLT convened meeting of the unsecured creditors, be and is hereby approved.

***“RESOLVED FURTHER THAT*** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, (including withdrawal of the Scheme), which may be required and/or imposed by the NCLT while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper, without being required to seek any further approval of the creditors and the creditors shall be deemed to have given their approval thereto expressly by authority under this Resolution.”

***RESOLVED FURTHER THAT*** the Board may delegate all or any of its powers herein conferred to any director(s) and / or officer(s) of the Company to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary, or desirable, without any further approval from creditors of the Company.”

A copy of the Statement under Section(s) 102, 230 to 232 and other applicable provisions of the Act and Rule 6 of the CAA Rules and other applicable provisions of the Act, along with a copy of the Scheme and other Annexures as indexed are enclosed herewith.

**Date:** April 16, 2024

**Registered Office:**

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A  
WTC Block No. 51, Road 5E, Zone-5, GIFT City  
Gandhinagar - 382 355, Gujarat

**Sd/-**

**Mr. Inderjeet Singh**  
**Practicing Advocate,**  
**Bar Council Reg. No. D/2620/2009**  
**Chairman appointed by the NCLT for the**  
**Meeting**

## NOTES:

1. Pursuant to the directions of the Hon'ble NCLT *vide* its Order dated April 04, 2024, the Meeting of the unsecured creditors of the Demerged Company is being conducted through video conferencing ('VC') / Other Audio-Visual Means ('OAVM') facility to transact the business set out in the Notice convening this meeting. The Meeting will be conducted in compliance with the provisions of the Act, SS-22, and the requirements prescribed by the MCA for holding general meetings through VC/OAVM and providing facility of e-voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 9/2023 dated September 25, 2023 (collectively the '**MCA Circulars**'). Accordingly, the Meeting of the unsecured creditor of the Demerged Company will be convened on Saturday, May 18, 2024 at 11:30 a.m. (IST), through VC/OAVM, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement amongst Growth Securities Private Limited, Algoquant Investments Private Limited and Algoquant Fintech Limited and their respective shareholders and creditors.

The deemed venue for the Meeting shall be the Registered Office of the Demerged Company.

2. The Statement pursuant to Sections 102, 230 to 232 of the Act read with other applicable provisions of the Act, and Rule 6 of the CAA Rules in respect of the business set out in this Notice of the meeting is annexed hereto.
3. As per the directions provided in the Order of the NCLT, and in compliance with the MCA Circulars, the Notice of the Meeting and the accompanying documents mentioned in the index are being sent through electronic mode *via* e-mail to those unsecured creditors of the Company having outstanding balance as on December 19, 2023 and whose e-mail addresses are registered with the Company, and in case of creditors whose email IDs are not registered, the same will be sent through any other specified mode as mentioned in the Order of the NCLT.
4. The Notice convening the Meeting will be published through advertisement one in English Daily, '**The Indian Express**' and the other in Gujarati Daily, '**Divya Bhaskar**' (both All Editions).
5. The unsecured creditors may note that the aforesaid documents are also available on the website of the Company at [www.growthsec.com](http://www.growthsec.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
6. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if the resolution mentioned above in the notice has been approved by the majority in persons representing three fourth in value, of the unsecured creditors, voting through remote e-voting / e-voting facility made available for the Meeting.
7. Only a person, whose name is unsecured creditor as per recorded maintained by the Company as on the Cut-off Date (i.e., December 19, 2023) shall be entitled to exercise his/her/ its voting rights on the Resolution proposed in the Notice and attend the Meeting. A person who is not an unsecured creditor as on the Cut-off Date should treat the Notice for information purpose only.
8. The voting rights of unsecured creditors shall be in proportion to the principal amount due to them by the Company as on December 19, 2023.

9. The voting period for remote e-voting (prior to the Meeting) shall commence on and from Tuesday, May 14, 2024 at 9:00 a.m. (IST) and shall end on Friday, May 17, 2024 at 5:00 p.m. (IST). Post this period the remote e-voting module shall be disabled by NSDL. Thereafter, the Company is additionally providing the facility of e-voting at the Meeting.
10. Pursuant to the provisions of the Act, a creditor entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote at the Meeting on his/her behalf and the proxy need not be a creditor of the Company. Since this Meeting is being held through VC/OAVM, the requirement of physical attendance of creditor has been dispensed with. Accordingly, the facility for appointment of proxies by the creditors will not be available and hence the proxy form, route map and attendance slip are not annexed to this Notice.
11. Facility to join the Meeting shall be opened thirty minutes before the scheduled time of the Meeting. The creditors will be able to view the live proceedings of the Meeting on the NSDL's e-voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the Meeting through VC/OAVM will be made available to creditors on a first come first served basis as per MCA Circulars.
12. Pursuant to the provisions of the Act and in compliance with the Order, the Institutional / Corporate creditors (i.e., other than Individuals / HUF / NRI, etc.) are required to send legible scan of certified true copy of its board resolution or governing body resolution/power of attorney/authority letter etc., together with attested specimen signature(s) of the authorised representative(s), to attend the Meeting through VC/OAVM on its behalf and vote at the Meeting. The said resolution/authorisation self-attested by the person so authorized to attend the Meeting, shall be sent to the Company at its registered office at Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, Gujarat or *via* email to the Company, marking the same at [secretarial@growthsec.in](mailto:secretarial@growthsec.in) and to the scrutinizer appointed for the Meeting at the following address 207, Suchet Chambers, 1224/5, Bank Street, Karol Bagh, Delhi - 110 005 or at the email address at [sachinkhuranacs@gmail.com](mailto:sachinkhuranacs@gmail.com), at least forty-eight (48) hours before the meeting.
13. Creditors attending the Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. Further, as per the directions contained in the Order, the quorum for the said Meeting shall be unsecured creditors representing 25% in number and 50% in value of the total unsecured creditors in Demerged Company. Furthermore, the Order also directs that in case the required quorum for the Meeting is not present within half an hour of the time appointed for holding the Meeting, then the Meeting shall be adjourned to the same day in the next week at the same time and place. For the purpose of convening the adjourned meeting, an intimation about the same shall be given to each unsecured creditor through e-mail or by any other mode. If the quorum is still not present on such adjourned date, then the Chairman may furnish a report to that effect to NCLT within 7 (seven) days thereafter.
14. It is clarified that casting of votes by remote e-voting (prior to the Meeting) does not disentitle creditors from attending the Meeting. However, after exercising right to vote through remote e-voting prior to the Meeting, a creditor shall not vote again at the Meeting. In case the creditor cast their vote *via* both the modes i.e. remote e-voting prior to the Meeting as well as e-voting during the Meeting, then voting done through remote e-voting prior to the Meeting shall prevail once the vote on a resolution is cast by the creditor, whether partially or otherwise. The creditor shall not be allowed to change it subsequently. The creditor of company attending the Meeting through VC/OAVM who have not cast their vote through remote e-voting prior to the Meeting shall be entitled to exercise their vote using the e-voting facility made available during the Meeting through VC/OAVM.

**THE CREDITORS ARE REQUESTED TO CAREFULLY READ ALL THE NOTES SET OUT HEREIN AND IN PARTICULAR, INSTRUCTIONS FOR JOINING THE MEETING AND MANNER OF CASTING VOTE THROUGH REMOTE E-VOTING OR E-VOTING AT THE MEETING.**

**Instructions for Remote e- voting and to attend the Virtual Meeting (for Creditors)**

- Remote e- voting start date: Tuesday, May 14, 2024, at 9:00 a.m. (IST)
- Remote end date: Friday, May 17, 2024, at 5:00 p.m. (IST)
- Meeting date: Saturday May 18, 2024 May 18, 2024 at 11:30 a.m.

**The procedure and instructions for remote e-voting are as under:**

- i. User ID and password will be communicated by NSDL as per the procedure decided by company.
- ii. Alternatively, Creditors can also use OTP (One Time Password) based login for casting their votes on the e-Voting system of NSDL.
- iii. Open the internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- iv. Click on “Creditor – Login”.
- v. Please enter the user ID and password provided.
- vi. The system will prompt for resetting of the Password (one time) to a Password of your own choice (your new password must contain (minimum one Capital, one Special character & one numeric) minimum of 8 digits). After you change the Password, and re-login using the new Password the default page of NSDL E-Voting will be displayed.(Alternatively you may also opt OTP based login).
- vii. Once the remote e-voting home page opens, click on “EVEN”. Now you are ready for remote e-voting as Cast Vote page opens.
- viii. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted. Upon confirmation, the message “Vote cast successfully” will be displayed.

In case of any queries, you may email at [evoting@nsdl.com](mailto:evoting@nsdl.com) or call NSDL at [022-48867000](tel:022-48867000) and [022-24997000](tel:022-24997000).

**Instructions for creditors for attending the Virtual Meeting and to cast vote on the day of meeting.**

1. Creditors will be provided with a facility to attend the meeting through virtual mode through the NSDL e-Voting system. Creditors may access by following the steps mentioned above. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Creditors login where the EVEN of Company will be displayed.
2. Creditors are encouraged to join the Meeting through Laptops for better experience.

3. Further Creditors will be required to use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. The procedure for e-Voting on the day of the meeting is same as the instructions mentioned above for remote e-voting.
6. Only those Creditors, who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the meeting.
7. Creditors who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.

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7. Creditors who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.

**Scrutinizer of Meeting**

Mr. Sachin Khurana, Practicing Company Secretary, Membership No. F10098, the Scrutinizer shall unblock the votes cast during the Meeting and votes cast prior to the Meeting through remote e-voting and make, not later than 48 hours of conclusion of the Meeting, a consolidated

Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.

The results declared along with the Scrutinizer's Report shall be disseminated the Company's website, i.e., [www.growthsec.com](http://www.growthsec.com) and on the website of service provider [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**Date:** April 16, 2024

**Registered Office:**

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A  
WTC Block No. 51, Road 5E, Zone-5, GIFT City  
Gandhinagar - 382 355, Gujarat

**Sd/-**  
**Mr. Inderjeet Singh**  
**Practicing Advocate,**  
**Bar Council Reg. No. D/2620/2009**  
**Chairman appointed by the NCLT for the**  
**Meeting**

**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH  
C.A. (CAA)/ 70(AHM)2023**

In the matter of Sections 230 to 232 read with Section 66 and other applicable sections and provisions of the Companies Act, 2013 read together with the Rules made there under;

AND

In the matter of Scheme of Arrangement amongst Growth Securities Private Limited, Algoquant Investments Private Limited and Algoquant Fintech Limited and their respective shareholders and creditors.

**Growth Securities Private Limited  
(CIN: U74899GJ1996PTC119714 )**

A Public Limited Company incorporated under the provisions of Companies Act, 1956 having its Registered Office at  
Unit No. 503 A-B, 504 A-B, 5th Floor,  
Tower A WTC Block No. 51, Road 5E,  
Zone-5, GIFT City Gandhinagar - 382 355,  
in the State of Gujarat

**... Demerged Company**

**STATEMENT UNDER SECTION(S) 102, 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISIES, ARRANGEMENTS AND AMALGAMATIONS) RULES, ACCOMPANYING THE NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF GROWTH SECURITIES PRIVATE LIMITED PURSUANT TO THE ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH, DATED APRIL 04, 2024**

**I. Meeting of the Scheme**

This is a Statement accompanying the Notice convening the Meeting of unsecured creditors of Growth Securities Private Limited, pursuant to the Order dated **April 04, 2024** passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ('**Tribunal**' / '**NCLT**'), in the Company Application No. CA(CAA)/70(AHM)2023 ('**Order**'). The Meeting of the unsecured creditors of Growth Securities Private Limited is being convened and held through VC/OAVM with facility of remote e-voting and voting during the Meeting through e-voting system on **Saturday, May 18, 2024 at 11:30 a.m. (IST)** ('**Meeting**'), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Growth Securities Private Limited, Algoquant Investments Private Limited And Algoquant Fintech Limited and their respective shareholders and creditors under sections 230 – 232 read with section 66 and other applicable provisions of the Companies Act, 2013 ('**Scheme**').

In terms of the directions contained in the Order, the quorum for the said Meeting shall be unsecured creditors representing 25% in number and 50% in value of the total unsecured creditors in Demerged Company. Furthermore, the Order also directs that in case the required quorum for the Meeting is not present within half an hour of the time appointed for holding the Meeting, then



the Meeting shall be adjourned to the same day in the next week at the same time and place. For the purpose of convening the adjourned meeting, an intimation about the shall be given to each unsecured creditor through e-mail or by any other mode. If the quorum is still not present on such adjourned date, then the Chairman may furnish a report to that effect to NCLT within 7 (seven) days thereafter.

Further the said Order, the Tribunal has appointed Mr. Inderjeet Singh, Practicing Advocate, Bar Council Reg. No. D/2620/2009 or failing him, Mr. Afnaan Siddiqui, Practicing Advocate, Bar Council Reg. No. D/2139/2018 as the Chairman of the Meeting including for any adjournments thereof Chairman and Mr. Sachin Khurana, Practicing Company Secretary, Membership No. F10098, as the Scrutinizer for the Meeting, including for any adjournment or adjournments thereof.

In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only and only if majority in persons representing three fourths in value of the unsecured creditors of the Company, voting through remote e-voting or by e-voting system agree to the Scheme.

The Scheme provides for:

- (i) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with and into the Resulting Company in accordance with Part B of this Scheme;
- (ii) Amalgamation of the Amalgamating Company into and with Amalgamated Company. Reduction in Share Capital of the Amalgamated Company and Dissolution of Amalgamating Company in accordance with Part C of this Scheme;
- (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company in accordance with Part D of this Scheme;
- (iv) Change in Authorized Share Capital of the Resulting Company / Amalgamated Company, giving effect to Part B, Part C and Part D of this Scheme, in accordance with Part E of this Scheme;

Capitalised terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

A Copy of the Scheme of Arrangement is enclosed herewith as **Annexure 1**.

## **II. Need, Rationale and Benefits of the Scheme of Arrangement**

### **1.1 Need for the Scheme**

The management of the Participating Companies is of the view that the Stock Broking Industry is poised for substantial growth which can be better capitalized as an integrated listed entity which has a robust balance sheet, potential for a wider customer reach and a more acceptable structure from a regulatory and compliance standpoint. Further, the proposed consolidation through demerger of Stock Broking Business of the Demerged Company into the Resulting Company will result into overall enhanced efficiencies and the consolidation of Amalgamating Company would aid in rationalizing the Promoter holding thus leading to a simplified and streamlined organisation structure. The consolidated organization is also expected to create more value for all the stakeholders.

### **1.2 Rationale for the Scheme**

- 1.2.1 The Resulting Company / Amalgamated Company proposes to enter into this Scheme with Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall

customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.

1.2.2 The management of the respective Participating Companies are of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:

- a) Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
- b) The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting/ Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement, and retention.
- c) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.

1.2.3 The Scheme envisages demerger of the Demerged Undertaking (*as defined Scheme*) and vesting of the same in the Resulting Company pursuant to Part B of this Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective Participating Companies believe that both the businesses (i.e., Stock Broking Business (*as defined Scheme*) and the Remaining Undertaking (*as defined Scheme*) will benefit from dedicated management, operations and investment strategy leading to development, expansion, and growth for maximization of stakeholder's value.

1.2.4 Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.

1.2.5 The management of the respective Participating Companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders, and all other stakeholders of the respective Participating Companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Participating Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

### 1.3 Cost-Benefit Analysis of the Scheme:

The proposed Scheme will result in consolidation of the businesses at Company level and would strengthen the position thereof in long run, by enabling it to harness and optimise the synergies. Accordingly, the Scheme would be in the best interest of the Companies and beneficial to their respective shareholders. Improved organizational capability and leadership, arising from the pooling of human capital, who have the diverse skills, talent and vast experience would enable the Company to compete successfully in an increasingly competitive industry.

The Company would issue its equity shares as consideration to the shareholders of the Demerged Company i.e. Growth Securities Private Limited and Amalgamating Company i.e., Algoquant Investments Private Limited, as consideration and there will be no cash outflow of resources from Algoquant Fintech Limited. Apart from the cost of implementation of the Scheme, including payment of stamp duty, there are no additional costs involved for the proposed Scheme.

The proposed Scheme will also benefit the shareholders directly, as the costs incurred towards the implementation of the Scheme foreshadows the long-run benefit, to be derived by the shareholders, that can be derived by achieving strategic & operational synergies. The Audit Committee is of the opinion that the expected synergies and benefits, pursuant to the proposed Scheme, would offset the impact of such cost.

#### 1.4 Synergies of business of the entities involved in the Scheme:

The management of the respective companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Participating Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

### III. **Background of the Companies involved in the Scheme:**

#### 1. **Growth Securities Private Limited ('GSPL')/'Demerged Company')**

##### a. **Particulars**

- (i) Growth Securities Private Limited is a private limited company, incorporated under the Companies Act, 1956 (as amended) on July 19, 1996, having its registered office at Unit No. 503 A-B, 504 A-B, 5<sup>th</sup> Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, Gujarat.
- (ii) The Demerged Company is engaged in the business of stock broking wherein it operates as stock broker having trading membership of National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE'), and Multi Commodity Exchange of India Limited ('MCX') Self-Clearing Membership of NSE Clearing Limited ('NCL') and Clearing / Self Clearing Membership of Indian Clearing Corporation Limited ('ICCL'), Depository Participant with Central Depository Services Limited ('CDSL'), Mutual Fund Distributor registered with Association of Mutual Funds in India, and also acts as a service provider and offers an IT enabled trading portal/platform to its clients (collectively referred to as '**Stock Broking Business**'). In addition to the Stock Broking Business, the Demerged Company earns rental income from the leasing of surplus (which is in excess of Demerged Company's own requirements) immovable property owned by it, which is not part of its Stock Broking Business ("Remaining Undertaking"). Furthermore, GSPL does not in any manner engage in construction, development, refurbishment, or any other ancillary activity, typically carried out by an entity engaged in Real Estate Business. For avoidance of doubt, this activity pertaining to earning of rental income does not in any manner impact the Stock Broking Business of the Demerged Company and amongst others, casts no financial liability/ obligation on the Stock Broking Business.

Also, the Demerged Company is in compliance of all the applicable rules, regulation and enactments regulating the Stock Broking Business in India including the Securities Contracts Regulations (Rules) 1957. Additionally, please note that SEBI may take appropriate action against the Demerged Company if at any later stage it is found that the Demerged Company is in contravention of the Rule 8(3)(f) of Securities Contracts Regulations (Rules) 1957.

- (iii) The Corporate Identity Number ('CIN') of the Demerged Company is U74899GJ1996PTC119714, the Permanent Account Number ('PAN') of the Demerged Company is AABCG7715L and email address for any correspondence with the Demerged Company is [secretarial@growthsec.in](mailto:secretarial@growthsec.in). Presently, entire 100% shareholding in the Demerged Company is held by Individual Promoters (hereinafter referred to as '**Promoters**').
- (iv) The registered office of the Demerged Company was shifted from Delhi to the state of Gujarat and a new certificate dated January 22, 2021, was issued effecting such change. Apart from the above there has been no change in name, registered office, and objects of the Demerged Company on the last 5 (five) years.

**b. The main objects of the Demerged Company are set out in Clause III (A) of the Memorandum of Association, are reproduced below:**

1. *To carry on the business of buyers, sellers, underwriters, market makers, brokers, sub- brokers, agents and dealers in shares, stocks, debentures stocks, bonds, Government Securities, units of Unit Trust of India, National Saving Certificates and other securities of all kinds and description.*
2. *To acquire the membership and/or dealership of National Stock Exchange, OTC Exchange of India, Bombay Stock Exchange, Delhi Stock Exchange, Calcutta Stock Exchange, Madras Stock Exchange, or any other Stock exchange in India and or abroad.*
3. *To carry on the business of investments and for that purpose to invest in, subscribe, apply, hold, purchase, exchange, or otherwise acquire shares, stocks, debentures, debenture stocks, bonds, units and securities of all kinds and description.*
4. *To act as Depository Participant, Merchant Bankers, Issue House, Registrar and share Transfer Agents, Portfolio Managers, Financial Consultants and Advisers.*

**c. The Capital Structure of the Demerged Company:**

1. The Capital Structure of the Demerged Company as on December 31, 2023 (Pre- Scheme Capital) is as below:

| <b>Authorised Share Capital</b>                     | <b>Amount in INR</b> |
|---|----------------------|
| 10,00,000 Equity Shares of ₹ 10/- each              | 1,00,00,000          |
| <b>Total</b>  | <b>1,00,00,000</b>   |
| <b>Issued, Subscribed and Paid-Up Share Capital</b> | <b>Amount in INR</b> |
| 3,00,000 Equity Shares of ₹ 10/- each               | 30,00,000            |
| <b>Total</b>  | <b>30,00,000</b>     |

2. The Capital Structure of the Demerged Company (Post- Scheme Capital) is as below:

| <b>Authorised Share Capital</b>        | <b>Amount in INR</b> |
|--|----------------------|
| 10,00,000 Equity Shares of ₹ 10/- each | 1,00,00,000          |
| <b>Total</b>                           | <b>1,00,00,000</b>   |

| Issued, Subscribed and Paid-Up Share Capital | Amount in INR    |
|--|------------------|
| 3,00,000 Equity Shares of ₹ 10/- each        | 30,00,000        |
| <b>Total</b>                                 | <b>30,00,000</b> |

- d. **Financial Details of Demerged Company:** The audited financial statement of Growth Securities Private Limited for the year ended March 31, 2023, is annexed as **Annexure 2** to this Notice. Additionally, its unaudited provisional financial statement for the period ended December 31, 2023, is also annexed as **Annexure 3** to this Notice.
- e. **The Details of the Directors and KMPs and Promoter (including Promoter group) of the Demerged Company as on December 31, 2023 are as follows:**

1. Details of Promoter and Promoter Group:

| SN | Promoters         | Address   |
|----|-------------------|---|
| 1. | Mr. Dhruv Gupta   | G-190, Preet Vihar, East Delhi, New Delhi – 110 092 |
| 2. | Mr. Devansh Gupta | G-190, Preet Vihar, East Delhi, New Delhi – 110 092 |

2. Details of Directors and KMP:

| SN | Name of Director / KMP | DIN      | Designation     | Address                                       |
|----|------------------------|----------|-----------------|---|
| 1. | Mr. Dhruv Gupta        | 06920431 | <b>Director</b> | G-190, Preet Vihar, East Delhi, Delhi- 110092 |
| 2. | Mr. Devansh Gupta      | 06920376 | <b>Director</b> | G-190, Preet Vihar, East Delhi, Delhi- 110092 |

2. **Algoquant Investments Private Limited ('AIPL' / 'Amalgamating Company')**

a. **Particulars**

- (i) Algoquant Investments Private Limited is a private limited company incorporated under the provisions of the Companies Act, 1956 (as amended) on February 28, 1983, having its registered office at 705, Iscon Elegance, S.G Highway, Satelite Prahlad Nagar Ahmedabad – 380 015, Gujarat.
- (ii) The Amalgamating Company is engaged in undertaking investments in securities of group companies (not being banking or insurance business in contravention of Banking Regulations Act 1949 or Insurance Act, 1938).
- (iii) The CIN of the Amalgamating Company is U67120GJ1983PTC136550, the PAN of the Amalgamating Company is AAAFM2285K and email address for any correspondence with the Amalgamating Company is [algoquantinvest@gmail.com](mailto:algoquantinvest@gmail.com). The Amalgamating Company is the holding company of AFL and qualifies as a shareholder under promoter and promoter group of the Amalgamated Company, holding 51.92% shareholding in the Amalgamated Company. Presently, entire 100% shareholding in the Amalgamating Company is held by Algoquant Financials LLP, (and only 1 share is held by Mr. Devansh Gupta as a nominee of Algoquant Financials LLP in order to fulfil the statutory requirement) which in turn is held by the Promoters.

- (iv) The Amalgamating Company was originally incorporated as Mandelia Investments Private Limited. The name of Amalgamating Company was changed to its present name i.e., Algoquant Investments Private Limited from Mandelia Investments Private Limited in the year 2021 and a certificate of incorporation pursuant to change of name was issued by Registrar of Companies, New Delhi on November 12, 2021. Furthermore, the registered office of the company was shifted from New Delhi to Gujarat by way of altering the provisions of its Memorandum of Association under the applicable laws, having confirmed by an order of Regional Director bearing date October 10, 2022 and in effect thereof “Certificate of Registration of Regional Director order for Change of State” has been issued by Registrar of Companies – Ahmedabad on November 04, 2022. Apart from the above there has been no change in name, registered office, and objects of the Amalgamating Company on the last 5 (five) years.

**b. The main objects of the Amalgamating Company are set out in Clause III (A) of the Memorandum of Association, are reproduced below:**

1. *To carry on the business of financiers and investors and to undertake and carry out all such operations and transactions (not being banking or insurance business in contravention of Banking Regulations Act 1949 or Insurance Act, 1938), as may be lawfully undertaken and carried out.*
2. *To invest and hold shares, stocks, debentures, debenture-stock, bonds, obligations and securities by way of original subscription, tender, purchase, exchange or otherwise issued and guaranteed by any company constituted or carrying on business in India or by the Central Government, State Government, Public bodies, Municipal Authorities or Government Institutions in India or abroad and to advance and lend money on assets and securities of all kinds upon such terms and conditions as may be prescribed upon.*

**c. The Capital Structure of the Amalgamating Company:**

1. The Capital Structure of the Amalgamating Company as on December 31, 2023 (Pre- Scheme Capital) is as below:

| <b>Authorised Share Capital</b>                     | <b>Amount in INR</b> |
|---|----------------------|
| 1,00,000 Equity Shares of ₹ 100/- each              | 1,00,00,000          |
| <b>Total</b>  | <b>1,00,00,000</b>   |
| <b>Issued, Subscribed and Paid-Up Share Capital</b> | <b>Amount in INR</b> |
| 52,746 Equity Shares of ₹ 100/- each                | 52,74,600            |
| <b>Total</b>  | <b>52,74,600</b>     |

2. The Capital Structure of the Amalgamating Company (Post- Scheme Capital) is as below:

Post effectiveness of the Scheme of Arrangement AIPL / Amalgamating Company will stand dissolved without being liquidated / wound-up.

- d. **Financial Details of Amalgamating Company:** The audited financial statement of Algoquant Investments Private Limited for the year ended March 31, 2023, is annexed as **Annexure 4** to this Notice. Additionally unaudited provisional financial statement for the period ended December 31, 2023 is also annexed as **Annexure 5** to this Notice.
- e. **The Details of the Directors and KMPs and Promoter (including Promoter group) of the Amalgamating Company as on December 31, 2023 are as follows:**

1. Details of Promoter and Promoter Group:

| SN | Promoters                    | Address  |
|----|------------------------------|--|
| 1. | Mr. Algoquant Financials LLP | Registered office situated at 705, Iscon Elegance, S.G. Highway, Satellite, Azad Society, Ahmedabad, Ahmadabad City – 380 015, Gujarat, India, |
| 2. | Mr. Devansh Gupta            | G-190, Preet Vihar, East Delhi, Delhi - 110 092  |

2. Details of Directors and KMP:

| SN | Name of Director / KMP | DIN      | Designation     | Address                                       |
|----|------------------------|----------|-----------------|---|
| 1. | Mr. Dhruv Gupta        | 06920431 | <b>Director</b> | G-190, Preet Vihar, East Delhi, Delhi 110 092 |
| 2. | Mr. Devansh Gupta      | 06920376 | <b>Director</b> | G-190, Preet Vihar, East Delhi, Delhi 110 092 |

3. **Algoquant Fintech Limited ('AFL' / 'Resulting Company' / 'Amalgamated Company')**

a. **Particulars**

- (i) AFL is a public limited company, incorporated under the Companies Act, 1956 (as amended) on January 25, 1962, having its registered office at Unit No. 705, 07th Floor of ISCON Elegance, developed at Plot No. 24, Prahaladnagar, Ahmedabad 380 015 – Gujarat.
- (ii) AFL was formerly engaged in the business of trading in metals, which was discontinued w.e.f. April 01, 2021. Presently, AFL is engaged in the business of trading in financial instruments using various trading algorithms.
- (iii) The CIN of the AFL is L74110GJ1962PLC136701, its PAN is AAACH2937C and email address for correspondence with the Resulting Company / Amalgamated Company is [investors@algoquantfintech.com](mailto:investors@algoquantfintech.com). AFL qualifies as a subsidiary of the Amalgamating Company. Presently, Promoters and Promoter Group hold 65.90% shareholding, directly or indirectly, in AFL with the balance stake held by public shareholders. The equity shares of AFL are listed on the BSE Limited ('BSE' / 'the **Stock Exchange**').
- (iv) Algoquant Fintech Limited was originally incorporated as Hindustan Dowidat Tools Limited. The name of AFL was changed to its present name i.e., Algoquant Fintech Limited from Hindustan Everest Tools Limited in the year 2021 and a certificate of incorporation pursuant to change of name was issued by Registrar of Companies, New Delhi on November 15, 2021. Furthermore, the registered office of the company was shifted from New Delhi to Gujarat, by way of altering the provisions of its Memorandum of Association under the applicable laws, having confirmed by an order of Regional Director bearing date October 07, 2022 and in effect thereof "Certificate of Registration of Regional Director order for Change of State" has been issued by Registrar of Companies – Ahmedabad on November 15, 2022. Apart from the above there has been no change in name, registered office and objects of the Resulting Company / Amalgamating Company on the last 5 (five) years.

b. **The main objects of the Resulting Company / Amalgamated Company are set out in Clause III (A) of the Memorandum of Association, are reproduced below:**

1. *To carry on the business using internet applications for trading in securities and derivatives (including currency derivatives, commodity derivatives and any derivative contracts) or other products as may be permitted by the Stock Exchanges or Commodity Exchanges in India or outside India either as trading member of recognized Stock Exchanges and recognized Commodity Exchanges or as a client of another member(s) of recognized Stock Exchange and recognized Commodity Exchanges in India or outside India either in its own name or through any joint venture with other body corporate or unregistered entity.*
2. *To become in India or abroad member of any recognized Stock Exchange and/or Commodity Exchange(s) such as National Stock Exchange, BSE Ltd. NCDEX, MCX etc, or any other similar body or institution as may be established from time to time by public, government, financial institutions or any other person or group of persons and to do all trading and dealing in shares, securities, commodities and their derivatives either on its own account or on account of client(s) and to do all incidental act and things necessary for being a member of the Stock Exchange(s) as above.*
3. *To carry on in India or elsewhere the business of managing public issues of shares & securities and to act as advisors, broker, sub-brokers, depository Participant, remisier, market makers, representatives investor, underwriters, sub-underwriters, merchant bankers, or other intermediaries of capital market and to sell, purchase, exchange, subscribe, acquire, undertake and hold all types of securities and other similar instruments whether issued in India or in any foreign county.*
4. *To provide consultancy, advisory, assistance and other allied services and solutions in relation to the above activities.*

**c. The Capital Structure of the Amalgamated Company:**

1. The Capital Structure of the Resulting Company / Amalgamated Company as on December 31, 2023 (Pre- Scheme Capital) is as below:

| <b>Authorised Share Capital</b>                                | <b>Amount in INR</b> |
|--|----------------------|
| 1,15,00,000 Equity Shares of ₹ 2/- each                        | 2,30,00,000          |
| 20,000 Redeemable Cumulative Preference Shares of ₹ 100/- each | 20,00,000            |
| <b>Total</b>   | <b>2,50,00,000</b>   |
| <b>Issued, Subscribed and Paid-Up Share Capital</b>            | <b>Amount in INR</b> |
| 80,36,000 Equity Shares of ₹ 2/- each                          | 1,60,72,000          |
| <b>Total</b>   | <b>1,60,72,000</b>   |

2. The Capital Structure of the Resulting Company / Amalgamated Company (Post- Scheme Capital) is as below:

| <b>Authorised Share Capital</b>                                | <b>Amount in INR</b> |
|--|----------------------|
| 1,65,00,000 Equity Shares of ₹ 2/- each                        | 3,30,00,000          |
| 20,000 Redeemable Cumulative Preference Shares of ₹ 100/- each | 20,00,000            |
| <b>Total</b>   | <b>3,50,00,000</b>   |
| <b>Issued, Subscribed and Paid-Up Share Capital</b>            | <b>Amount in INR</b> |
| 1,56,16,446 Equity Shares of ₹ 2/- each                        | 3,12,32,892          |
| <b>Total</b>   | <b>3,12,32,892</b>   |



- d. **Financial Details of Resulting Company / Amalgamated Company:** The audited financial statement of Algoquant Fintech Limited for the year ended March 31, 2023, is annexed as **Annexure 6** to this Notice. Additionally, its unaudited provisional financial statement for the period ended December 31, 2023 is also annexed as **Annexure 7** to this Notice.
- e. **The Details of the Directors and KMPs and Promoter (including Promoter group) of the Resulting Company / Amalgamated Company as on December 31, 2023, are as follows:**

1. Details of Promoter and Promoter Group:

| SN | Promoters                                 | Address   |
|----|---|---|
| 1. | Mr. Algoquant Investments Private Limited | Registered office situated at 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar Ahmedabad – 380 015, Gujarat  |
| 2. | Mr. Algoquant Financials LLP              | Registered office situated at Registered office situated at 705, Iscon Elegance, S.G. Highway, Satellite, Azad Society, Ahmedabad, Ahmadabad City, Gujarat, India, 380015 |
| 3. | Mr. Dhruv Gupta                           | G-190, Preet Vihar, East Delhi, New Delhi – 110 092   |
| 4. | Mr. Devansh Gupta                         | G-190, Preet Vihar, East Delhi, New Delhi – 110 092   |

2. Details of Directors and KMP:

| SN | Name of Director / KMP                 | DIN/ PAN   | Designation                                       | Address   |
|----|--|------------|---|---|
| 1. | Mr. Devansh Gupta                      | 06920376   | <b>Managing Director</b>                          | G-190, Preet Vihar, East Delhi, New Delhi – 110 092                         |
| 2. | Mr. Dhruv Gupta                        | 06920431   | <b>Non-Executive Director</b>                     | G-190, Preet Vihar, East Delhi, New Delhi – 110 092                         |
| 3. | Mr. Himanjal Jagdishchandra Brahmbhatt | 00049679   | <b>Non-Executive Director</b>                     | 17, Sharnam County, South Bhopal, Ahmedabad, Gujarat 380058                 |
| 4. | Mr. Amit Gupta                         | 07085538   | <b>Independent Director</b>                       | I-1685, First Floor, Chittranjan Park, Kalkaji, New Delhi – 110 019         |
| 5. | Mr. Gyaneswar Sahai                    | 00657315   | <b>Independent Director</b>                       | A-1404, The Resort Sector-75, Faridabad – 121 004, Haryana                  |
| 6. | Ms. Shubhangi Agarwal                  | 08135535   | <b>Independent Director</b>                       | B-3/22, Third Floor, Rana Pratap Bagh, New Delhi – 110 007                  |
| 7  | Mr. Yogesh Gusain                      | BGGPG8044R | <b>Chief Financial Officer</b>                    | 72/1A, Sector-2, Kali Bari Marg, DIZ Area, Gole Market, New Delhi – 110 001 |
| 8  | Ms. Barkha Sipani                      | LFOPS3524R | <b>Company Secretary &amp; Compliance Officer</b> | Ward no. 11, Oswal Mohalla, Nohar, Hanumangarh (Distt.), Rajasthan          |

#### IV. Salient Features of the Scheme of Arrangement:

The salient features of the Scheme, *inter-alia*, are stated below:

1. The Scheme *inter-alia* provides for –
  - a) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with and into the Resulting Company in accordance with terms provided in Part B of this Scheme.
  - b) Amalgamation of the Amalgamating Company into and with Amalgamated Company, Reduction in Share Capital of the Amalgamated Company and Dissolution of Amalgamating Company in accordance with Part C of this Scheme.
  - c) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company in accordance with Part D of this Scheme
  - d) Change in Authorized Share Capital of the Resulting Company / Amalgamated Company, giving effect to Part B, Part C and Part D of this Scheme, in accordance with Part E of this Scheme.

2. Appointed Date:

The opening of business hours on April 01, 2023, or such other date as may be approved by the NCLT, with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme.

3. Effective Date:

The date on which the order of the Tribunal sanctioning the Scheme or any particular part(s) of the Scheme, is filed with the Registrar of Companies ('RoC').

4. Demerger of the Stock Broking Business of GSPL ('Demerged Undertaking' as more expressly defined in Scheme) into AFL ('Resulting Company' as defined in the Scheme) ('Part B' as more expressly defined in the Scheme):

Subject to the provisions of the Scheme, upon Part B of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Demerged Undertaking together with all its assets, liabilities, infrastructures, rights and obligations, properties, benefits and interests therein, shall by virtue of the Part B of this Scheme, demerge from the Demerged Company and be, transferred to, and stand vested in, the Resulting Company, and shall become the assets, liabilities, rights, obligations, business and undertaking of the Resulting Company. Accordingly, upon effectiveness of the Scheme, the Demerged Company shall continue with the Remaining Undertaking and will earn rental income from the leasing of surplus immovable property owned by it, which is not part of its Stock Broking Business and that its Demerged Undertaking shall transferred and vested with the Resulting Company.

5. Amalgamation of AIPL ('Amalgamating Company' as defined in the Scheme) into and with AFL ('Amalgamated Company' as defined in the Scheme) ('Part B' as more expressly defined in the Scheme):

Subject to the provisions of the Scheme, upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamating Company along with all its assets, liabilities, rights and obligations and its entire business and undertakings, including all its properties, rights, benefits and interests therein, shall by virtue of the Part C of the Scheme stand amalgamated with, transferred to and vested in the Amalgamated Company.

6. Discharge of Consideration:

- a) The Resulting Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Demerged Company as on the Part B Record Date, whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Demerged Company:

*“727 (Seven Hundred Twenty-Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up.”*

- b) The Amalgamated Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Amalgamating Company as on the Part C Record Date, whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Amalgamating Company:

*“8278 (Eight Thousand Two Hundred Seventy-Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up.”*

7. Issuance of Bonus Equity Shares:

Upon Part B and Part C of the Scheme becoming operative on the Effective Date, the Resulting Company / Amalgamated Company shall issue and allot by way of bonus, to each equity shareholder whose name is recorded in the Registrar of Members of the Resulting Company / Amalgamated Company and/or the records of the depository(ies) as equity shareholder of Resulting Company / Amalgamated Company as on the Record Date, being any date post giving effect to Clause 13 and Clause 21 of Part B and Part C of the Scheme, respectively (“Part D Record Date”), in the following ratio:

*“1 (One) new bonus fully paid-up equity share having face value of INR 2/- (Indian Rupees Two) (“Bonus Shares”) for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each fully paid-up, held by a shareholder of AFL as on Part D Record Date.”*

8. Accounting Treatment: Clause(s) 14,15 and 24 of the Scheme provides the details on accounting prospect of the scheme.
9. Clause 6 of the Scheme provides the details on compliance with tax laws as applicable to the Scheme.

**Note: You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.**

**V. Relationship subsisting between parties to the Scheme:**

- a) All the Participating Companies i.e., GSPL, AIPL and AFL are currently under common control of the same promoter and promoter group.

- b) AIPL / Amalgamating Company is the holding company of AFL and qualifies as a shareholder under promoter and promoter group of the AFL / Amalgamated Company, holding 51.92% shareholding in the Amalgamated Company.
- c) AFL qualifies as a subsidiary of the AIPL / Amalgamating Company. Presently, Promoters and Promoter Group hold 65.90% shareholding, directly or indirectly, in AFL with the balance stake held by public shareholders.

## VI. Board Approvals:

Details of approval of the Board of Directors of the Participating Companies:

### 1. Growth Securities Private Limited

The Board of Directors of the Demerged Company has approved the Scheme and adopted a report dated March 10, 2023 as per Section 232(2)(c) of the Companies Act, 2013, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter), creditors, Key Managerial Personnel and employees of Demerged Company and laying out in particular the share exchange ratio, setting out the salient features and commercial rationale behind the Scheme and taking into consideration, *inter-alia*, the Fair Equity Share Entitlement Ratio Report dated March 09, 2023 issued by Manish Manwani , Registered Valuer (IBBI Registration No.- IBBI/RV/03/2021/14113) and Fairness Opinion on the Fair Equity Share Entitlement Ratio dated March 10, 2023 issued by BOB Capital Markets Limited, a SEBI registered Category I Merchant Banker (Registration No – INM000009926). The Report adopted by the Board of Directors of Growth Securities Private Limited (**‘Demerged Company’**) dated March 10, 2023, pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 is annexed as **Annexure 8**.

The details of the approval of the Board of Directors of Growth Securities Private Limited on March 10, 2023, to the Scheme are provided below:

| SN. | Name of the Director | Voted in Favour/ Against/ Abstained from voting |
|-----|----------------------|---|
| 1.  | Mr. Dhruv Gupta      | <b>Voted in Favour</b>                          |
| 2.  | Mr. Devansh Gupta    | <b>Voted in Favour</b>                          |

### 2. Algoquant Investments Private Limited:

The Board of Directors of the Amalgamating Company has approved the Scheme and adopted a report dated March 10, 2023 as per Section 232(2)(c) of the Companies Act, 2013, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter), creditors, Key Managerial Personnel and employees of Demerged Company and laying out in particular the share exchange ratio, setting out the salient features and commercial rationale behind the Scheme and taking into consideration, *inter-alia*, the Fair Equity Share Entitlement Ratio Report dated March 09, 2023 issued by Manish Manwani , Registered Valuer (IBBI Registration No.- IBBI/RV/03/2021/14113) and Fairness Opinion on the Fair Equity Share Entitlement Ratio dated March 10, 2023 issued by BOB Capital Markets Limited, a SEBI registered Category I Merchant Banker (Registration No – INM000009926). The Report adopted by the Board of Directors of Algoquant Investments Private Limited (**‘Amalgamating Company’**) dated March 10, 2023, pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 is annexed as **Annexure 9**.

The details of the approval of the Board of Directors of Algoquant Investments Private Limited on March 10, 2023, to the Scheme are provided below:

| SN. | Name of the Director | Voted in Favour/ Against/ Abstained from voting |
|-----|----------------------|---|
| 1.  | Mr. Dhruv Gupta      | <b>Voted in Favour</b>                          |
| 2.  | Mr. Devansh Gupta    | <b>Voted in Favour</b>                          |

3. Algoquant Fintech Limited:

The Board of Directors of the Resulting Company / Amalgamated Company has approved the Scheme and adopted a report dated March 10, 2023 as per Section 232(2)(c) of the Companies Act, 2013, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter), creditors, Key Managerial Personnel and employees of Resulting Company / Amalgamated Company and laying out in particular the share exchange ratio, setting out the salient features and commercial rationale behind the Scheme. Also enclosed is the Report of the Audit Committee dated March 10, 2023 recommending the Scheme taking into consideration, *inter-alia*, the Fair Equity Share Entitlement Ratio Report dated March 09, 2023 issued by Manish Manwani , Registered Valuer (IBBI Registration No.-IBBI/RV/03/2021/14113) and Fairness Opinion on the Fair Equity Share Entitlement Ratio dated March 10, 2023 issued by BOB Capital Markets Limited, a SEBI registered Category I Merchant Banker (Registration No – INM000009926). Also, enclosed is the report of the Committee of Independent Directors dated March 10, 2023, recommending the Scheme taking into consideration *inter-alia* that the Scheme is not detrimental to the shareholders of Resulting Company / Amalgamated Company. The Reports of the Board of Directors, Audit Committee and Committee of Independent Directors of the Resulting Company / Amalgamated Company are annexed as **Annexure 10(Colly)**.

The details of the approval of the Board of Directors of Algoquant Fintech Limited on March 10, 2023, to the Scheme are provided below:

| SN. | Name of the Director                    | Voted in Favour/ Against/ Abstained from voting |
|-----|---|---|
| 1.  | Mr. Devansh Gupta                       | <b>Voted in Favour</b>                          |
| 2.  | Mr. Dhruv Gupta                         | <b>Voted in Favour</b>                          |
| 3.  | Mr. Himanjal Jagdishchandra Brahmabhatt | <b>Voted in Favour</b>                          |
| 4.  | Mr. Amit Gupta                          | <b>Voted in Favour</b>                          |
| 5.  | Mr. Gyaneswar Sahai                     | <b>Voted in Favour</b>                          |
| 6.  | Mr. Shubhangi Agarwal                   | <b>Voted in Favour</b>                          |

**VII. Statement disclosing details of Arrangement as per sub-section 3 of Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016:**

| SN. | Particulars    | GSPL   | AIPL | AFL |
|-----|----------------|--|------|-----|
| 1.  | Appointed Date | The opening of business hours on April 01, 2023 or such other date as may be approved by the NCLT, with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme. |      |     |
| 2.  | Effective Date | The date on which the order of the Tribunal sanctioning the Scheme or any particular part(s) of the Scheme, is filed with the RoC.   |      |     |

| 3.  | Share exchange ratio                             | <p>a. In consideration of demerger of Stock Broking Business of GSPL into AFL:</p> <p>“727 (Seven Hundred Twenty-Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up.”</p> <p>b. In consideration of amalgamation of AIPL with and into AFL:</p> <p>“8278 (Eight Thousand Two Hundred Seventy-Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up.”</p>   |             |                       |                              |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
|---|--|---|-------------|-----------------------|------------------------------|--|------------------------------|--|-----------------------|-------------|-----------------------|-------------|-----------------|-----|----|----|----|----|-----------------|----|--------|---------|----|----|-----|-------|-------|---------|---------|----------------|-----|----|----|----|----|--------------------------|--|--------|--|---------|--|---|--|------|--|--|--|--|--------|-----|--|------|--|-----------------------|-------------|-----------------------|-------------|-----------------|-----|----|----|----|----|
| 4.  | Summary of valuation report and fairness opinion | <p>The Fair Equity Share Entitlement Ratio for the Scheme of Arrangement has been fixed on the basis of the Valuation Report dated March 09, 2023, issued by Mr. Manish Manwani, Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113. The valuation has been done in accordance with internationally accepted valuation standards.</p> <p>The computation of fair Share Exchange Ratio is given below:</p> <p><b>A. Demerger of Demerged Undertaking of GSPL into AFL</b></p> <table><tr><th rowspan="2"></th><th rowspan="2">Method</th><th colspan="2">AFL</th><th colspan="2">Demerged Undertaking of GSPL</th></tr><tr><th>Value per share (INR)</th><th>Weights (%)</th><th>Value per share (INR)</th><th>Weights (%)</th></tr><tr><td>Income Approach</td><td>DCF</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td></tr><tr><td rowspan="2">Market Approach</td><td>MP</td><td>490.01</td><td>100.00%</td><td>NA</td><td>NA</td></tr><tr><td>CCM</td><td>82.12</td><td>0.00%</td><td>3559.61</td><td>100.00%</td></tr><tr><td>Asset Approach</td><td>NAV</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td></tr><tr><td colspan="2">Relative Value per share</td><td colspan="2">490.01</td><td colspan="2">3559.61</td></tr><tr><td colspan="2">Fair Equity Share Entitlement Ratio (Rounded-off)</td><td colspan="4">7.27</td></tr></table> <p>NA=Not Adopted / Not Applicable</p> <p><b>B. Amalgamation of AIPL with AFL</b></p> <table><tr><th rowspan="2"></th><th rowspan="2">Method</th><th colspan="2">AFL</th><th colspan="2">AIPL</th></tr><tr><th>Value per share (INR)</th><th>Weights (%)</th><th>Value per share (INR)</th><th>Weights (%)</th></tr><tr><td>Income Approach</td><td>DCF</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td></tr></table> |             | Method                | AFL                          |  | Demerged Undertaking of GSPL |  | Value per share (INR) | Weights (%) | Value per share (INR) | Weights (%) | Income Approach | DCF | NA | NA | NA | NA | Market Approach | MP | 490.01 | 100.00% | NA | NA | CCM | 82.12 | 0.00% | 3559.61 | 100.00% | Asset Approach | NAV | NA | NA | NA | NA | Relative Value per share |  | 490.01 |  | 3559.61 |  | Fair Equity Share Entitlement Ratio (Rounded-off) |  | 7.27 |  |  |  |  | Method | AFL |  | AIPL |  | Value per share (INR) | Weights (%) | Value per share (INR) | Weights (%) | Income Approach | DCF | NA | NA | NA | NA |
|   | Method   | AFL   |             |                       | Demerged Undertaking of GSPL |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
|   |  | Value per share (INR)   | Weights (%) | Value per share (INR) | Weights (%)                  |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
| Income Approach                                   | DCF  | NA  | NA          | NA                    | NA                           |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
| Market Approach                                   | MP   | 490.01  | 100.00%     | NA                    | NA                           |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
|   | CCM  | 82.12   | 0.00%       | 3559.61               | 100.00%                      |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
| Asset Approach                                    | NAV  | NA  | NA          | NA                    | NA                           |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
| Relative Value per share                          |  | 490.01  |             | 3559.61               |                              |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
| Fair Equity Share Entitlement Ratio (Rounded-off) |  | 7.27  |             |                       |                              |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
|   | Method   | AFL   |             | AIPL                  |                              |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
|   |  | Value per share (INR)   | Weights (%) | Value per share (INR) | Weights (%)                  |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |
| Income Approach                                   | DCF  | NA  | NA          | NA                    | NA                           |  |                              |  |                       |             |                       |             |                 |     |    |    |    |    |                 |    |        |         |    |    |     |       |       |         |         |                |     |    |    |    |    |                          |  |        |  |         |  |   |  |      |  |  |  |  |        |     |  |      |  |                       |             |                       |             |                 |     |    |    |    |    |

|   |  |  |  |   |          |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
|---|--|--|--|---|----------|----------|----|----|--|-----|-------|-------|----|----|----------------|-----|----|----|-----------|----------|--------------------------|--|--------|--|-----------|--|---|--|-------|--|--|--|
|   |  | <table><tr><td>Market Approach</td><td>MP</td><td>490.01</td><td>100.00 %</td><td>NA</td><td>NA</td></tr><tr><td></td><td>CCM</td><td>82.12</td><td>0.00%</td><td>NA</td><td>NA</td></tr><tr><td>Asset Approach</td><td>NAV</td><td>NA</td><td>NA</td><td>40,562.54</td><td>100.00 %</td></tr><tr><td colspan="2">Relative Value per share</td><td colspan="2">490.01</td><td colspan="2">40,562.54</td></tr><tr><td colspan="2">Fair Equity Share Entitlement Ratio (Rounded-off)</td><td colspan="4">82.78</td></tr></table> | Market Approach  | MP  | 490.01   | 100.00 % | NA | NA |  | CCM | 82.12 | 0.00% | NA | NA | Asset Approach | NAV | NA | NA | 40,562.54 | 100.00 % | Relative Value per share |  | 490.01 |  | 40,562.54 |  | Fair Equity Share Entitlement Ratio (Rounded-off) |  | 82.78 |  |  |  |
| Market Approach                                   | MP                                       | 490.01   | 100.00 %   | NA  | NA       |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
|   | CCM                                      | 82.12  | 0.00%  | NA  | NA       |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
| Asset Approach                                    | NAV                                      | NA   | NA   | 40,562.54   | 100.00 % |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
| Relative Value per share                          |  | 490.01   |  | 40,562.54   |          |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
| Fair Equity Share Entitlement Ratio (Rounded-off) |  | 82.78  |  |   |          |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
|   |  | NA=Not Adopted / Not Applicable  |  |   |          |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
|   |  | C. The fairness opinion dated March 10, 2023, prepared by BOB Capital Markets Limited, an Independent SEBI registered Category-I Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report.  |  |   |          |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
|   |  | A copy of Fair Equity Share Entitlement Ratio Report dated March 09, 2023, issued by Manish Manwani, Registered Valuer (IBBI Registration No.-IBBI/RV/03/2021/14113) is attached herewith as <b>Annexure 11</b> .  |  |   |          |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
|   |  | Further, a copy of Fairness Opinion on the Fair Equity Share Entitlement Ratio dated March 10, 2023, issued by BOB Capital Markets Limited, a SEBI registered Category I Merchant Banker (Registration No – INM000009926) is annexed herewith as <b>Annexure 12</b> .  |  |   |          |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |
| 5.  | Details of capital or debt restructuring | There is no capital or debt restructuring undertaken by GSPL pursuant to the Scheme.   | There is no capital or debt restructuring undertaken by AIPL pursuant to the Scheme. | <ul style="list-style-type: none"><li>• Upon the Scheme becoming operative on the Effective Date, all the equity shares held by the Amalgamating Company / AIPL in the share capital of the Amalgamated Company / AFL, shall stand automatically cancelled. Accordingly, the share capital of the Amalgamated Company shall stand reduced to the extent of the face value of the equity shares held by the Amalgamating Company and the related balance in the securities premium account, if any, shall also stand cancelled.</li><li>• Upon the Scheme becoming operative on the Effective Date, the authorized share capital of Resulting Company / Amalgamated Company shall stand enhanced to INR 3,50,00,000 (Rupees Three Crores and Fifty Lakhs Only)</li></ul> |          |          |    |    |  |     |       |       |    |    |                |     |    |    |           |          |                          |  |        |  |           |  |   |  |       |  |  |  |

|    |  |  |  |  |
|----|--|--|--|--|
|    |  |  |  | divided into 1,65,00,000 (One crore Sixty Five Lakhs Only) equity shares having face value of INR 2 (Rupees Two) each and 20,000 (Twenty Thousand) Redeemable Cumulative Preference Shares having face of INR 100 (Rupees One Hundred) each. |
| 6. | Rational, need and Benefit of the scheme of arrangement                                    | Refer Part II “Need, Rationale and benefits of the Scheme of Arrangement” to this Statement at Pg. 14.   |  |  |
| 7. | Amount due to creditors as on December 19, 2023 in INR                                     | Secured: 9,15,34,845<br>Unsecured: 11,18,70,710  | Secured: Nil<br>Unsecured: 4,05,09,906 | Secured: 3,49,11,998<br>Unsecured: 22,21,66,792  |
| 8. | Relationship subsisting between Parties to the Scheme                                      | Refer Part V “Relationship subsisting between parties to the Scheme” of this Explanatory Statement at Pg. 25.  |  |  |
| 9. | Details of assets and liabilities transferred by the Demerged Company to Resulting Company | For details of asset and liabilities transferred by the Demerged Company to the Resulting Company please refer copy of carved out financial statements of the Demerged Undertaking i.e., Stock Broking Business of the Growth Securities Private Limited (‘ <b>Demerged Company</b> ’) as on April 01, 2023, as annexed herewith as <b>Annexure 13</b> |  |  |

### VIII. Interest of Directors, Key Managerial Personnels (KMPs), their relatives and Debenture Trustee

#### Growth Securities Private Limited & Algoquant Investments Private Limited:

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Demerged Company and the Amalgamating Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their directorship and shareholding which is given below:

| SN | Name of directors of GSPL & AIPL | Shares (%) held in |         |       |
|----|----------------------------------|--------------------|---------|-------|
|    |                                  | GSPL               | AIPL    | AFL   |
| 1. | Mr. Dhruv Gupta                  | 85.80%             | 0.00%   | 0.68% |
| 2. | Mr. Devansh Gupta                | 14.20%             | 0.01% * | 0.76% |

\*Holds shares as Nominee of Algoquant Financials LLP



Algoquant Fintech Limited:

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Resulting Company / Amalgamated Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their directorship and shareholding which is given below:

| SN | Name of Directors                      | Shares (%) held in |       |       |
|----|--|--------------------|-------|-------|
|    |  | GSPL               | AIPL  | AFL   |
| 1. | Mr. Devansh Gupta                      | 14.20%             | 0.01% | 0.76% |
| 2. | Mr. Dhruv Gupta                        | 85.80%             | 0.00% | 0.68% |
| 3. | Mr. Himanjal Jagdishchandra Brahmbhatt | 0                  | 0     | 0     |
| 4. | Mr. Amit Gupta                         | 0                  | 0     | 0     |
| 5. | Mr. Gyaneswar Sahai                    | 0                  | 0     | 0     |
| 6. | Ms. Shubhangi Agarwal                  | 0                  | 0     | 0     |

**IX. Effect of Scheme**

- A. Effect of Scheme on Directors, Promoters, KMPs, non-promoter members, Depositors, Creditors, Debenture holders, debenture trustees, employees of the Demerged Company:

|    |   |  |
|----|---|--|
| a. | Key Managerial Personnel  | There is no impact of the Scheme on the KMPs of the Demerged Company. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Demerged Company.  |
| b. | Directors   | The proposed Scheme of Arrangement would not affect any Director of the Demerged Company.  |
| c. | Effect on the equity shareholders (promoter shareholders and non-promoter shareholders) | <p>The Scheme is in the best interests of the Demerged Company and its shareholders and creditors. The impact of the Scheme on the shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders.</p> <p>The promoter and non-promoter members of the Demerged Company shall be issued shares of Resulting Company as per terms and conditions, detailed in the Scheme of Arrangement.</p> |
| d. | Creditors   | <p>There is no impact of the Scheme on the creditors (secured and unsecured) of the Demerged Company. All the liabilities and dues payable pertaining to the Demerged Undertaking of the Demerged Company shall become the liabilities and dues payable of/ by the Resulting Company.</p> <p>Further, none of the creditors have any interest in the draft Scheme except to the extent of shares held by them, if any, in the Demerged Company.</p>  |

|    |                                       |  |
|----|---------------------------------------|--|
| e. | Depositors                            | As on date, the Demerged Company have no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.  |
| f. | Debenture Holders                     | As on date, the Demerged Company have no outstanding debentures and therefore, the effect of the Scheme on any such debenture holders or debenture trustee(s) does not arise.  |
| g. | Deposit trustee and debenture trustee | As on date, the Demerged Company have no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.<br><br>As on date, the Demerged Company have no outstanding debentures and therefore, the effect of the Scheme on any such debenture holders or debenture trustee(s) does not arise. |
| h. | Employees of the Company              | All the staff, workmen and other employees, if any, of the Demerged Undertaking of the Demerged Company, in service as on the Effective Date, shall become the staff, workmen and employees of the Resulting Company as per the details mentioned in the Scheme of Arrangement.  |

**B. Effect of Scheme on Directors, Promoters, KMPs, non-promoter members, Depositors, Creditors, Debenture holders, debenture trustees, employees of the Amalgamating Company:**

|    |   |   |
|----|---|---|
| a. | Key Managerial Personnel  | Pursuant to the Scheme, the Amalgamating Company shall be dissolved without winding up and therefore current KMPs of the Amalgamating Company shall cease to hold their positions and cease to be the KMPs of the Amalgamating Company. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Amalgamating Company.   |
| b. | Directors   | The Board of Directors of the Amalgamating Company shall stand dissolved upon the Scheme coming into effect. Pursuant to the Scheme, the Amalgamating Company shall be dissolved without winding up and therefore current directors of the Amalgamating Company shall cease to hold their positions and cease to be the directors of the Amalgamating Company.  |
| c. | Effect on the equity shareholders (promoter shareholders and non-promoter shareholders) | The Scheme is in the best interests of the Amalgamating Company and its shareholders. The impact of the Scheme on the shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders.<br><br>The promoter and non-promoter members of the Amalgamating Company shall be issued shares of |

|    |                                       |  |
|----|---------------------------------------|--|
|    |                                       | Amalgamated company as per terms and conditions, detailed in the Scheme of Arrangement.  |
| d. | Creditors                             | There is no impact of the Scheme on the creditors (secured and unsecured) of the Amalgamating Company. All the liabilities and dues payable pertaining to the Amalgamating Company shall become the liabilities and dues payable of or by the Amalgamated Company.<br>Further, none of the creditors have any interest in the Scheme except to the extent of shares held by them, if any, in the Amalgamating Company. |
| e. | Depositors                            | As on date, the Amalgamating Company have no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.  |
| f. | Debenture Holders                     | As on date, the Amalgamating Company have no outstanding debentures and therefore, the effect of the Scheme on any such debenture holders or debenture trustee(s) does not arise.  |
| g. | Deposit trustee and debenture trustee | As on date, the Amalgamating Company have no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.<br>As on date, the Amalgamating Company have no outstanding debenture and therefore, the effect of the Scheme on any such debenture holders or debenture trustee(s) does not arise.  |
| h. | Employees of the Company              | All the staff, workmen and other employees, if any, of the Amalgamating Company, in service as on the Effective Date, shall become the staff, workmen and employees of the Amalgamated Company as per the details mentioned in the Scheme of Arrangement.  |

- C. Effect of Scheme on Directors, Promoters, KMPs, non-promoter members, Depositors, Creditors, Debenture holders, debenture trustees, employees of the Resulting Company / Amalgamated Company:

|    |   |   |
|----|---|---|
| a. | Key Managerial Personnel  | There is no impact of the Scheme on any of the KMPs of the Resulting Company / Amalgamated Company. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Resulting Company / Amalgamated Company.  |
| b. | Directors   | The proposed Scheme of Arrangement would not affect any Director of the Resulting Company / Amalgamated Company.  |
| c. | Effect on the equity shareholders (promoter shareholders and non-promoter shareholders) | The Scheme is in the best interests of the Resulting Company / Amalgamated Company and its shareholders. The impact of the Scheme on the shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders. |

|    |                                       |  |
|----|---------------------------------------|--|
| d. | Creditors                             | There is no impact of the Scheme on the creditors (secured and unsecured) of the Resulting Company / Amalgamated Company.<br>Further, none of the creditors have any interest in the Scheme except to the extent of shares held by them, if any, in the Resulting Company / Amalgamated Company.   |
| e. | Depositors                            | As on date, the Resulting Company / Amalgamated Company have no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.   |
| f. | Debenture Holders                     | As on date, the Resulting Company / Amalgamated Company have no outstanding debentures and therefore, the effect of the Scheme on any such debenture holders or debenture trustee(s) does not arise.   |
| g. | Deposit trustee and debenture trustee | As on date, the Resulting Company / Amalgamated Company have no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders or deposit trustee(s) does not arise.<br><br>As on date, the Resulting Company / Amalgamated Company have no outstanding debentures and therefore, the effect of the Scheme on any such debenture holders or debenture trustee(s) does not arise. |
| h. | Employees of the Company              | Under the Scheme, no rights of the staff and employees (who are on payroll of the Resulting Company / Amalgamated Company) of the Resulting Company / Amalgamated Company are being affected. The services of the staff and employees of the Resulting Company / Amalgamated Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.  |

**X. Auditors' certificate on conformity of accounting treatment specified in the Scheme with applicable accounting standards:**

Auditor of the Demerged Company, Amalgamating Company and Resulting Company / Amalgamated Company have confirmed the accounting treatment specified in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013. The accounting treatment certificates by the respective independent auditors of the Participating Companies is annexed to this Notice as **Annexure 14(Colly)**.

Additionally, Disclosure Document of Growth Securities Private Limited ('**Demerged Company**') and Algoquant Investments Private Limited ('**Amalgamating Company**') in the format specified in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is annexed herewith as **Annexure 15** and **Annexure 16** respectively. Further, a copy of the order dated April 04, 2024 of Hon'ble National Company Law Tribunal, Ahmedabad Bench in the Company Scheme Application No. C.A.(CAA)/70/(AHM)/2023 is annexed herewith as **Annexure 17**.

## **XI. General:**

1. The copy of the draft Scheme has been filed with the Registrar of Companies, Ahmedabad, Gujarat, and such other authorities as per statutory requirements.
2. In respect of the Scheme, there is no compromise or arrangement with any of the creditors of Demerged Company and Amalgamating Company. The liability of the creditors of Demerged Company and Amalgamating Company, under the Scheme, is neither being reduced nor being extinguished.
3. The detailed procedure for participation in the meeting through VC, remote e-voting and voting during the meeting through e-voting system is enclosed with *Notes* to this Notice.
4. GSPL, AIPL and AFL are required to seek approvals / sanctions / no objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director, Official Liquidator, Income-tax authorities and others, as applicable.
5. The National Company Law Tribunal, Ahmedabad Bench by its Order dated April 04, 2024 has directed for convening of the meeting of the Equity Shareholders by Video-Conferencing or Other Audio-Visual Means for Resulting Company / Amalgamated Company and publication of notice of meeting in newspaper in one English daily, The Indian Express and other in Gujarati daily, Divya Bhaskar (both All editions).
6. The National Company Law Tribunal, Ahmedabad Bench by its Order dated April 04, 2024 has dispensed with the requirement of convening the meeting(s) of the equity shareholders of Demerged Company and Amalgamating Company.
7. The National Company Law Tribunal, Ahmedabad Bench by its Order dated April 04, 2024 has directed for convening of the meeting(s) of the secured creditors by VC / OAVM for Demerged Company and the Resulting Company / Amalgamated Company and publication of notice of respective meetings in one English daily, The Indian Express and other in Gujarati daily, Divya Bhaskar (both All editions).
8. The National Company Law Tribunal, Ahmedabad Bench by its Order dated April 04, 2024 has dispensed with the requirement of convening the meeting of the secured creditors of the Amalgamating Company.
9. The National Company Law Tribunal, Ahmedabad Bench by its Order dated April 04, 2024 has directed for convening of the meeting(s) of the unsecured creditors by VC / OAVM for all the Participating Companies and publication of notice of respective meetings in one English daily, The Indian Express and other in Gujarati daily, Divya Bhaskar (both All editions).
10. No investigation or proceedings are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against any Company involved in the Scheme.
11. No winding up petition has been admitted against the Companies involved in the Scheme.
12. A copy of the Scheme and Explanatory Statement shall be furnished to the unsecured creditor, free of charge, within 1 (one) day (except Saturdays, Sundays, and public holidays) on a requisition being so made for the same by such unsecured creditor.

## **XII. Inspection of Documents**

The following documents will be open for obtaining extracts from or for making or obtaining copies or inspection by the Shareholders of Resulting Company / Amalgamated Company at Unit No. 705, 07th Floor of ISCON Elegance, developed at Plot No. 24, Prahaladnagar, Ahmedabad, Gujarat – 380 015 on all working days, except Saturdays, Sundays, and Public Holidays between 11 a.m. (IST) to 4:00 p.m. (IST) up to the date of Meeting:

- a. Copy of the Order of NCLT passed in Company Application No. C.A. (CAA) 70(AHM)2023 directing the convening of meeting of the equity shareholders of Algoquant Fintech Limited, meeting(s) of secured creditors of Growth Securities Private Limited and Algoquant Fintech Limited, as well as unsecured creditors of Growth Securities Private Limited, Algoquant Investments Private Limited and Algoquant Fintech Limited *via* VC/OAVM with facility of remote e-voting;
- b. Copy of the Company Application No. C.A. (CAA) 70(AHM)2023;
- c. Copy of Scheme of Arrangement;
- d. Copy of this Notice and Explanatory Statement
- e. Memorandum and Articles of Association of the Growth Securities Limited, Algoquant Investments Private Limited, and Algoquant Fintech Limited;
- f. Audited financial statements the Growth Securities Limited, Algoquant Investments Private Limited, and Algoquant Fintech Limited for the period ended 31st March 2023;
- g. Unaudited financial statements of Growth Securities Limited, Algoquant Investments Private Limited, and Algoquant Fintech Limited for the period ended December 31, 2023;
- h. Copy of Fair Equity Share Entitlement Ratio Report dated March 09, 2023, issued by Manish Manwani, Registered Valuer (IBBI Registration No.-IBBI/RV/03/2021/14113)
- i. Copy of Fairness Opinion on the Fair Equity Share Entitlement Ratio dated March 10, 2023, issued by BOB Capital Markets Limited, a SEBI registered Category I Merchant Banker (Registration No – INM000009926);
- j. Certificates issued by Statutory Auditors of the Growth Securities Limited, Algoquant Investments Private Limited, and Algoquant Fintech Limited in relation to the accounting treatment prescribed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder;
- k. All other documents referred to or mentioned in the Statement to this Notice.

Considering the rationale and benefits, the Board of Directors of the Demerged Company recommends the Scheme for approval of the creditors, as it is in the best interest of the Company and its stakeholders.

The Directors and KMPs of the Participating Companies, holding shares in the respective Participating Companies respectively as mentioned above, and their respective relatives do not have any concern or interest, financially or otherwise, in the Scheme except as shareholders in general.

Further, Mr. Dhruv Gupta and Mr. Devansh Gupta, common directors on the Board of the Participating Companies, though not interested in the Scheme, are considered interested only to the extent of their directorship and shareholding, if any.

**Date:** April 16, 2024

**Registered Office:**

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A  
WTC Block No. 51, Road 5E, Zone-5, GIFT City  
Gandhinagar - 382 355, Gujarat

**Sd/-**  
**Mr. Inderjeet Singh**  
**Practicing Advocate,**  
**Bar Council Reg. No. D/2620/2009**  
**Chairman appointed by the NCLT for the**  
**Meeting**

**SCHEME OF ARRANGEMENT**  
**AMONGST**  
**GROWTH SECURITIES PRIVATE LIMITED**  
**(“DEMERGED COMPANY”)**  
**AND**  
**ALGOQUANT INVESTMENTS PRIVATE LIMITED**  
**(“AMALGAMATING COMPANY”)**  
**AND**  
**ALGOQUANT FINTECH LIMITED**  
**(“RESULTING COMPANY” / “AMALGAMATED COMPANY”)**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE  
SECTIONS AND PROVISIONS OF THE COMPANIES ACT, 2013 READ TOGETHER WITH  
THE RULES MADE THEREUNDER)**

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## INTRODUCTION

### 1. PREAMBLE

This Scheme of Arrangement ("**Scheme**") is presented pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder and also read with Sections 2(1B) and 2(19AA) and the other applicable provisions of the Income-tax Act, 1961, and further read together with the applicable framework and regulations as is provided and governed by the Securities and Exchange Board of India, in each case, as amended from time to time and as may be applicable, for:

- (i) Demerger of the Stock Broking, Self-Clearing Membership/ Clearing Membership and Depository Participant Business Undertaking (*as more elaborately defined hereunder*) of Growth Securities Private Limited (the "**Demerged Company**") and vesting of the same with and into Algoquant Fintech Limited (the "**Resulting Company**"), on a going concern basis; and
- (ii) Amalgamation of Algoquant Investments Private Limited (the "**Amalgamating Company**") into and with the Algoquant Fintech Limited (the "**Amalgamated Company**") and subsequent automatic dissolution of Amalgamating Company; and
- (iii) Various other matters consequential or otherwise integrally connected herewith.

### 2. BACKGROUND AND DESCRIPTION OF THE PARTIES TO THIS SCHEME

- a) **Growth Securities Private Limited ("GSPL"/"Demerged Company")** is a private limited company, incorporated under the Companies Act, 1956 (as amended) on 19<sup>th</sup> July 1996, having its registered office at Unit No. 503 A-B, 504 A-B, 5<sup>th</sup> Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, Gujarat.

The Demerged Company is engaged in the business of stock broking wherein it operates as stock broker having trading membership of National Stock Exchange of India Limited ("**NSE**"), BSE Limited ("**BSE**"), and Multi Commodity Exchange of India Limited ("**MCX**") Self-Clearing Membership of NSE Clearing Limited ("**NCL**") and Clearing / Self Clearing Membership of Indian Clearing Corporation Limited ("**ICCL**"), Depository Participant with Central Depository Services Limited ("**CDSL**"), Mutual Fund Distributor registered with Association of Mutual Funds in India, and also acts as a service provider and offers an IT enabled trading portal/platform to its clients (collectively referred to as "**Stock Broking Business**"). In addition to the Stock Broking Business, the Demerged Company earns rental income from the leasing of surplus (which is in excess of Demerged Company's own requirements) immovable property owned by it, which is not part of its Stock Broking Business ("**Remaining Undertaking**"). For avoidance of doubt, this activity pertaining to earning of rental income does not in any manner impact the Stock Broking Business of the Demerged Company and amongst others, casts no financial liability/ obligation on the Stock Broking Business. The Corporate Identity Number ("**CIN**") of the Demerged Company is U74899GJ1996PTC119714 and the Permanent Account Number ("**PAN**") of the Demerged Company is AABCG7715L. Presently, entire 100% shareholding in the Demerged Company is held by Individual Promoters (hereinafter referred to as "**Promoters**").

- b) **Algoquant Investments Private Limited ("AIPL"/ "Amalgamating Company")** is a private limited company incorporated under the provisions of the Companies Act, 1956 (as amended) on 28<sup>th</sup> February 1983, having its registered office at 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar Ahmedabad - 380 015, Gujarat. The Amalgamating Company was originally incorporated as Mandelia Investments Private Limited. The name of Amalgamating Company was changed to its present name i.e., Algoquant Investments Private Limited from Mandelia Investments Private Limited in the year 2021 and a certificate of incorporation pursuant to change of name was issued by Registrar of Companies, New



Delhi on 12<sup>th</sup> November 2021. Furthermore, the registered office of the company was shifted from New Delhi to Gujarat by way of altering the provisions of its Memorandum of Association under the applicable laws, having confirmed by an order of Regional Director bearing date 10<sup>th</sup> October 2022 and in effect thereof "Certificate of Registration of Regional Director order for Change of State" has been issued by Registrar of Companies – Ahmedabad on 04<sup>th</sup> November 2022.

The Amalgamating Company is engaged in undertaking investments in securities of group companies (not being banking or insurance business in contravention of Banking Regulations Act 1949 or Insurance Act, 1938). The Amalgamating Company is the holding company of AFL and qualifies as a shareholder under promoter and promoter group of the Amalgamated Company. The CIN of the Amalgamating Company is U67120GJ1983PTC136550 and the PAN of the Amalgamating Company is AAAFM2285K. The Amalgamating Company is the holding company of Amalgamated Company (*defined hereinafter*) and holds 51.92% shareholding in the Amalgamated Company. Presently, entire 100% shareholding in the Amalgamating Company is held by Algoquant Financials LLP, (and only 1 share is held by Mr. Devansh Gupta as a nominee of Algoquant Financials LLP in order to fulfil the statutory requirement) which in turn is held by the Promoters.

- c) **Algoquant Fintech Limited ("AFL" / "Resulting Company" / "Amalgamated Company")** is a public limited company, incorporated under the Companies Act, 1956 (as amended) on 25<sup>th</sup> January 1962, having its registered office at Unit No. 705, 07<sup>th</sup> Floor of ISCON Elegance, developed at Plot No. 24, Prahaladnagar, Ahmedabad 380 015 – Gujarat. Algoquant Fintech Limited was originally incorporated as Hindustan Dowidat Tools Limited. The name of AFL was changed to its present name i.e., Algoquant Fintech Limited from Hindustan Everest Tools Limited in the year 2021 and a certificate of incorporation pursuant to change of name was issued by Registrar of Companies, New Delhi on 15<sup>th</sup> November 2021. Furthermore, the registered office of the company was shifted from New Delhi to Gujarat, by way of altering the provisions of its Memorandum of Association under the applicable laws, having confirmed by an order of Regional Director bearing date 07<sup>th</sup> October 2022 and in effect thereof "Certificate of Registration of Regional Director order for Change of State" has been issued by Registrar of Companies – Ahmedabad on 15<sup>th</sup> November 2022.

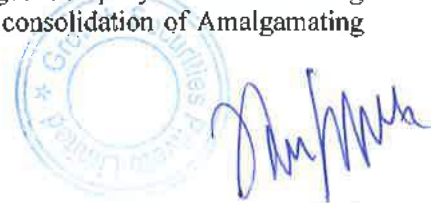
AFL was formerly engaged in the business of trading in metals, which was discontinued w.e.f. 01<sup>st</sup> April 2021. Presently, AFL is engaged in the business of trading in financial instruments using various trading algorithms. The equity shares of AFL are listed on the BSE Ltd. ("BSE" or "the Stock Exchange"). The CIN of AFL is L74110GJ1962PLC136701 and the PAN is AAACH2937C. Further, AFL qualifies as a subsidiary of the Amalgamating Company. Presently, Promoters and Promoter Group hold 65.90% shareholding, directly or indirectly, in AFL with the balance stake held by public shareholders.

Hereinafter, collectively referred to as '**Participating Companies**'.

### 3. NEED AND RATIONALE FOR THIS SCHEME

#### 3.1 Need for the Scheme

The management of the Participating Companies is of the view that the stock broking industry is poised for substantial growth which can be better capitalized as an integrated listed entity which has a robust balance sheet, potential for a wider customer reach and a more acceptable structure from a regulatory and compliance standpoint. Further, the proposed consolidation through demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will result into overall enhanced efficiencies and the consolidation of Amalgamating





Company would aid in rationalizing the Promoter holding thus leading to a simplified and streamlined organisation structure. The consolidated organization is also expected to create more value for all the stakeholders.

### 3.2 Rationale for the Scheme

- 3.2.1 The Resulting Company / Amalgamated Company proposes to enter into this Scheme with Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.
- 3.2.2 The management of the respective Participating Companies are of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:
- Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
  - The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting/ Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention.
  - The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.
- 3.2.3 The Scheme envisages demerger of the Demerged Undertaking (*as defined hereinunder*) and vesting of the same in the Resulting Company pursuant to Part B of this Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective Participating Companies believe that both the businesses (i.e., Stock Broking Business (*as defined hereinunder*) and the Remaining Undertaking (*as defined hereinunder*)) will benefit from dedicated management, operations and investment strategy leading to development, expansion and growth for maximization of stakeholder's value.
- 3.2.4 Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.
- 3.2.5 The management of the respective Participating Companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective Participating Companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Participating Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.



#### 4. OVERVIEW OF THIS SCHEME

4.1 This Scheme is divided into the following parts:

|               |   |   |
|---------------|---|---|
| <b>PART A</b> | - | Definitions, Compliance with Tax Laws and Capital Structure   |
| <b>PART B</b> | - | Demerger of the Demerged Undertaking and vesting of the same in the Resulting Company and other related matters   |
| <b>PART C</b> | - | Amalgamation of Amalgamating Company into and with Amalgamated Company, Reduction in Share Capital of the Amalgamated Company and Dissolution of Amalgamating Company and other related matters |
| <b>PART D</b> | - | Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company   |
| <b>PART E</b> | - | Change in Authorised Share Capital of the Resulting Company / Amalgamated Company   |
| <b>PART F</b> | - | General Terms and Conditions applicable to the Scheme   |

#### 4.2 Sequencing of the Scheme:

Subject to the provisions of Part F of this Scheme, upon this Scheme becoming operative on the Effective Date, the following shall be deemed to have occurred on the Appointed Date (except Part D of the Scheme) and shall become effective and operative in the sequence and in the order mentioned hereunder:

- (i) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with and into the Resulting Company in accordance with Part B of this Scheme;
- (ii) Amalgamation of the Amalgamating Company into and with Amalgamated Company Reduction in Share Capital of the Amalgamated Company and Dissolution of Amalgamating Company in accordance with Part C of this Scheme;
- (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company in accordance with Part D of this Scheme
- (iv) Change in Authorized Share Capital of the Resulting Company / Amalgamated Company, giving effect to Part B, Part C and Part D of this Scheme, in accordance with Part E of this Scheme.

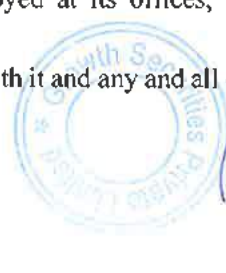


**PART A**  
**DEFINITIONS, COMPLIANCE WITH TAX LAWS AND CAPITAL STRUCTURE**

## 5. DEFINITIONS

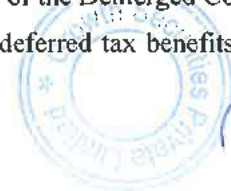
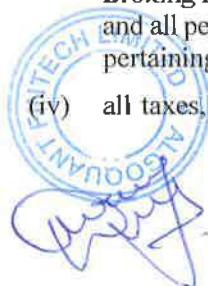
In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- 5.1 **"Act"** means, as the context may admit, the Companies Act, 2013 (as may be notified from time to time) and the rules made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 5.2 **"Amalgamated Company" / "Resulting Company"** means Algoquant Fintech Limited, as mentioned in the Para 2(c) of this Scheme.
- 5.3 **"Amalgamating Company"** means Algoquant Investments Private Limited, as mentioned in Para 2(b) of this Scheme and include the whole of the business of such Amalgamating Company, including but not limited to:
- a) all of its movable assets, whether present or future, whether tangible or intangible and all rights, title, interests, covenants, undertakings and continuing rights in relation thereto;
  - b) all of its immovable properties and all its rights, title, interests, covenants, undertakings and continuing rights in relation thereto including all its land (together with all the buildings and structures standing thereon), whether freehold or leasehold;
  - c) all of its present and future liabilities, including contingent liabilities, charges and debts appertaining thereto;
  - d) all of its investments including shares and other securities, loans and advances, including interest and dividend accrued thereon;
  - e) all of its permits, rights, entitlements and licences (including the industrial or other licences) granted by any governmental, statutory or regulatory bodies, environmental clearances, permissions, approvals, consents, exemptions, subsidies, registrations, no-objection certificates, quotas, privileges, powers, offices, facilities whether granted/available/renewed/applied for;
  - f) all of its intellectual property rights, websites, emails, trade names, trademarks, service marks, copyrights, domain names, brand names, logos and applications therefor;
  - g) all of its indirect and direct tax credits, including but not limited to, service tax credit, CENVAT credit, GST credit, VAT credit, income-tax refunds, carry forward losses, unabsorbed depreciation, TDS, TCS, MAT credit entitlement, etc.;
  - h) all of its privileges and benefits under all contracts, agreements, memorandum of understanding and all other rights powers and facilities of every kind and description whatsoever;
  - i) all of its debts, borrowings, obligations and liabilities, present or future or contingent, whether secured or unsecured;
  - j) all of its workmen and employees including those employed at its offices, factories and branches, and all other personnel employed by it;
  - k) all of the advance monies, earnest monies as may be lying with it and any and all of its security





- deposits, bank and contractual guarantees and other entitlements; and
- l) all of its other properties, assets, liabilities, rights, obligations and employees, etc. of any nature whatsoever not covered under (a) to (k) above.
- 5.4 **"Applicable Law(s)"** means all statutes, notifications, bye-laws, rules, regulations, guidelines, rules or common law, policies, codes, directives, ordinances, schemes or orders enacted or issued or sanctioned by any governmental authority, including any modification or re-enactment thereof for the time being in force.
- 5.5 **"Appointed Date"** means the opening of business hours on 01<sup>st</sup> April, 2023 or such other date as may be approved by the NCLT, with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme.
- 5.6 **"Board of Directors"** means the respective boards of directors of the Participating Companies and shall, unless repugnant to the context or otherwise, include any duly authorized committee of directors or any person duly authorized by the Board of Directors or such committee of directors.
- 5.7 **"BSE"** means The BSE Ltd. and includes any successor thereof.
- 5.8 **"Companies" / "Participating Companies"** means collectively, the Demerged Company, Amalgamating Company and the Resulting Company / Amalgamated Company.
- 5.9 **"Tribunal" / "NCLT"** means the Ahmedabad Bench of the Hon'ble National Company Law Tribunal, or such other court, forum or authority as may be vested with any of the powers of the NCLT under the Act and/or as may be having jurisdiction for sanctioning this Scheme.
- 5.10 **"Demerged Company"** means Growth Securities Private Limited, as mentioned in the Para 2(a) of this Scheme.
- 5.11 **"Demerged Undertaking"** means the business undertaking of the Demerged Company engaged in the Stock Broking Business, as a going concern, including all its assets, investments, infrastructures, rights, approvals, licenses and powers, leasehold rights and all its debts, outstanding liabilities, duties, obligations and employees, in each case, pertaining exclusively and solely to the Stock Broking Business of the Demerged Company and including, but not limited to, the following:
- (i) all immovable properties i.e. land together with the buildings and structures standing thereon, whether freehold or leasehold, including share of any joint assets, which are currently being used exclusively and solely for the purpose of and in relation to the Stock Broking Business of the Demerged Company and all related documents (including *panchnamas*, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
  - (ii) all assets, as are movable in nature and exclusively and solely pertaining to and in relation to the Stock Broking Business of the Demerged Company, whether present or future, tangible or intangible, including goodwill, whether recorded in the books or not and actionable claims, financial assets, investments (including in subsidiaries, associates and joint ventures in India, including but not limited to International Financial Services Centre [IFSC]) and in overseas jurisdictions and loans and advances (including inter-unit receivables, if any, between the undertakings of the Demerged Company engaged in the Stock Broking Business and Remaining Undertaking), pertaining to and in relation to the Stock Broking Business of the Demerged Company including accrued interest or dividend thereon;
  - (iii) all rights, licenses, privileges, claims, benefits, powers and facilities of every kind, nature and description whatsoever, exclusively and solely pertaining to and in relation to the Stock Broking Business of the Demerged Company, including all assignments and grants thereof and all permits, clearances licenses, authorizations and registrations, exclusively and solely pertaining to and in relation to the Stock Broking Business of the Demerged Company;
  - (iv) all taxes, share of advance tax, TDS, TCS, MAT credit, deferred tax benefits and other



*Signature*

benefits in respect of the Stock Broking Business of Demerged Company;

- (v) all provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Stock Broking Business of the Demerged Company;
- (vi) all books, records, files, papers, computer programs along with their licenses, manuals and back-up copies, advertising materials, and other data and records whether in physical or electronic form, in connection with or relating to the Stock Broking Business of the Demerged Company;
- (vii) all employees and other personnel employed/engaged by the Demerged Company that are determined by its Board of Directors to be engaged in or in relation to the Stock Broking Business of the Demerged Company on the date immediately preceding the Effective Date;
- (viii) all legal proceedings of whatsoever nature by or against or in relation to the Stock Broking Business of the Demerged Company;
- (ix) all liabilities and obligations (including liabilities, allocable as per this Scheme, if any), whether present or future (including inter-unit payables, if any, between the undertakings of the Demerged Company engaged in the Stock Broking Business and the Remaining Undertaking) and the contingent liabilities pertaining to or relatable to the Stock Broking Business of the Demerged Company. The liabilities pertaining to the Stock Broking Business of the Demerged Company mean and include:
  - (a) All liabilities (including contingent liabilities) arising out of the activities or operations of the Stock Broking Business of the Demerged Company, including in relation to or in connection with taxes or under or in relation to its contracts, obligations and duties;
  - (b) Specific loans and borrowings raised, incurred and utilized, if any, solely for the activities or operations of the Stock Broking Business of the Demerged Company; and
  - (c) Liabilities other than those referred to above, which are general or multipurpose borrowings, if any, of the Demerged Company to be allocated to the Stock Broking Business of the Demerged Company in the same proportion which the value of the assets transferred under Part B of this Scheme bears to the total value of the assets of the Demerged Company immediately before the Appointed Date of the Scheme in accordance with the provisions of Explanation 2 to the Section 2(19AA) of the IT Act.
- (x) All the existing accounts of the clients, existing funds, cash and bank balance, securities, collaterals, respective bank and demat accounts, fixed deposit receipts, bank guarantees, leased lines, co-location racks, software's, in house/ empaneled vendors, NNF permission and licenses and other assets etc., relating to the Stock Broking Business of the Demerged Company
- (xi) any other asset (including any cash) specifically allocated by the Board of Directors of the Demerged Company for the Stock Broking Business of the Demerged Company.

Any issue as to whether any asset or liability pertains to or is relatable to the Demerged Undertaking shall be mutually decided between the Board of Directors of the Demerged Company and the Resulting Company on the basis of evidence that they may deem relevant for the purpose (including the books or records of the Demerged Company).

5.12 **"Depository Participant"** shall mean registration in the capacity of depository participant with Central Depository Services (India) Limited

5.13 **"Effective Date"** means the date on which the order of the Tribunal sanctioning the Scheme or any particular part(s) of the Scheme, is filed with the RoC.

Any references in this Scheme to **"upon this Scheme becoming effective"** or **"effectiveness of this Scheme"** shall be construed accordingly.

- 5.14 **"Exchange"** or **"Exchanges"** shall mean the National Stock Exchange of India Limited (**"NSE"**), the BSE Limited (**"BSE"**) and the Multi Commodity Exchange of India Limited (**"MCX"**)
- 5.15 **"Government"** or **"Governmental Authority"** means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
- 5.16 **"GST"** means goods and services tax.
- 5.17 **"INR"** means the Indian National Rupee
- 5.18 **"IT Act"** means the Indian Income-tax Act, 1961 and the rules, regulations, circulars, notifications and orders issued thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 5.19 **"MAT"** means minimum alternate tax.
- 5.20 **"Part B Record Date"** has the meaning ascribed to it in Clause 13.1.
- 5.21 **"Part C Record Date"** has the meaning ascribed to it in Clause 21.1.
- 5.22 **"Part D Record Date"** has the meaning ascribed to it in Clause 25.1.
- 5.23 **"RBI"** means the Reserve Bank of India or any successor thereof.
- 5.24 **"Registrar of Companies"** or **"RoC"** means the Registrar of Companies having jurisdiction over the Companies.
- 5.25 **"Remaining Undertaking"** or **"Real Estate Business"** means the business undertaking of the Demerged Company that continues to remain with the Demerged Company after the demerger of Stock Broking Business in accordance with Part B of this Scheme;
- 5.26 **"Rules"** means The Companies (Compromises, Arrangements and Amalgamations) Rules 2016 and any other applicable rules, issued under the Act and as amended from time to time;
- 5.27 **"Scheme of Arrangement"** or **"Scheme"** means this scheme of arrangement in its present form, or with or without any modification(s), as may be approved or imposed or directed by the Tribunal, Court, SEBI and any other Governmental Authority.
- 5.28 **"SEBI"** means the Securities and Exchange Board of India or any successor thereof.
- 5.29 **"SEBI Scheme Circular"** means the SEBI Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, consolidating SEBI circulars dated March 10, 2017, March 23, 2017, May 26, 2017, September 21, 2017, January 3, 2018, September 12, 2019, November 3, 2020, November 16, 2021, and November 18, 2021, further amended from time to time, *inter alia* in relation to the Scheme of Arrangement by Listed Entities.
- 5.30 **"SEBI Regulations"** means the regulations *inter-alia* including Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015; Securities and Exchange Board Of India (Intermediaries) Regulations, 2008; Securities and Exchange Board of India (Stock-Brokers) Regulations, 1992; as amended from time to time read with SEBI Master circulars bearing number SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/104 dated September 21, 2017; SEBI/HO/MIRSD/DOP1/CIR/P/2018/87 dated June 01, 2018; SEBI/HO/MRD2/DDAP/CIR/P/2021/18 dated February 05, 2021; SEBI/HO/MIRSD/DOR/CIR/P/2021/46 dated March 26, 2021; SEBI/HO/MRD2/MRD2\_DCAP/P/CIR/2021/0000000591 dated July 05, 2021, and any other applicable circulars, notifications, orders, and other communication, existing and/ or as may be introduced by SEBI, from time to time.
- 5.31 **"Stock Exchange"** means the BSE.



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5.32 "TCS" means Tax Collected at Source.

5.33 "TDS" means Tax Deducted at Source.

The expressions, which are used but are not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the rules, regulations made thereunder), the Depositories Act, 1996, the IT Act and other Applicable Laws.

## 6. COMPLIANCE WITH TAX LAWS

6.1 This Scheme, in so far as it relates to the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to Part B of the Scheme, has been drawn up under Section 230-232 of the Act, to comply with the conditions relating to "Demerger" as specified under the tax laws, including Section 2(19AA) of the IT Act, which include the following:

- a) all the property of the Demerged Undertaking, being transferred by Demerged Company, immediately before the demerger, shall become the property of the Resulting Company, by virtue of the demerger;
- b) all the liabilities relating to the Demerged Undertaking, being transferred by Demerged Company, immediately before the demerger, shall become the liabilities of the Resulting Company, by virtue of the demerger;
- c) the property and the liabilities of the Demerged Undertaking, being transferred by Demerged Company, shall be transferred to the Resulting Company at values appearing in the books of account of the Demerged Company, as existing immediately before the demerger or at values different from the value appearing in the books of account of the demerged company, immediately before the demerger, in compliance with the Indian Accounting Standards specified in the Annexure to the Companies (Indian Accounting Standards) Rules, 2015;
- d) the Resulting Company shall issue, in consideration of the demerger, its shares to the shareholders of Demerged Company (after giving effect to Part B of the Scheme) on a proportionate basis, except where the Resulting Company itself is a shareholder of the Demerged Company, if applicable;
- e) the shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the demerger by, or by a nominee for, the Resulting Company or, its subsidiary, if applicable) shall become shareholders of the Resulting Company by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of Demerged Company or any undertaking thereof by the Resulting Company;
- f) the transfer of the Demerged Undertaking shall be on a going concern basis; and
- g) comply with the other relevant sections (including Sections 47 and 72A) of the IT Act, as applicable.

6.2 This Scheme, in so far as it relates to the amalgamation of Amalgamating Company into the Amalgamated Company, has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) of the IT Act, which include the following:

- a) all the properties of the Amalgamating Company immediately before the amalgamation shall become the property of the Amalgamated Company by virtue of the amalgamation;
- b) all the liabilities of the Amalgamating Company immediately before the amalgamation shall become the liabilities of the Amalgamated Company by virtue of the amalgamation;

- c) shareholders holding not less than three-fourths in value of the shares in the Amalgamating Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Amalgamated Company or its subsidiary) become shareholders of the Amalgamated Company by virtue of the amalgamation;

otherwise than as a result of the acquisition of the property of one company by another company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first-mentioned company;

and shall also comply with the other relevant sections (including Sections 47 and 72A) of the IT Act.

- 6.3 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment or any amendment to any existing enactment or the coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail and this Scheme (including any parts hereof) may be modified to comply with such laws or may be withdrawn at the discretion of the Board of Directors of the affected Companies provided however that no modification to the Scheme will be made which adversely affects the rights or interest of the creditors without seeking their approval. Further, such modification/withdrawal will not affect other Parts of the Scheme which have not been so modified or withdrawn.

## 7. CAPITAL STRUCTURE

### 7.1 Demerged Company

- 7.1.1 The authorised, issued, subscribed and paid-up share capital of the Demerged Company, as on 31<sup>st</sup> December 2022 is as under:

| Authorised Share Capital                     | Amount in INR      |
|--|--------------------|
| 10,00,000 Equity Shares of ₹ 10/- each       | 1,00,00,000        |
| <b>Total</b>                                 | <b>1,00,00,000</b> |
| Issued, Subscribed and Paid-Up Share Capital | Amount in INR      |
| 3,00,000 Equity Shares of ₹ 10/- each        | 30,00,000          |
| <b>Total</b>                                 | <b>30,00,000</b>   |

- 7.1.2 Subsequent to 31<sup>st</sup> December, 2022 and until the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Demerged Company.

### 7.2 Amalgamating Company

- 7.2.1 The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company, as on 31<sup>st</sup> December 2022 is as under:

| Authorised Share Capital               | Amount in INR |
|--|---------------|
| 1,00,000 Equity Shares of ₹ 100/- each | 1,00,00,000   |

|   |                      |
|---|----------------------|
| <b>Total</b>  | <b>1,00,00,000</b>   |
| <b>Issued, Subscribed and Paid Up Share Capital</b> | <b>Amount in INR</b> |
| 52,746 Equity Shares of ₹ 100/- each                | 52,74,600            |
| <b>Total</b>  | <b>52,74,600</b>     |

- 7.2.2 Subsequent to 31<sup>st</sup> December 2022 and until the date of the Scheme being approved by the Board of Directors of the Amalgamating Company, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Amalgamating Company.

### 7.3 Resulting Company / Amalgamated Company

- 7.3.1 The authorised, issued, subscribed and paid-up share capital of the Resulting Company / Amalgamated Company, as on 31<sup>st</sup> December 2022 is as under:

|  |                      |
|--|----------------------|
| <b>Authorised Share Capital</b>                                | <b>Amount in INR</b> |
| 1,15,00,000 Equity Shares of ₹ 2/- each                        | 2,30,00,000          |
| 20,000 Redeemable Cumulative Preference Shares of ₹ 100/- each | 20,00,000            |
| <b>Total</b>   | <b>2,50,00,000</b>   |
| <b>Issued, Subscribed and Paid-Up Share Capital</b>            | <b>Amount in INR</b> |
| 80,36,000 Equity Shares of ₹ 2/- each                          | 1,60,72,000          |
| <b>Total</b>   | <b>1,60,72,000</b>   |

- 7.3.2 Subsequent to 31<sup>st</sup> December 2022 and until the date of the Scheme being approved by the Board of Directors of the Resulting Company / Amalgamated Company, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Resulting Company / Amalgamated Company.





**PART B****DEMERGER OF THE DEMERGED UNDERTAKING AND VESTING OF THE SAME INTO AND WITH THE RESULTING COMPANY****8. DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY AND VESTING OF THE SAME WITH THE RESULTING COMPANY**

- 8.1 Subject to the provisions of Part B and Part F of this Scheme in relation to the modalities of the demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with the Resulting Company, upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Demerged Undertaking together with all its assets, liabilities, infrastructures, rights and obligations, properties, benefits and interests therein, shall by virtue of this Part B of this Scheme demerge from the Demerged Company and be, transferred to, and stand vested in, the Resulting Company, and shall become the assets, liabilities, rights, obligations, business and undertaking of the Resulting Company, subject to the existing encumbrances thereon in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders), without any further act, instrument or deed being required from the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party, unless otherwise required in terms of Applicable Laws, in accordance with Sections 230 to 232 of the Act read with Section 2(19AA) of the IT Act and all other applicable provisions of Applicable Laws if any, in accordance with the provisions contained herein.
- 8.2 Without prejudice to the generality of the above, in particular, the Demerged Undertaking shall be demerged from the Demerged Company and transferred and vested in the Resulting Company, in the manner described in the sub-paragraphs below, subject to the existing encumbrances in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders): -
- (i) Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all the assets (including but not limited to investments) forming part of the Demerged Undertaking, that are movable in nature or incorporeal or intangible in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by transfer or by delivery instructions in relation to dematerialized shares or by vesting and recordal pursuant to the Scheme, including plant, machinery and equipment, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party. The transfer and vesting of the movable assets forming part of the Demerged Undertaking, pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or by vesting and recordal, pursuant to this Part B of this Scheme, as appropriate to the property being transferred and vested and the title to such property shall be deemed to have been transferred and vested accordingly.
  - (ii) Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all other movable properties (except those specified elsewhere in this Clause) forming part of the Demerged Undertaking, including cash and cash equivalents, sundry debts and receivables (including inter-unit receivables, if any, between the undertaking of the Demerged Company engaged in the Stock Broking Business and the undertaking of the Demerged Company engaged in the Remaining Undertaking), outstanding loans and advances, if any, recoverable in cash



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or in kind or for value to be received, actionable claims, bank balances and deposits, if any, with any person or body including without limitation any government, semi-government, local and other authorities and bodies, customers and other persons shall, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party, become vested in, and shall become the property of, the Resulting Company.

- (iii) Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all immovable properties forming part of the Demerged Undertaking, including without limitation, all land together with all buildings and structures standing thereon and all rights and interests therein, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall stand transferred and be vested in and/or be deemed to have been transferred and vested in the Resulting Company and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed being required from the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party. Upon Part B of the Scheme becoming operative on the Effective Date, the Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay all rent, charges and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The Resulting Company shall be entitled to seek mutation/substitution of title in its name in such immovable properties, for the purposes of information and record and such mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Tribunal, in accordance with the terms hereof. However, it is hereby clarified that the absence of any such mutation/substitution shall not adversely affect the rights, title or interest of the Resulting Company in such immovable properties which shall be deemed to have been transferred to the Resulting Company automatically upon the Part B of the Scheme becoming operative on the Effective Date. The Demerged Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable properties of the Demerged Undertaking is given to the Resulting Company in accordance with the terms hereof.
- (iv) Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, forming part of the Demerged Undertaking (including inter-unit payables, if any, between the undertaking of the Demerged Company engaged in the Stock Broking Business and the undertaking of the Demerged Company engaged in the Remaining Undertaking), whether provided for or not in the books of accounts of the Demerged Company or disclosed in the balance sheet of the Demerged Company, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed being required from the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party, unless otherwise required in terms of Applicable Laws. The Resulting Company undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that, unless otherwise required in terms of Applicable Laws, it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Demerged Company and the Resulting Company shall, if required, file appropriate





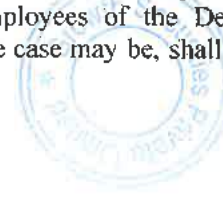
forms with the RoC accompanied by the sanction order of the Tribunal or a certified copy thereof and execute necessary deeds or documents in relation to creation / satisfaction / modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Demerged Undertaking and/or in relation to the assets remaining in the Demerged Company after the demerger and vesting of the Demerged Undertaking in the Resulting Company pursuant to Part B of this Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall be entitled to take the benefit of all duties and charges already paid by the Demerged Company for the creation/modification of any such security interest. Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking have been discharged by the Demerged Company after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Demerged Company on behalf of the Resulting Company.

- (v) Upon Part B of this Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed required by either the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party.
- (vi) Upon Part B of this Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, letters of award, expressions of interest, experience and/or performance statements, contracts, deeds, bonds, agreements, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of every nature and description including without limitation, those relating to tenancies, privileges, powers and facilities of every kind and description pertaining to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible or under which the Demerged Company is an obligor (except to the extent provided in this Clause) and which are subsisting or having effect immediately prior to Part B of the Scheme coming into effect on the Appointed Date, shall be and shall remain in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee or obligor thereto, without any further act, instrument or deed being required from the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party.
- (vii) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all statutory or regulatory licenses and permits, grants, allotments, recommendations, no-objection certificates, permissions, approvals, certificates, consents, quotas, exemptions, clearances (including environmental approvals and consents), tenancies, privileges, powers, offices, facilities, entitlements, rights or registrations (including registrations granted by the SEBI as trading & clearing member and stock broker with identified exchanges, depository participant) granted/available/renewed/applied for, to or by the Demerged Company in relation to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company, without any further act, instrument or deed being required by the Demerged Company and/or the Resulting Company and without any approval or acknowledgement of any third party, unless any filing, compliance and approval requirements arises in the hands of the Demerged Company and/ or the Resulting Company, in terms of Applicable Laws including but not limited to the SEBI Regulations. Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall be entitled to



all the benefits thereof and shall be liable for all the obligations thereunder. In relation to the same, any procedural requirements required to be fulfilled solely by Demerged Company (and not by any of their successors), shall be fulfilled by the Resulting Company as if it is the duly constituted attorney of the Demerged Company. It is hereby clarified that if the consent or approval (by whatever name called) of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall duly record or provide such consent or approval and shall make the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Tribunal, and upon Part B of this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company may file appropriate applications/documents with relevant authorities concerned for information and record purposes. However, it is hereby clarified that the absence of any such substitution/endorsement shall not adversely affect the rights, benefits or interest of the Resulting Company which shall be deemed to have been transferred to the Resulting Company automatically upon the Part B of the Scheme becoming effective on the Appointed Date.

- (viii) Upon Part B of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all workmen and employees forming part of the Demerged Undertaking, who are on the payrolls of the Demerged Company and all other personnel employed by the Demerged Company who form part of the Demerged Undertaking shall become employed by the Resulting Company, on such terms and conditions as are no less favourable than those on which they were engaged with the Demerged Company immediately prior to the Effective Date, without any interruption of service as a result of this demerger and transfer. With regard to provident fund, gratuity fund, superannuation fund and any contributions required to be made in relation to employees under any statute or regulation, leave encashment and any other special scheme or benefits created or existing for the benefit of the personnel employed by the Demerged Company immediately prior to Part B of the Scheme coming into effect on the Appointed Date and transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company for all intents and purposes whatsoever, upon Part B of this Scheme becoming effective on the Appointed Date, including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents and/or in accordance with the provisions of Applicable Laws or otherwise. All existing contributions made to such schemes and funds and all benefits accrued thereto shall also stand transferred in the name of the Resulting Company and all such benefits and schemes shall be continued by the Resulting Company for the benefit of such personnel employed by the Demerged Company in relation to the Demerged Undertaking and transferred to the Resulting Company, on the same terms and conditions. Further, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Company in relation to such schemes or funds in relation to the employees and workmen forming part of the Demerged Undertaking shall become those of the Resulting Company. It is clarified that the services of all personnel employed by Demerged Company in the Demerged Undertaking, who are entitled to the benefits under such schemes and funds, will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.
- (ix) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees of the Demerged Undertaking by the Demerged Company. The Resulting Company agrees that for the purpose of payment of any future retrenchment compensation, gratuity and other terminal benefits, the past services of such employees of the Demerged Undertaking, if any, with the Demerged Company, as the case may be, shall also be



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taken into account, and agrees and undertakes to pay the same as and when payable. Further, upon Part B of the Scheme coming into effect on the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee of the Demerged Undertaking by the Demerged Company shall be continued or shall continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.

- (x) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all rights, entitlements, licenses, applications and registrations relating to trademarks, service marks, copyrights, domain names, brand name, logos, patents and other intellectual property rights of every kind and description, including without limitations, all rights whether registered, unregistered or pending registration, and the goodwill arising therefrom, if any, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible or entitled, and in each case which form part of the Demerged Undertaking, shall stand transferred to and vested in the Resulting Company, and shall become the rights, entitlement or property of the Resulting Company and shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.
- (xi) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall be entitled to the benefit of all insurance policies (if any) which have been issued in respect of Demerged Undertaking and/or any of its assets or employees and the name of the Resulting Company shall stand substituted as the "Insured" in all such policies as if the Resulting Company was originally a party thereto without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. Further, the Resulting Company shall be entitled to the benefit of all claims filed, prosecuted, proposed to be filed, pending and/or adjudicated in relation to all insurance policies issued in respect of Demerged Undertaking and/or any of its assets or employees.
- (xii) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all taxes and duties of whatsoever description (including but not limited to all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, TDS, TCS, MAT, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, GST, sales tax, service tax etc.) payable by or refundable to the Demerged Company in relation to the Demerged Undertaking, including all or any refunds or claims in relation thereto (including unutilized input credits of the Demerged Undertaking) shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Demerged Company in relation to the Demerged Undertaking, shall pursuant to this Scheme becoming effective, be available to the Resulting Company without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party but in the manner more particularly set out herein below. Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which the Demerged Company is entitled in relation to the Demerged





Undertaking shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Demerged Company and without any approval or acknowledgement of any third party. Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of the Demerged Company until the Effective Date shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Demerged Undertaking during such period.

- (xiii) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall be entitled to claim the benefit of any and all corporate approvals and limits as may have already been taken by the Demerged Company in relation to the Demerged Undertaking, including without limitation, the approvals and limits under Sections 62, 179, 180, 185, 186, 188 etc., of the Act, until the time the same are duly modified by the Resulting Company.
- (xiv) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all other estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Undertaking or by the Demerged Company in relation to the Demerged Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon Part B of this Scheme coming into effect, pursuant to the provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.
- (xv) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Demerged Company pertaining to the Demerged Undertaking shall be deemed to have been transferred to or acquired for and on behalf of the Resulting Company and shall, upon Part B of this Scheme coming into effect, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resulting Company.
- (xvi) Upon Part B of the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi-judicial, administrative, regulatory or other proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking. If any suit, appeal or other proceeding of whatsoever nature by or against the Demerged Company, in relation to the Demerged Undertaking, shall be pending as on the Effective Date, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of such Demerged Undertaking and transfer and vesting of the same in the Resulting Company or of anything contained in Part B of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to the Demerged Undertaking as if Part B of this Scheme had not been made effective. Upon Part B of the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the Demerged Company in relation to the



Demerged Undertaking transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company also undertakes to handle all legal or other proceedings which may be initiated against the Demerged Company in relation to the Demerged Undertaking, after the Effective Date in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal/ other proceedings.

- 8.3 Upon Part B of the Scheme becoming operative from the Effective Date with effect from the Appointed Date, the Resulting Company shall be entitled to the benefit of the past experience, accreditation, and/or performance of the Demerged Company, in relation to the Demerged Undertaking, for all purposes without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Demerged Company, the Resulting Company shall, under the provisions of Part B of the Scheme, be deemed to be duly authorized to execute all such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Demerged Company.

## 9. CONDUCT OF AFFAIRS UNTIL THE EFFECTIVE DATE

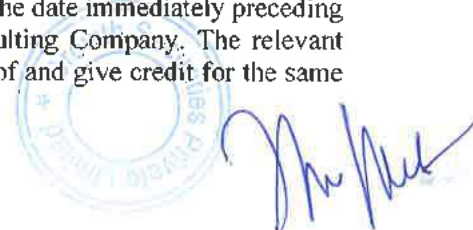
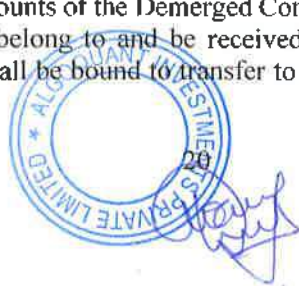
- 9.1 In the event Part B becomes effective from the Appointed Date, up to and including the Effective Date:
- (i) the Demerged Company shall be deemed to have carried on the business activities of the Demerged Undertaking and stand possessed of the properties and assets of the Demerged Undertaking, for, on behalf of and in trust for, the Resulting Company; and
  - (ii) all profits or income accruing to or received by the Demerged Company in relation to the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, TDS, TCS, MAT, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, GST, sales tax, service tax etc.) or losses arising in or incurred by the Demerged Company in relation to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits, income, taxes or losses, as the case may be, of the Resulting Company.
- 9.2 Subject to the provisions of Clause 9.1 hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Demerged Undertaking does not get automatically transferred to the Resulting Company upon Part B of the Scheme coming into effect on the Appointed Date, the Demerged Company shall take all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any additional consideration. It is clarified that even after Part B of the Scheme comes into effect on the Appointed Date, the Demerged Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Demerged Undertaking in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Demerged Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.
- 9.3 The Resulting Company shall also be entitled, pending the sanction of this Scheme, to apply to the central government, state government, and all other agencies, departments, statutory authorities



and Governmental Authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require including the registration (including but not limited to with SEBI), approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for the time being in force for carrying on the business of the Demerged Undertaking.

## 10. TREATMENT OF TAXES

- 10.1 Upon Part B of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all taxes and duties payable by the Demerged Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, Integrated Goods and Services Tax Act, 2017 ('IGST'), Central Goods and Services Tax Act, 2017 ('CGST'), and any other State Goods and Services Tax Act, 2017 ('SGST'), the Goods and Services Tax (Compensation to States) Act, 2017 and all other Applicable Laws), accruing and/or relating to, the Demerged Undertaking, for any period falling on or after the Appointed Date, including all advance tax payments, TDS, TCS, MAT and all refunds and claims in relation thereto shall, for all purposes, be treated as advance tax payments, TDS, TCS, MAT or refunds and claims, as the case may be, of the Resulting Company.
- 10.2 Upon Part B of this Scheme becoming operative on the Effective Date, and with effect from the Appointed Date, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including TDS, TCS, advance tax, MAT credit etc.), CENVAT, customs, IGST, CGST, SGST etc. relating to the Demerged Undertaking to which Demerged Company is entitled / obligated to, shall be available to and vest in the Resulting Company, without any further act, deed or instrument.
- 10.3 Upon Part B of this Scheme becoming operative on the Effective Date, and with effect from the Appointed Date, Demerged Company and the Resulting Company shall be permitted to revise and file their respective income tax returns, withholding tax returns, including TDS certificates, TDS returns, GST returns and other tax returns for the period commencing on and from the Appointed Date to give effect to the demerger and transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company and any matters connected therewith, and to claim all refunds, credits, etc., pertaining to the Demerged Undertaking, pursuant to the provisions of this Scheme without any further act, deed or instrument or consent or approval of any third party.
- 10.4 The Board of Directors of the Demerged Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and therefore is required to be transferred to the Resulting Company.
- 10.5 Upon Part B of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any TDS withheld / TCS collected, TDS/ TCS deposited, TDS/ TCS certificates issued or TDS/ TCS returns filed by the Demerged Company relating to the Demerged Undertaking shall continue to hold good as if such TDS/ TCS amounts were withheld / collected and deposited, TDS/ TCS certificates were issued, and TDS/ TCS returns were filed by the Resulting Company.
- 10.6 All the expenses incurred by Demerged Company and the Resulting Company in relation to Part B of the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to Demerged Company and the Resulting Company in accordance with the Section 35DD of the IT Act over a period of five (5) years beginning with the previous year in which Part B of the Scheme becomes effective.
- 10.7 Upon Part B of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any refund under the tax laws due to Demerged Company pertaining to the Demerged Undertaking consequent to the assessments made on Demerged Company and for which no credit is taken in the accounts of the Demerged Company as on the date immediately preceding the Appointed Date shall belong to and be received by the Resulting Company. The relevant Government Authorities shall be bound to transfer to the account of and give credit for the same





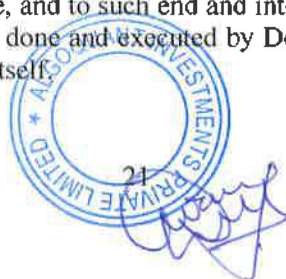
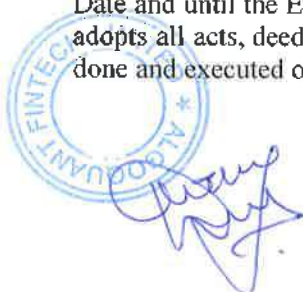
to, the Resulting Company upon this Part B of the Scheme becoming effective upon relevant proof and documents being provided to the said Governmental Authorities.

## 11. CONDUCT OF AFFAIRS AFTER THE EFFECTIVE DATE

- 11.1 The Resulting Company, shall, at any time after Part B of this Scheme becomes operative on the Effective Date, in accordance with the provisions hereof, if so required under any law, contract or otherwise, be entitled to do and take all such actions as may be required to give full effect to the provisions of this Part B and for this purpose the Resulting Company shall, under the provisions hereof, be deemed to be authorised on behalf of the Demerged Company. Without prejudice to the generality of the above, the Resulting Company shall be, with respect to the Demerged Undertaking, entitled and deemed to be authorised to:-
- (i) execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement (including without limitation any bank guarantee, performance guarantee, fixed deposit, letters of credit, bill of entry etc.) in relation to the Demerged Undertaking, which the Demerged Company have been a party or to the benefit of which the Demerged Company may have been entitled, and to make any filings with the regulatory authorities, in order to give formal effect to the provisions of Part B of the Scheme; and
  - (ii) do all such acts or things as may be necessary to effectually transfer/obtain in favour of the Resulting Company the approvals, consents, bids, awards, tenders, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates etc. which were held or enjoyed by the Demerged Company in relation the Demerged Undertaking including without limitation, execute all necessary or desirable writings and confirmations on behalf of the Demerged Company and to carry out and perform all such acts, formalities and compliances as may be required in this regard.
- 11.2 The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or certificate or license or the terms of sanction or issue or any security, all of which instruments and documents shall stand modified and/or superseded by the foregoing provisions.
- 11.3 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with the said provision at a later date whether as a result of a new enactment or any amendment to any existing enactment or the coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision shall prevail and this Scheme (including any parts hereof) may be modified to comply with such laws or may be withdrawn at the discretion of the Board of Directors of the Demerged Company and the Resulting Company. Such modification/withdrawal will however not affect other Parts of the Scheme which have not been so modified or withdrawn.

## 12. SAVING OF CONCLUDED TRANSACTIONS

- 12.1 Except as expressly provided hereunder in this Scheme, the transfer of properties and liabilities to, and the continuance of proceedings by or against, Resulting Company as envisaged in this Part B shall not affect any transaction or proceedings already concluded by the Demerged Company in relation to the Demerged Undertaking on or before the Appointed Date and after the Appointed Date and until the Effective Date, and to such end and intent the Resulting Company accepts and adopts all acts, deeds and things done and executed by Demerged Company in respect thereto as done and executed on behalf of itself.



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### 13. DISCHARGE OF CONSIDERATION

- 13.1 Upon Part B of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, in consideration for the demerger of the Demerged Undertaking from the Demerged Company and vesting into and with the Resulting Company, the Board of Directors (including any committee thereof) of the Demerged Company in consultation with Board of Directors (including any committee thereof) of Resulting Company shall determine a record date, for the purpose of determining the members of the Demerged Company, to whom shares in the Resulting Company will be allotted under the Scheme ("**Part B Record Date**"). The Resulting Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Demerged Company as on the Part B Record Date ("**Part B New Equity Shares**"), whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Demerged Company.
- 13.2 Based on (i) the valuation report issued by Mr. Manish Manwani, Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113, dated March 09, 2023, appointed by both, the Demerged Company and the Resulting Company, and (ii) the fairness opinion issued by BOB Capital Markets Limited, an independent SEBI registered Category-I merchant banker on such valuation, dated 10<sup>th</sup> March 2023, appointed by both, the Demerged Company and the Resulting Company, the Board of Directors of the Demerged Company and the Resulting Company have determined the following share exchange ratio for issue of Part B New Equity Shares:
- "727 (Seven Hundred Twenty Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*
- 13.3 In case of any fractional entitlement of shares arising out of the aforesaid share exchange ratio, the Board of Directors (including any committee thereof) of Resulting Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated Part B New Equity Shares to a trustee nominated by the Board of Directors of Resulting Company (the "**Trustee**"), who shall hold such Part B New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price and on such time within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and cost incurred) thereof and any additions and accretions, whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements..
- 13.4 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar actions in relation to share capital of the Demerged Company or the Resulting Company at any time before the Part B Record Date, the share exchange ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 13.5 The Part B New Equity Shares of the Resulting Company issued as per this Clause shall be subject to the Memorandum and Articles of Association of Resulting Company and shall rank *pari passu* in all respects, including dividend and voting rights, with the existing equity shares of the Resulting

Company.

- 13.6 On the approval of Part B of the Scheme by the members of the Resulting Company pursuant to Sections 230 to 232 of the Act, it shall be deemed that the members of the Resulting Company have also accorded their consent under Sections 42 and 62 of the Act and the applicable rules and regulations issued thereunder for the aforesaid issuance of equity shares of the Resulting Company, to the shareholders of the Demerged Company, and all actions taken in accordance with this Clause of this Scheme shall be deemed to be in full compliance of Sections 42 and 62 of the Act and other applicable provisions of the Act and no further resolution or actions under Sections 42 and 62 of the Act or the rules and regulations issued thereunder, including, *inter alia*, issuance of a letter of offer by the Resulting Company shall be required to be passed or undertaken.
- 13.7 In accordance with the regulatory requirements, all Part B New Equity Shares required to be issued by the Resulting Company to the shareholders of the Demerged Company shall be issued in dematerialized form and shall be credited to the depository account of the equity shareholders of the Demerged Company to the extent the details of such depository participant accounts have been provided to/are available with the Demerged Company as of the Part B Record Date.
- 13.8 For the purpose of allotment of Part B New Equity Shares of Resulting Company, in case any shareholder of the Demerged Company on the Part B Record Date holds equity shares in the Demerged Company in physical form and/or details of the depository participant account of such shareholder have not been provided to the Demerged Company as of the Part B Record Date, the Resulting Company shall not issue its equity shares to such shareholder but shall subject to Applicable Laws, issue the corresponding number of equity shares in dematerialized form, to a demat account held by a trustee nominated by the Board of Directors of the Resulting Company or into a suspense account opened in the name of the Resulting Company with a depository participant or into an escrow account opened by the Resulting Company with a depository, as determined by the Board of Directors of the Resulting Company. The equity shares of the Resulting Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective shareholder as per his entitlement once such shareholder provides details of his / her / its depository participant account to the Resulting Company in accordance with Applicable Laws, along with such documents as maybe required under Applicable Laws.
- 13.9 In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant listing agreement, SEBI Scheme Circular and other Applicable Laws, if any, in each case, as amended, Part B New Equity Shares to be issued by the Resulting Company to the Shareholders of the Demerged Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the equity shares of the Resulting Company are listed as on the Effective Date. The Resulting Company will make necessary application(s) to the designated stock exchange and other competent authorities, if any, for this purpose and will comply with the provisions of all Applicable Laws in this regard.
- 13.10 Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchanges.
- 13.11 The Board of Directors (including any committee thereof) of Demerged Company and the Resulting Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of the difficulties if any in the transition period.

#### 14. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

Upon Part B the Scheme becoming effective and with effect from the Appointed Date, the transfer of the Demerged Undertaking shall be accounted for in the books of the Demerged Company in accordance with applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India. Accordingly, Demerged Company shall provide the following accounting treatment in its books of accounts:





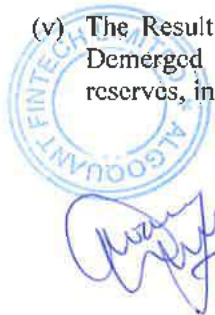


- (i) The Demerged Company, as on Appointed Date shall reduce the carrying value of all assets and liabilities including reserves, pertaining to the Demerged Undertaking transferred to the Resulting Company from its books of accounts.
- (ii) the inter-corporate deposits/ loans and advances/ balances outstanding between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, shall stand cancelled and thereafter there shall be no obligation in that behalf;
- (iii) The difference between the carrying value of assets and liabilities including reserves, pertaining to the Demerged Undertaking of the Demerged Company, transferred to the Resulting Company, and post giving effect to clause 14(ii) above shall be adjusted against the capital reserve of the Demerged Company.
- (iv) Any negative capital reserve pursuant to the accounting as per Clause 14(iii) above shall be adjusted against the retained earnings in the books of the Demerged Company.
- (v) For any matter not specifically addressed above, the Board of Directors of Demerged Company is authorized to account for the balances in the manner, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Central Government as may be amended from time to time and the Generally Accepted Accounting Principles in India.

#### 15. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

Upon Part B of the Scheme becoming effective, with effect from the Appointed Date, transfer of the Demerged Undertaking shall be accounted for in the books of the Resulting Company using the "Pooling of interests" method in accordance with Appendix C to Ind AS 103 — Business combinations of entities under common control, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. Accordingly, the Resulting Company shall provide the following accounting treatment in its books of accounts:

- (i) Upon coming into effect of this Scheme, Resulting Company shall record the assets and liabilities including reserves, of the Demerged Undertaking vested in it pursuant to this Scheme, at their respective carrying values as appearing in the books of accounts of the Demerged Company
- (ii) The inter-company deposits/ loans and advances/ payables & receivables/ balances outstanding between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, shall stand cancelled and thereafter there shall be no obligation in that behalf;
- (iii) The Resulting Company shall credit to its share capital and record the Part B New Equity Shares issued and allotted by it pursuant to Clause 13 of the Scheme.
- (iv) The difference, if any, between the carrying value of assets and liabilities including reserves, under Clause 15(i) above transferred to the Resulting Company, further taking into consideration the impact of clause 15 (ii), and the consideration discharged by way of the Part B New Equity Shares issued as per Clause 15(iii) above to the shareholders of the Demerged Company in lieu of the acquisition of Demerged Undertaking, shall be recorded as capital reserve in the books of the Resulting Company (debit or credit, as the case may be).
- (v) The Resulting Company shall record in its books of accounts, all transactions relating to the Demerged Undertaking of the Demerged Company in respect of assets, liabilities including reserves, income and expenses from the Appointed Date to the Effective Date;



- (vi) In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies of the Resulting Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.
- (vii) Notwithstanding the above, the Board of Directors of the Resulting Company, is authorized to record assets, liabilities and reserves and surplus in compliance with prevailing accounting standards.





**PART C**

**AMALGAMATION OF AMALGAMATING COMPANY INTO AND WITH AMALGAMATED COMPANY, REDUCTION IN SHARE CAPITAL OF THE AMALGAMATED COMPANY AND DISSOLUTION OF AMALGAMATING COMPANY**

**16. AMALGAMATION OF AMALGAMATING COMPANY INTO AND WITH THE AMALGAMATED COMPANY**

- 16.1 Subject to the provisions of Part C and Part F of this Scheme in relation to the modalities of amalgamation, upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamating Company along with all its assets, liabilities, rights and obligations and its entire business and undertakings, including all its properties, rights, benefits and interests therein, shall by virtue of this Part C of the Scheme stand amalgamated with, transferred to and vested in the Amalgamated Company, and shall become the assets, liabilities, rights, obligations, business and undertakings of the Amalgamated Company, subject to the existing encumbrances thereon in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders), without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party, in accordance with Sections 230 to 232 of the Act read with Section 2(1B) of the IT Act and all other applicable provisions of law if any, in accordance with the provisions contained herein.
- 16.2 Without prejudice to the generality of the above, in particular, the Amalgamating Company shall stand amalgamated with the Amalgamated Company in the manner described in the sub-paragraphs below, subject to the existing encumbrances in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders):-
- (i) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all the assets (including investments) of the Amalgamating Company, that are movable in nature or incorporeal or intangible in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by transfer or by delivery instructions in relation to dematerialized shares or by vesting and recordal pursuant to the Scheme, including plant, machinery and equipment, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being transferred and vested and the title to such property shall be deemed to have been transferred and vested accordingly.
  - (ii) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any and all other movable properties of the Amalgamating Company (except those specified elsewhere in this Clause), including cash and cash equivalents, sundry debts and receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any, with any person or body including without limitation any government, semi-government,



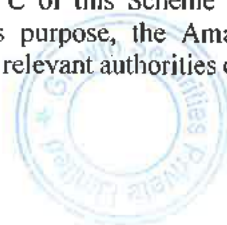
local and other authorities and bodies, customers and other persons shall, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party, become the property of the Amalgamated Company.

- (iii) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all immovable properties of the Amalgamating Company, including without limitation, all land together with all buildings and structures standing thereon and all rights and interests therein, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred and be vested in and/or be deemed to have been transferred vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company, without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Upon Part C of the Scheme becoming operative on the Effective Date, the Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay all rent, charges and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The Amalgamated Company shall be entitled to seek mutation/substitution of title in its name in such immovable properties, for the purposes of information and record and such mutation / substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Amalgamated Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Tribunal and Part C of the Scheme becoming operative on the Effective Date in accordance with the terms hereof. However, it is hereby clarified that the absence of any such mutation/substitution shall not adversely affect the rights, title or interest of the Amalgamated Company in such immovable properties which shall be deemed to have been transferred to the Amalgamated Company automatically upon the Part C of the Scheme becoming effective on the Effective Date.
- (iv) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts of the Amalgamating Company or disclosed in the balance sheets of the Amalgamating Company shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. The Amalgamated Company undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Amalgamated Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Tribunal or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, pursuant to Part C of this Scheme becoming effective in accordance with the terms hereof. The Amalgamated Company shall be entitled to take the benefit of all duties and charges already paid by the Amalgamating Company for the creation/modification of any such security interest. Where any of the loans, liabilities and obligations have been discharged by the Amalgamating Company after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Amalgamating Company for and on behalf of the Amalgamated Company.
- (v) Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all loans, advances, trade receivables and other obligations or liabilities due from, or any guarantees or similar obligations undertaken on behalf of the



Amalgamating Company to / by the Amalgamated Company or *vice versa*, if any, and all contracts between the Amalgamating Company and the Amalgamated Company shall stand automatically cancelled and terminated and shall be of no effect, without any further act, instrument or deed being required from either the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Unless otherwise required under Applicable Laws, no further taxes, fees, duties or charges shall be required to be paid by the Amalgamated Company on account of such cancellation or termination.

- (vi) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company, and shall become the property and an integral part of the Amalgamated Company without any further act, instrument or deed required by either the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party.
- (vii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, letters of award, expressions of interest, experience and/or performance statements, contracts, deeds, bonds, agreements, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of every nature and description including without limitation, those relating to tenancies, privileges, powers and facilities of every kind and description, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible or under which the Amalgamating Company is an obligor (except to the extent provided in this Clause) and which are subsisting or having effect immediately prior to Part C of the Scheme becoming operative on the Effective Date, shall be and shall remain in full force and effect against or in favour of the Amalgamated Company and may be enforced by or against it as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee or obligor thereto, without any further act, instrument or deed being required from the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party.
- (viii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all statutory or regulatory licenses, registrations and permits including without limitation, all such licenses, registrations and permits as set out in, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, certificates, consents, quotas, exemptions, clearances, tenancies, privileges, powers, offices, facilities, entitlements or rights granted/available/renewed/applied for, to or by the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company, without any further act, instrument or deed being required by the Amalgamating Company and/or the Amalgamated Company and without any approval or acknowledgement of any third party. Upon Part C of the Scheme becoming operative on the Effective Date, the Amalgamated Company shall be entitled to all the benefits thereof, and shall be liable for all the obligations thereunder. In relation to the same, any procedural requirements required to be fulfilled solely by Amalgamating Company (and not by any of their successors), shall be fulfilled by the Amalgamated Company as if it is the duly constituted attorney of the Amalgamating Company. It is hereby clarified that if the consent or approval (by whatever name called) of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall duly record provide such consent or approval and shall make the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Tribunal, and upon Part C of this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company may file appropriate applications/documents with relevant authorities concerned



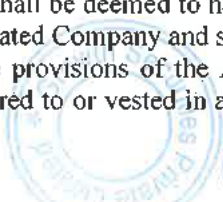
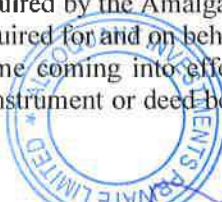


for information and record purposes. However, it is hereby clarified that the absence of any such substitution/endorsement shall not adversely affect the rights, benefits or interest of the Amalgamated Company which shall be deemed to have been transferred to the Amalgamated Company automatically upon the Part C of the Scheme becoming operative on the Effective Date.

- (ix) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all workmen and employees of the Amalgamating Company, who are on its payrolls and all other personnel employed by the Amalgamating Company shall become employed by the Amalgamated Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they were engaged with the Amalgamating Company immediately prior to the Effective Date, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity fund, superannuation fund and any contributions required to be made in relation to employees under any statute or regulation, leave encashment and any other special scheme or benefits created or existing for the benefit of the personnel employed by the Amalgamating Company immediately prior to Part C of the Scheme becoming operative on the Effective Date and transferred to the Amalgamated Company, the Amalgamated Company shall stand substituted for the Amalgamating Company for all intents and purposes whatsoever, upon Part C of this Scheme becoming operative on the Effective Date, including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents and/or in accordance with the provisions of Applicable Laws or otherwise. All existing contributions made to such schemes and funds and all benefits accrued thereto shall also stand transferred in the name of the Amalgamated Company and all such benefits and schemes shall be continued by the Amalgamated Company for the benefit of such personnel employed by the Amalgamating Company and transferred to the Amalgamated Company, on the same terms and conditions. Further, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such schemes or funds shall become those of the Amalgamated Company. It is clarified that the services of all personnel employed by the Amalgamating Company who are entitled to the benefits under such schemes and funds, will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.
- (x) Upon Part C of the Scheme becoming operative on the Effective Date the Amalgamated Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by the Amalgamating Company. The Amalgamated Company agrees that for the purpose of payment of any future retrenchment compensation, gratuity and other terminal benefits, the past services of such employees, if any, with the Amalgamating Company, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable. Further, upon Part C of the Scheme becoming operative on the Effective Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Amalgamating Company shall be continued or shall continue to operate against the relevant employee and shall be enforced effectively by the Amalgamated Company.
- (xi) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all rights, entitlements, licenses, applications and registrations relating to trademarks, service marks, copyrights, domain names, brand name, logos, patents and other intellectual property rights of every kind and description, including without limitations, whether registered, unregistered or pending registration, and the goodwill arising therefrom, if any, to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible or entitled, shall stand transferred to and vested in the Amalgamated Company, and shall become the rights, entitlement or property of the Amalgamated Company and shall be enforceable by or against the

Amalgamated Company, as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party.

- (xii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall be entitled to the benefit of all insurance policies (if any) which have been issued in respect of Amalgamating Company and/or any of its assets or employees and the name of the Amalgamated Company shall stand substituted as the "Insured" in all such policies as if the Amalgamated Company was originally a party thereto without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party. Further, the Amalgamated Company shall be entitled to the benefit of all claims filed, prosecuted, proposed to be filed, pending and/or adjudicated in relation to all insurance policies issued in respect of Amalgamating Company and/or any of its assets or employees.
- (xiii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all taxes and duties of whatsoever description (including but not limited to all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, TDS, TCS, MAT, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, GST, sales tax, service tax etc.) payable by or refundable to the Amalgamating Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Amalgamated Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Amalgamating Company, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party but in the manner more particularly set out herein below. Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which the Amalgamating Company is entitled shall be available to and shall stand transferred and vested in the Amalgamated Company without any further act, instrument or deed required by either the Amalgamated Company or the Amalgamating Company and without any approval or acknowledgement of any third party. Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any TDS deducted/ TCS collected by or on behalf of the Amalgamating Company until the Effective Date shall be deemed to have been deducted/ collected on behalf of the Amalgamated Company.
- (xiv) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall be entitled to claim the benefit of any and all corporate approvals and limits as may have already been taken by the Amalgamating Company, including without limitation, the approvals and limits under Sections 62, 179, 180, 185, 186, 188 etc., of the Act, until the time the same are duly modified by the Amalgamated Company.
- (xv) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all other estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Amalgamating Company shall be deemed to have been accrued to and/or acquired for and on behalf of the Amalgamated Company and shall, upon Part C of this Scheme coming into effect, pursuant to the provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed



*Mr. Mr.*

to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company.

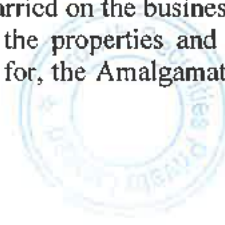
- (xvi) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Amalgamating Company shall be deemed to have been transferred to or acquired for and on behalf of the Amalgamated Company and shall, upon Part C of this Scheme coming into effect, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Amalgamated Company.
- (xvii) Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamated Company shall bear the burden and the benefits of any legal, tax, quasi-judicial, administrative, regulatory or other proceedings initiated by or against the Amalgamating Company. If any suit, appeal or other proceeding of whatsoever nature by or against the Amalgamating Company shall be pending as on the Effective Date, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the merger of such Amalgamating Company and transfer and vesting of the same in the Amalgamated Company or of anything contained in Part C of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Amalgamating Company as if Part C of this Scheme had not been made effective. Upon Part C of the Scheme becoming effective, the Amalgamated Company undertakes to have such legal or other proceedings initiated by or against the Amalgamating Company transferred in its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company to the exclusion of the Amalgamating Company. The Amalgamated Company also undertakes to handle all legal or other proceedings which may be initiated against the Amalgamating Company after the Effective Date in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal/ other proceedings.

- 16.3 Upon Part C of the Scheme becoming operative on the Effective Date with effect from the Appointed Date, the Amalgamated Company shall be entitled to the benefit of the past experience, accreditation and/or performance of the Amalgamating Company for all purposes without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Amalgamated Company, the Amalgamated Company shall, under the provisions of Part C of the Scheme, be deemed to be duly authorized to execute all such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Amalgamating Company.

## 17. CONDUCT OF AFFAIRS UNTIL THE EFFECTIVE DATE

- 17.1 In the event Part C of this Scheme becomes operative and with effect from the Appointed Date and up to and including the Effective Date:

- (i) the Amalgamating Company shall be deemed to have carried on the business activities of the Amalgamating Company and stand possessed of the properties and assets of the Amalgamating Company, for, on behalf of and in trust for, the Amalgamated Company;



*[Handwritten signature]*



and

- (ii) all profits or income accruing to or received by the Amalgamating Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, goods and services tax, sales tax, service tax etc.) or losses arising in or incurred by the Amalgamating Company shall, for all purposes, be treated as and deemed to be the profits, income, taxes or losses, as the case may be, of the Amalgamated Company.

- 17.2 The Amalgamated Company shall also be entitled, pending the sanction of this Scheme, to apply to the central government, state government, and all other agencies, departments, statutory authorities and Governmental Authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Amalgamated Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for the time being in force for carrying on the business of the Amalgamating Company.

## 18. TREATMENT OF TAXES

- 18.1 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any surplus in the provision for taxation/ duties/ levies account including but not limited to the advance tax, TDS or TCS and MAT credit, CENVAT credit or, GST Credit, as on the date immediately preceding the Appointed Date will also be transferred from the Amalgamating Company to the Amalgamated Company. Any refund under the IT Act or other Applicable Laws dealing with taxes/ duties/ levies, including GST, allocable or related to the business of Amalgamating Company or due to the Amalgamating Company, consequent to the assessment made in respect of the Amalgamating Company, for which no credit is taken in the book of accounts of the Amalgamating Company as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Amalgamated Company and shall be deemed to have been on account of or paid by the Amalgamated Company and the relevant Governmental Authorities shall be bound to transfer to the account of and give credit for the same to the Amalgamated Company upon the approval of this Scheme by the Tribunal and upon relevant proof and documents being provided to the said authorities.
- 18.2 Without prejudice to the generality of the above, deductions, benefits, right to carry forward and set off accumulated losses and unabsorbed depreciation, and credits (including but not limited to MAT/CENVAT credits etc.) under the IT Act, Goods and Services Tax or Service Tax, any other central government / state government incentive schemes etc., to which the Amalgamating Company are/ would be entitled to in terms of the Applicable Laws of the central and state government or of any foreign jurisdictions, shall be available to and vest in the Amalgamated Company.
- 18.3 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the tax payments (including without limitation income tax, GST, tax on distribution of dividends, excise duty, central sales tax, custom duty, applicable state value added tax and entry tax or any other taxes as may be applicable from time to time) whether by way of tax deducted at source or collected at source by the parties, advance tax or otherwise howsoever, by the Amalgamating Company on or after the Appointed Date, shall be deemed to be paid by the Amalgamated Company and the Amalgamated Company shall be entitled to claim credit for such taxes/duties paid against its tax/ duty liabilities, notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of Amalgamating Company.
- 18.4 Upon Part C of the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the Amalgamating Company and the Amalgamated Company are expressly permitted to prepare and/or revise, as the case may be, their financial statements and statutory / tax returns along with the prescribed forms, filings and annexures under the IT Act and/or in relation



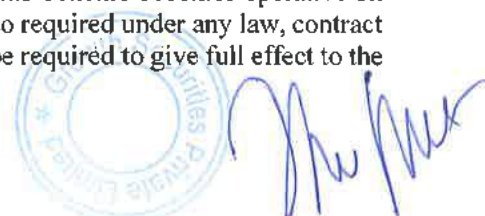
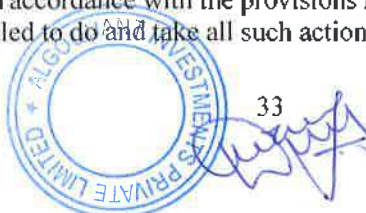
*[Handwritten signature]*

to central sales tax, custom duty, entry tax, applicable state value added tax, GST and other tax laws, if required, to give effect to the provisions of the Scheme.

- 18.5 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all inter-party transactions between Amalgamating Company and the Amalgamated Company shall be considered as intra-party transactions for all purposes (including for tax compliances, credits, refunds, etc.).
- 18.6 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Amalgamating Company or for collection of tax at source on any supplies made by or to be made by Amalgamating Company shall be made or deemed to have been made and duly complied with by the Amalgamated Company. Further, any tax deducted at source or collected at source by the Amalgamating Company and Amalgamated Company on transactions with each other, if any (from the Appointed Date until Effective Date) and deposited with Governmental Authorities shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings be dealt with accordingly.
- 18.7 Upon Part C the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all tax compliances under any tax laws by the Amalgamating Company on or after the Appointed Date shall be deemed to be made by the Amalgamated Company.
- 18.8 Upon Part C of this Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all tax assessment proceedings and appeals of whatsoever nature by or against the Amalgamating Company, pending or arising as at the Effective Date, shall be continued and/enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Amalgamating Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by the reason of the amalgamation of the Amalgamating Company with the Amalgamated Company or anything contained in Part C of this Scheme.
- 18.9 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all the expenses incurred by the Amalgamating Company and the Amalgamated Company in relation to the amalgamation of the Amalgamating Company with the Amalgamated Company as per this Scheme, including stamp duty expenses and / or transfer charges, if any, shall be allowed as deduction to Amalgamated Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which Part C of the Scheme becomes effective.
- 18.10 Upon Part C of this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all the deductions otherwise admissible to the Amalgamating Company, including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS (like Section 43B, Section 40, Section 40A etc. of the IT Act) will be eligible for deduction to the Amalgamated Company upon fulfilment of required conditions under the IT Act.
- 18.11 The amalgamation under this Scheme is in compliance with the IT Act, specifically Section 2(1B) of the IT Act and other relevant provisions thereunder. If any of the terms of this Scheme are inconsistent with the provisions of Sections 2(1B) of the IT Act, the provisions of Sections 2(1B) of the IT Act shall to the extent of such inconsistency, prevail and this Scheme shall, stand and be deemed to be modified to that extent to comply with the said provisions and such modifications shall not affect the other Parts of this Scheme.

## 19. CONDUCT OF AFFAIRS AFTER THE EFFECTIVE DATE

- 19.1 The Amalgamated Company, shall, at any time after Part C of this Scheme becomes operative on the Effective Date, in accordance with the provisions hereof, if so required under any law, contract or otherwise, be entitled to do and take all such actions as may be required to give full effect to the





provisions of this Part C and for this purpose the Amalgamated Company shall, under the provisions hereof, be deemed to be authorised on behalf of the Amalgamating Company. Without prejudice to the generality of the above, the Amalgamated Company shall be entitled and deemed to be authorised to:-

- (i) execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement (including without limitation any bank guarantee, performance guarantee, fixed deposit, letters of credit, bill of entry etc.) in relation to which the Amalgamating Company have been a party or to the benefit of which the Amalgamating Company may have been entitled, and to make any filings with the Governmental Authorities, in order to give formal effect to the provisions of Part C of the Scheme; and
- (ii) do all such acts or things as may be necessary to effectually transfer/obtain in favour of the Amalgamated Company the approvals, consents, bids, awards, tenders, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates etc. which were held or enjoyed by the Amalgamating Company including without limitation, execute all necessary or desirable writings and confirmations on behalf of the Amalgamating Company and to carry out and perform all such acts, formalities and compliances as may be required in this regard.

- 19.2 The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or certificate or license or the terms of sanction or issue or any security, all of which instruments and documents shall stand modified and/or superseded by the foregoing provisions.

## 20. SAVING OF CONCLUDED TRANSACTIONS

Except as expressly provided hereunder in this Scheme, the transfer of properties and liabilities to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Part C shall not affect any transaction or proceedings already concluded by the Amalgamating Company on or before the Appointed Date and after the Appointed Date and until the Effective Date, and to such end and intent the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

## 21. DISCHARGE OF CONSIDERATION

- 21.1 Upon Part C of the Scheme becoming operative on the Effective Date, and upon the amalgamation of the Amalgamating Company into and with the Amalgamated Company, the Board of Directors (including any committee thereof) of the Amalgamating Company shall determine a record date in consultation with Board of Directors (including any committee thereof) of Amalgamated Company, for the purpose of determining the members of the Amalgamating Company to whom shares in the Amalgamated Company will be allotted under the Scheme ("**Part C Record Date**"). The Amalgamated Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Amalgamating Company as on the Part C Record Date ("**Part C New Equity Shares**"), whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Amalgamating Company.
- 21.2 Based on (i) the valuation report issued by Mr. Manish Manwani, Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113, dated 09<sup>th</sup> March 2023, appointed by both, the Amalgamating Company and the Amalgamated Company; and (ii) the fairness opinion issued by BOB Capital Markets Limited, an independent SEBI registered Category – I merchant banker on such valuation, dated 10<sup>th</sup> March 2023, appointed by both, the Amalgamating Company and the Amalgamated Company, the Board of directors have determined



the following share exchange ratio for issue of Part C New Equity Shares:

*"8278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up.."*

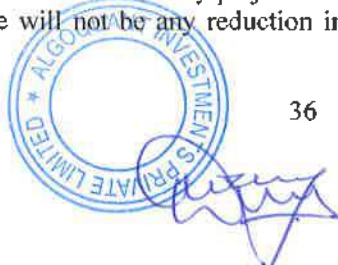
- 21.3 In case of any fractional entitlement of shares arising out of the aforesaid share exchange ratio, the Board of Directors (including any committee thereof) of Amalgamated Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated Part C New Equity Shares to a trustee nominated by the Board of Directors of Amalgamated Company (the "Trustee"), who shall hold such Part C New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price and on such time within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and cost incurred) thereof and any additions and accretions, whereupon the Amalgamated Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Amalgamating Company in proportion to their respective fractional entitlements.
- 21.4 In the event of any increase in the issued, subscribed or paid up share capital of the Amalgamating Company or the Amalgamated Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to share capital of the Amalgamating Company or the Amalgamated Company at any time as of the Part C Record Date, except on account of exercise of the Warrants already issued by the Amalgamated Company, the share exchange ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 21.5 The Part C New Equity Shares of the Amalgamated Company issued as per this Clause shall be subject to the Memorandum and Articles of Association of Amalgamated Company and shall rank *pari passu* in all respects, including dividend and voting rights, with the existing equity shares of the Amalgamated Company.
- 21.6 On the approval of Part C of the Scheme by the members of the Amalgamated Company pursuant to Sections 230 to 232 of the Act, it shall be deemed that the members of the Amalgamated Company have also accorded their consent under Sections 42 and 62 of the Act and the applicable rules and regulations issued thereunder for the aforesaid issuance of equity shares of the Amalgamated Company, to the shareholders of the Amalgamating Company, and all actions taken in accordance with this Clause of this Scheme shall be deemed to be in full compliance of Sections 42 and 62 of the Act and other applicable provisions of the Act and no further resolution or actions under Sections 42 and 62 of the Act or the rules and regulations issued thereunder, including, *inter alia*, issuance of a letter of offer by the Amalgamated Company shall be required to be passed or undertaken..
- 21.7 In accordance with the regulatory requirements, all Part C New Equity Shares required to be issued by the Amalgamated Company to the shareholders of the Amalgamating Company shall be issued in dematerialized form and shall be credited to the depository account of the equity shareholders of the Amalgamating Company to the extent the details of such depository participant accounts have been provided to/are available with the Amalgamating Company before the Part C Record Date.
- 21.8 For the purpose of allotment of Part C New Equity Shares of Amalgamated Company, in case any shareholder of the Amalgamating Company on the Part C Record Date holds equity shares in the Amalgamating Company in physical form and/or details of the depository participant account of such shareholder have not been provided to the Amalgamating Company before the Part C Record Date, the Amalgamated Company shall not issue its equity shares to such shareholder but shall

subject to Applicable Laws, issue the corresponding number of equity shares in dematerialised form, to a demat account held by a trustee nominated by the Board of Directors of Amalgamated Company or into a suspense account opened in the name of the Amalgamated Company with a depository participant or into an escrow account opened by the Amalgamated Company with a depository, as determined by the Board of the Amalgamated Company. The equity shares of the Amalgamated Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective shareholder as per his entitlement once such shareholder provides details of his / her / its depository participant account to the Amalgamated Company in accordance with Applicable Laws, along with such documents as maybe required under Applicable Laws.

- 21.9 In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant listing agreement, SEBI Scheme Circular and other Applicable Laws, if any, in each case, as amended, Part C New Equity Shares to be issued by the Amalgamated Company to the shareholders of the Amalgamating Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the equity shares of the Amalgamated Company are listed as on the Effective Date. The Amalgamated Company will make necessary application(s) to the designated stock exchange and other competent authorities, if any, for this purpose and will comply with the provisions of all Applicable Laws in this regard.
- 21.10 Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchanges.
- 21.11 The Board of Directors (including any committee thereof) of Amalgamating Company and the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Amalgamated Company on account of the difficulties if any in the transition period.

## 22. CANCELLATION OF SHARES

- 22.1 Upon Part C of the Scheme becoming operative on the Effective Date, all the equity shares held by the Amalgamating Company in the share capital of the Amalgamated Company, shall stand automatically cancelled and extinguished, without any further act or deed. Accordingly, the share capital of the Amalgamated Company shall stand reduced to the extent of the face value of the equity shares held by the Amalgamating Company and cancelled pursuant to this Clause and the related balance in the securities premium account, if any, shall also stand cancelled pursuant to this Clause.
- 22.2 The reduction of the share capital (including the securities premium account, if any) of the Amalgamated Company as contemplated in this Part C of the Scheme, shall be effected as an integral part of this Scheme in accordance with the provisions provided under Sections 230-232 and any other applicable provisions of the Act. In any event, it shall be deemed that the members of the Amalgamated Company who have approved the Scheme have also resolved and accorded all relevant consents under Section 66 of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable and that there will be no need to pass a separate shareholders' resolution as required under Section 66 of the Companies Act, 2013.
- 22.3 The order of the Tribunal sanctioning this Scheme shall also include approval and confirmation on the reduction of the share capital of the Amalgamated Company and shall be deemed to be an order under Section 66 read with Section 52 of the Act, as applicable, confirming the reduction and no separate application or sanction shall be necessary for the purposes of such reduction.
- 22.4 The reduction of the share capital, as contemplated above, would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital and shall not cause any prejudice to the interest of the creditors of the Amalgamated Company as there will not be any reduction in the amount payable to the respective creditors.





Further, it does not alter, vary, or affect the rights of the creditors in any manner.

- 22.5 The Amalgamated Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.
- 22.6 The reduction of the share capital (including the securities premium account, if any) of the Amalgamated Company as contemplated in this Part C of the Scheme would not in any way adversely affect the ordinary operations of the Amalgamated Company or the ability of the Amalgamated Company to honour its commitments or to pay its debts in the ordinary course of business.

## 23. DISSOLUTION OF AMALGAMATING COMPANY

Upon Part C of this Scheme becoming operative on the Effective Date, Amalgamating Company shall stand automatically dissolved as an integral part of this Scheme, without being liquidated or wound-up and without requiring any further act, instrument or deed from the Amalgamating Company and/or the Amalgamated Company.

## 24. ACCOUNTING TREATMENT

Upon Part C of the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation of Amalgamating Company in its books of accounts in accordance with principles as laid down in Appendix C to the Indian Accounting Standards 103 (Business Combinations) notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:

- (i) All assets and liabilities of the Amalgamating Company shall be recorded by the Amalgamated Company at their respective book values as appearing in the books of the Amalgamating Company as on the Appointed Date;
- (ii) The identity of the reserves standing in the books of accounts of the Amalgamating Company shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same form, as they appeared in the financial statements of the Amalgamating Company. As a result of preserving the identity, the reserves which are available for distribution before the amalgamation would also be available for distribution as dividend after amalgamation. The balance of the reserves appearing in the financial statements of the Amalgamating Company as on the Appointed Date will be aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company.
- (iii) Inter-corporate deposits / loans and advances / balances outstanding, if any, between the Amalgamated Company and the Amalgamating Company shall stand cancelled and there shall be no further obligation in this regard.
- (iv) Shares held by the Amalgamating Company in the Amalgamated Company shall stand cancelled pursuant to Clause 22 of this Scheme. There shall be no further obligation in respect of the cancelled shares. The cancellation of share capital will be effected as part of this Scheme and the order of the NCLT shall be deemed to be the order under the applicable provisions of the Act for confirming the cancellation of share capital.



- (v) Entire inter-company investments held by the Amalgamating Company in the Amalgamated Company and by the Amalgamated Company in the Amalgamating Company shall stand cancelled.
- (vi) The Amalgamated Company shall credit to its share capital and record the Part C New Equity Shares issued and allotted by it pursuant to Clause 21 of the Scheme.
- (vii) The difference, if any, between the book value of assets and liabilities (including reserves) under sub-clause (i) and (ii) of Clause 24 above transferred to the Amalgamated Company, further taking into consideration the impact of sub-clause (iii), (iv) and (v) of Clause 24 and the consideration discharged by way of the Part C New Equity Shares issued as per Clause 24(vi) above to the shareholders of the Amalgamating Company in lieu of the amalgamation, shall be recorded as capital reserve in the books of the Amalgamated Company (debit or credit, as the case may be).
- (viii) In case of any differences in accounting policy between the Amalgamating Company and the Amalgamated Company, the accounting policies of the Amalgamated Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policy.
- (ix) Notwithstanding the above, the Board of Directors of the Amalgamated Company, is authorised to record assets, liabilities and reserves and surplus in compliance with prevailing accounting standards.



**PART D**  
**REORGANISATION OF EQUITY SHARE CAPITAL OF THE RESULTING COMPANY /**  
**AMALGAMATED COMPANY**

**25. ISSUE OF BONUS EQUITY SHARES**

In compliance with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, AFL envisages issuance of Bonus shares in the manner provided as follows:

- 25.1 Upon Part B and Part C of the Scheme becoming operative on the Effective Date, the Resulting Company / Amalgamated Company shall issue and allot by way of bonus, to each equity shareholder whose name is recorded in the Registrar of Members of the Resulting Company / Amalgamated Company and/or the records of the depository(ies) as equity shareholder of Resulting Company / Amalgamated Company as on the Record Date, being any date post giving effect to Clause 13 and Clause 21 of Part B and Part C of the Scheme, respectively ("**Part D Record Date**"), in the following ratio:

*"1 (One) new bonus fully paid-up equity shares having face value of INR 2/- (Indian Rupees Two) ("**Bonus Shares**") for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each fully paid-up, held by a shareholder of AFL as on Part D Record Date."*

- 25.2 The Bonus Shares to be issued and allotted by pursuant to Clause 25.1 above, shall be subject to the provisions of the Memorandum of Association and Articles of Association of Resulting Company / Amalgamated Company and shall rank *pari passu* with its existing equity shares in every respect. As soon as practicable after the issuance of Bonus Shares, Resulting Company / Amalgamated Company shall take necessary steps towards listing of the Bonus Shares on the stock exchange where its existing shares are listed, subject to all regulatory approvals and Applicable Law.
- 25.3 The issuance and allotment of Bonus Shares pursuant to Clause 25.1 of the Scheme is an integral part of the Scheme and shall be deemed to have been carried out as prescribed under Section 63 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and relevant SEBI rules and regulations.
- 25.4 Subject to Applicable Laws, the Bonus Shares shall be issued in dematerialised form. The shareholders of Resulting Company / Amalgamated Company shall provide such confirmation, information and details as may be required by Resulting Company / Amalgamated Company to issue the Bonus Shares.
- 25.5 In case of any fractional entitlement of shares arising out of the aforesaid bonus ratio, the Board of Directors (including any committee thereof) of Resulting Company / Amalgamated Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated Bonus Shares to a trustee nominated by the Board of Directors of Resulting Company / Amalgamated Company (the "**Trustee**"), who shall hold such Bonus Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price and on such time within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Resulting Company / Amalgamated Company, the net sale proceeds (after deduction of applicable taxes and cost incurred) thereof and any additions and accretions, whereupon the Resulting Company / Amalgamated Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders in proportion to their respective fractional entitlements.



- 25.6 No Bonus Shares will be issued under this Scheme in respect of any equity shares of Resulting Company / Amalgamated Company that have been forfeited or partly paid. The issuance of Bonus Shares pursuant to the Scheme in respect of any equity shares of Resulting Company / Amalgamated Company which are held in abeyance shall, pending allotment or settlement of dispute by order of Tribunal or otherwise, be held in abeyance by Resulting Company / Amalgamated Company. The equity shares lying in Unclaimed Suspense Account (if any) and the equity shares held in the Investor Education and Protection Fund (if any) shall also be eligible for issuance of Bonus Shares and such Bonus Shares shall be dealt with in the same manner as equity shares lying in the said Unclaimed Suspense Account and/or the Investor Education and Protection Fund (as the case may be).
- 25.7 Bonus Shares shall be granted exclusively to the equity shareholders (including Trustee appointed under Clause 13.3 and Clause 21.3 of the Scheme, for the purpose of holding fractional entitlements) of the Resulting Company / Amalgamated Company as on the Record Date, post giving effect to Clause 13 and Clause 21 of Part B and Part C, respectively, of the Scheme. Further, Part D of the Scheme hereon does not, in any manner, constitute an offer or an invitation to the public to subscribe to the Bonus Shares / equity shares of Resulting Company / Amalgamated Company neither the Scheme nor any related document shall constitute an offer document or prospectus in any manner or for any purpose whatsoever.
- 25.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Resulting Company / Amalgamated Company, the Board of Directors of Resulting Company / Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Part D Record Date, to effectuate such a transfer with the company as if such changes in registered holder were operative as on the Part D Record Date, in order to remove any difficulties arising to the transferor/transferee of the shares in Resulting Company / Amalgamated Company and in relation to the issuance of Bonus Shares. The Board of Directors of Resulting Company / Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme in regard to issuance of Bonus Shares.
- 25.9 The Bonus Shares shall be issued by way of capitalization of the sum standing to the credit of the Securities Premium Account, Retained Earnings Account and/or any other free reserve of the Resulting Company / Amalgamated Company, in any manner as may be deemed fit by its Board of Directors.



**PART E**

**CHANGE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY /  
AMALGAMATED COMPANY**

**26. CHANGE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY /  
AMALGAMATED COMPANY**

- 26.1 Upon this Scheme becoming operative on the Effective Date, the authorised share capital of Amalgamating Company as on the Effective Date shall stand transferred to and be merged/amalgamated with the authorised share capital of the Amalgamated Company, and the fee, if any, paid by the Amalgamating Company on its authorised share capital shall be set off against any fee payable by the Amalgamated Company on such increase in its authorised share capital, consequent to this Scheme.
- 26.2 Upon this Scheme becoming operative on the Effective Date, the authorized share capital of Resulting Company / Amalgamated Company of INR 2,50,00,000 (Rupees Two Crores and Fifty Lakhs) divided into 1,15,00,000 (One Crore Fifteen Lakhs) equity shares having face value of INR 2 (Rupees Two) each and 20,000 (Twenty Thousand) Redeemable Cumulative Preference Shares having face of INR 100 (Rupees Hundred) each, in terms of Clause V of its Memorandum of Association shall stand enhanced to INR 3,50,00,000 (Rupees Three Crores and Fifty Lakhs Only) divided into 1,65,00,000 (One crore Sixty Five Lakhs Only) equity shares having face value of INR 2 (Rupees Two) each and 20,000 (Twenty Thousand) Redeemable Cumulative Preference Shares having face of INR 100 (Rupees One Hundred) each, without any further act or deed by the Resulting Company / Amalgamated Company for purpose of such enhancement of the authorized share capital of the Resulting Company / Amalgamated Company, except payment of necessary stamp duties and RoC fees.
- 26.3 Subsequent to enhancement of the authorized share capital of the Resulting Company / Amalgamated Company as contemplated in Clause 25.1 above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Resulting Company / Amalgamated Company shall stand modified and read as follows:-
- "The Authorized Share Capital of the Company is Rs. 3,50,00,000 (Rupees Three Crores and Fifty Lakhs) divided into 1,65,00,000 (One crore Sixty Five Lakhs) equity shares of Rs. 2 (Rupees Two) each and 20,000 (Twenty thousand) Redeemable Cumulative Preference Shares of Rs. 100 (Rupees One Hundred) each....."*
- 26.4 Pursuant to the effectiveness of Part E of this Scheme, the Resulting Company / Amalgamated Company shall make the requisite filings with the RoC and pay the necessary fees for the increase in its authorized share capital, after any adjustment pursuant to Clause 26.1 of this Scheme.
- 26.5 It is hereby clarified that the consent of the shareholders of the Resulting Company / Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Resulting Company / Amalgamated Company and consequential amendments in Clause V of its Memorandum of Association, and all actions taken in accordance with this Clause 26 of Part E of this Scheme shall be deemed to be in full compliance of Sections 13, 14, 61 and 64 of the Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 14, 61 and 64 of the Act and/or any other applicable provisions of the Act, would be required to be separately passed or undertaken by the Resulting Company / Amalgamated Company.



**PART F**  
**GENERAL TERMS AND CONDITIONS**

**27. CONDITIONALITY OF THE SCHEME**

- 27.1 The effectiveness of this Scheme or any Part thereof, is conditional upon and subject to the following:
- (a) this Scheme being approved by the requisite majorities of such classes of shareholders and creditors of the Participating Companies as may be required under Applicable Laws or as may be directed by the Tribunal;
  - (b) receipt of an 'Observation Letter' or a 'No-objection Letter' from the designated stock exchange on the Scheme, as required under Applicable Laws;
  - (c) this Scheme being approved by the public shareholders of the Resulting Company / Amalgamated Company through e-voting in terms of Para (A)(10)(b) of Part I of the SEBI Scheme Circular and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes by the public shareholders against it.
  - (d) the sanction of the Scheme or any Part thereof, by the Tribunal;
  - (e) the receipt of such other approvals including approvals of any Governmental Authority as may be necessary under Applicable Laws or under any material contract to make this Scheme or the relevant Part of this Scheme effective; and
  - (f) the certified copies of the order of the Tribunal sanctioning this Scheme (wholly or partially) being filed with the Registrar of Companies by each of the relevant Participating Companies.

**28. EFFECTIVENESS OF THE SCHEME**

Subject to Clause 30 of this Scheme, upon this Scheme becoming operative on the Effective Date, the following shall be deemed to have occurred on the Appointed Date (except Part D of the Scheme) and shall become effective and operative in the sequence and in the order mentioned hereunder:

- (i) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with and into the Resulting Company in accordance with Part B of this Scheme;
- (ii) Amalgamation of the Amalgamating Company into and with Amalgamated Company and Dissolution of Amalgamating Company in accordance with Part C of this Scheme;
- (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company in accordance with Part D of this Scheme
- (iv) Change in Authorized Share Capital of the Resulting Company / Amalgamated Company, giving effect to Part B, Part C and Part D of this Scheme, in accordance with Part E of this Scheme.





## 29. APPLICATIONS

- 29.1 Participating Companies shall make applications and/or petitions under sections 230-232 and other applicable provisions of the Act to the Competent Authority for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.
- 29.2 Upon this Scheme becoming effective, the shareholders and the creditors of the Participating Companies shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the specific provisions contained in this Scheme. The Participating Companies shall also make all other necessary applications before the Competent Authority for sanction of this Scheme.
- 29.3 The Participating Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any appropriate authority, if required, under any Applicable Law *inter-alia* including SEBI Regulations, for such consents and approvals, as agreed between the Participating Companies, which the Participating Companies may require to effect the transactions contemplated under this Scheme, in any case subject to the terms as may be mutually agreed between the Participating Companies.

## 30. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 30.1 The Participating Companies, acting through their respective Boards of Directors or committees or such other person or persons, as the respective Board of Directors may authorize, may assent to any modifications or amendments to this Scheme, in any manner including for the avoidance of doubt any Part thereof, which the Tribunal, SEBI and/or any other Governmental Authorities may deem fit to direct or impose, or which may otherwise be considered necessary or desirable in the absolute discretion of the respective Board of Directors or committees thereof or such other person or persons of the Participating Companies as the respective Board of Directors may authorize, for settling any question or doubt or difficulty that may arise in implementing and/or carrying out this Scheme. The Participating Companies, acting through their respective Boards of Directors, be and are hereby authorized to take all such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the Tribunal or of any directive or orders of SEBI or any other Governmental Authorities or otherwise howsoever, arising, out of, under, or by virtue of this Scheme and/or any matters related to or connected therewith.
- 30.2 If, at any time, before or after the Effective Date, any provision(s) or Part(s) of this Scheme are found to be, or interpreted to be, invalid or illegal or inconsistent with any Applicable Law(s), or rejected, or unreasonably delayed, or not sanctioned by the Tribunal or is or becomes unenforceable, under present or future Applicable Law(s), or due to any change in any Applicable Law(s), then it is the intention of the Participating Companies that such Part(s) shall be severable from the remainder of this Scheme and subject to Clause 30.1 other Parts / provisions of this Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to any of the Participating Companies in the sole opinion of the Board of Directors of the relevant Participating Companies. In such a case, the Participating Companies, acting through their respective Boards of Directors or committees or such other person or persons, as the respective Board of Directors may authorize, may at their discretion, either bring about such modification in this Scheme, as is likely to best preserve for the relevant Participating Companies, the benefits and obligations of this Scheme and/or withdraw the Scheme or any Part thereof, wholly or partially.
- 30.3 The Participating Companies, acting through their respective Boards of Directors or committees or such other person or persons, as the respective Board of Directors may authorize, shall be at the liberty to withdraw this Scheme, including for the avoidance of doubt any Part(s) thereof, in any

manner, at any time as may be mutually agreed between them prior to the Effective Date. In such a case, each of the Participating Companies shall respectively bear their own cost or as may be mutually agreed. In the event any Part(s) or provision(s) of this Scheme are withdrawn and the Participating Companies decide to implement the remaining Part(s) or provision(s) of this Scheme, to the extent of such withdrawn provision(s), this Scheme shall become null and void and no rights or liabilities whatsoever shall accrue to, or incurred by, the relevant Participating Companies, their respective shareholders and/or creditors and/or any other persons with respect to such provisions or Part(s) of the Scheme. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, any one of the company shall not be entitled to withdraw the Scheme unilaterally: (a) without the prior written consent of the other company(ies); or (b) unless such withdrawal is in accordance with written agreement entered into between the Participating Companies, if any.

### 31. EFFECT OF NON-RECEIPT OF APPROVALS/SEVERABILITY

- 31.1 In the event any of the sanctions, consents or approvals referred to in Clause 27 above are not obtained or received and/or the Scheme, or any Part(s) thereof, has not been sanctioned by the Tribunal the Board of Directors of each of the Participating Companies, shall, by mutual agreement, determine whether:
- (a) this Scheme shall stand revoked and cancelled in entirety and shall be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or under Applicable Laws and in such event, each Company shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme; or
  - (b) such Part shall be severable from the remainder of the Scheme and the remainder of the Scheme shall not be affected thereby, unless the deletion of such Part shall cause the Scheme to become materially adverse to any Company, in which case each of the Participating Companies, (acting through their respective Boards of Directors or committees or such other person or persons, as the respective Board of Directors may authorize) shall attempt to bring about a modification in the Scheme, as will best preserve for the Participating Companies, the benefits and obligations of this Scheme, including but not limited to such Part. Provided, however, that no modification to the Scheme shall be made which adversely affects the rights or interests of the creditors, without seeking their approvals.
- 31.2 For the avoidance of doubt, it is clarified that, notwithstanding the above, the non-receipt of any sanctions, consents or approvals in connection with (a) Part B of the Scheme, shall not affect the effectiveness of Part C, Part D and Part E of the Scheme; (b) Part C of the Scheme shall not affect the effectiveness of Part B, Part D and Part E of the Scheme.

### 32. COMPLIANCE WITH LAWS

- 32.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 to 232 read with Section 66 and other applicable provisions of the Act, for the purpose of (a) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same into the Resulting Company; (b) Amalgamation of Amalgamating Company into and with the Amalgamated Company; and other actions incidental or connected therewith.

- 32.2 This Scheme has been drawn up to comply with the conditions relating to (a) "demerger" with



respect to Part B of the Scheme; and (b) "amalgamation" with respect to Part C of the Scheme, as defined under Section 2(19AA) and 2(1B) of the IT Act, respectively.

- 32.3 The Participating Companies undertake to comply with all Applicable Laws, including all applicable compliances required by the SEBI and the Stock Exchanges *inter-alia* including SEBI Scheme Circular and SEBI Regulations, and all applicable compliances required under the Foreign Exchange Management Act, 1999, if any, including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the Central Government, RBI (if required) or any other statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme.
- 32.4 In relation to Part B of the Scheme, the Demerged Company and the Resulting Company shall ensure necessary compliances and fulfilment of conditions, more particularly in terms of the SEBI Regulations as defined in the Scheme and applicable IFSC regulations. For the avoidance of doubt, the Demerged Company and the Resulting Company shall ensure that all necessary compliances, filing requirements, applications, consents, approvals, intimations, as may be applicable shall be fulfilled by the Demerged Company and the Resulting Company, for the purpose of transfer of infrastructure relating to Demerged Undertaking viz. client/ customer accounts, KYC documentation and records, fixed deposit accounts, bank guarantees, leased lines, co-location racks, softwares, in house/ empaneled vendors, NNF permission and license, cash securities and collaterals, bank and demat accounts, etc. and for the purpose of IFSC regulations.
- 32.5 Until the Scheme becomes operative from the Effective Date, the Amalgamated / Resulting Company reserves right to issue non-convertible debentures or any other similar debt instruments in accordance with the requisite approvals, for routine business purposes and effect thereof, if any, on the Scheme would be considered accordingly.

### 33. CANCELLATION OF INTER-SE TRANSACTIONS

Upon this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all loans, advances, trade receivables and other obligations or liabilities due, from or by or any guarantees given on behalf, any of the Amalgamating Company to or for each other or to the Amalgamated Company or *vice versa*, if any, and all contracts, arrangements and transactions, of any nature whatsoever, between any of the Amalgamating Company and the Amalgamated Company (other than this Scheme) shall stand automatically cancelled and terminated and shall be of no effect, without any further act, instrument or deed being required from any of the Participating Companies and without any approval or acknowledgement of any third party. Unless required under any Applicable Laws, no further taxes, fees, duties or charges shall be required to be paid by the Amalgamated Company on account of such cancellation or termination.

### 34. CAPITAL AND DIVIDENDS

- 34.1 Nothing in this Scheme shall be interpreted to restrict the ability of any of the Participating Companies to declare and/or pay dividends, whether interim and/or final or issue bonus shares, to their respective shareholders prior to the Effective Date.
- 34.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Participating Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Participating Companies, and if applicable as per the provisions of the Act, shall also be subject to the approval of the shareholders of the relevant Company or Participating Companies.

- 34.3 Nothing in this Scheme shall be interpreted to restrict the ability of any of the Participating Companies to raise capital or funds whether by way of equity or debt, in any manner whatsoever, at any time prior to the Effective Date.

### 35. INDEMNITY

- 35.1 Demerged Company and Amalgamating Company shall indemnify and hold harmless the Resulting Company / Amalgamated Company and its directors, officers, representatives, partners, employees, agents and its associated entities (collectively the "**Indemnified Persons**") for losses, liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by the Indemnified Persons which may devolve on Indemnified Persons on account of the Scheme but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed between Demerged Company and/or Amalgamating Company and Resulting Company / Amalgamated Company.

### 36. COSTS

- 36.1 All costs, charges, taxes including stamp duty, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with implementing of this Scheme and matters incidental thereto shall be borne by the Resulting Company / Amalgamated Company.

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**VGG & CO.**
**CHARTERED ACCOUNTANTS**
**B-225, 5th Floor, Okhla Indl. Area,**
**Phase-1, New Delhi-110 020**
**Tel. : 011-40421836, 40421835**
**Firm Reg No. 031985N**

## **Independent Auditor's Report**

**To the Members of Growth Securities Private Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

1. We have audited the accompanying financial statements of **Growth Securities Private Limited** ('the Company'), which comprise the Balance Sheet as at **31-March-2023**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, notes to the financial statements, and a summary of the significant accounting policies and other explanatory information ("here in after referred to as the financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with (the Companies (Accounting Standards) Rules, 2021) and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31-March-2023**, and its profit and its cash flows for the year ended on that date.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Information other than the Financial Statements and Auditor's Report thereon**

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.
5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially



inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

7. When we read the Annual Report, if we conclude that there's a material misstatement therein, we are required to communicate the matter to Board of Directors.

#### **Responsibilities of Management for the Financial Statements**

8. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India.
9. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to



those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of 'Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
16. We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit
17. We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





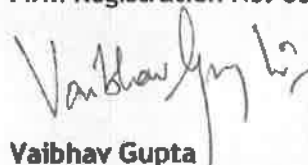
### Report on Other Legal and Regulatory Requirements

18. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
19. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
20. Further to our comments in "Annexure A", as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31-March-2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to financial statements as on 31-March-2023 and operating effectiveness of such controls, refer to our separate Report in "Annexure B" wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us :
    - i. The Company does not have any pending litigation(s) which would impact its financial position as at 31-March-2023;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31-March-2023;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31-March-2023



- iv.(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31-March-2023.

For VGG & CO  
Chartered Accountants  
Firm Registration No. 031985N

  
Vaibhav Gupta  
Partner

Membership No: 099715  
UDIN: 23099715BGUVOA4780



Place: New Delhi  
Date: 19-August-2023

Annexure A referred to in Paragraph 19 of the Independent Auditor's Report of even date to the members of Growth Securities Private Limited ("the Company") on the financial statements for the year ended 31-March-2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) As informed to us, the inventories (shares & securities) which are held in dematerialized form have been verified by the Management. In our opinion, the coverage and procedure of such verification by the Management is appropriate in relation to the size of the Company and the nature of its business. Further, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has working capital limits in excess of Rs.5.00 crore, sanctioned by banks on the basis of security of current assets, during the year. The quarterly statements as required by the sanction letter in respect of the working capital limits have been filed by the Company with the bank and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review. The Company is not required to file stock statements or any such quarterly returns as per the terms of the sanction letters.
- (iii) (a) The Company has not made any investment in or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) (a) to (f) of the Order to the extent related to these, is not applicable to the Company. However, the Company has given guarantee/security (jointly with other parties (refer note 12) in respect of loans taken by one LLP amounting Rs.4,250 lakh where directors of the Company are partners.



- (b) In our opinion, and according to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the guarantee/security provided (jointly with other parties (refer note 12) by the Company amounting Rs.4,250 Lakh, are prima-facie, prejudicial to the Company's interest as the guarantee/security has been provided without charging any fee or commission.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of account.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the Management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.



- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short-term basis have not been utilised for long-term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Accounting Standard (AS) 18, Related Party Disclosures specified in Companies (Accounting Standards) Rules, 2021 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.





- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For VGG & CO**  
**Chartered Accountants**  
 Firm Registration No.: 031985N

*Vaibhav Gupta*

**Vaibhav Gupta**  
**Partner**  
 Membership No.: 099715  
 UDIN: 23099715BGUVOA4780



Place: New Delhi  
 Date: 19-August-2023

## Annexure B

**Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of **Growth Securities Private Limited** ('the Company') as at and for the year ended 31-March-2023, we have audited the internal financial controls over financial reporting of the Company as at that date.

### **Responsibilities of Management for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls Over Financial Reporting**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such controls were operating effectively as at 31-March-2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For VGG & CO**  
**Chartered Accountants**  
 Firm Registration No. 031985N

*Vaibhav Gupta*  
**Vaibhav Gupta**  
 Partner

Membership No: 099715  
 UDIN: 23099715BGUVOA4780



Place: New Delhi  
 Date: 19-August-2023

**Growth Securities Private Limited**  
**503A-B, 504A-B, 5th Floor, Tower A, WTC Block No.**  
**51, Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat**  
**CIN - U74899GJ1996PTC119714**

Summary of significant accounting policies and other explanatory information forming part of  
the financial statements for the year ended 31-March-2023

## **1. Corporate Information**

Growth Securities Private Limited ("the Company") is a private limited Company domiciled in India and incorporated under the provision of Companies Act, 1956 on 19-July-1996. The Company has its registered office at Unit No. 503A-B, 504A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City, Gandhinagar, Gujrat 382355.

The Company was engaged in the business of real estate operations and during the financial year 2021-22, the Company has also obtained membership of NSE & BSE (and other exchanges) to offer complete spectrum of financial services including online broking for equities, commodities, derivatives and currency futures, custody accounts, margin funding, etc.

## **2. Summary of significant accounting policies**

### **(a) Basis of preparation**

These Financial Statements have been prepared to comply in all material aspects with applicable accounting principle accounting standards notified under section 133 of the Companies Act, 2013 ("the Act") read with the rule 7 of the Companies (Accounts) rules 2014, the provisions of the Act and other accounting principles generally accepted in India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on its operations, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

### **(b) Use of estimates**

The preparation of the financial statements is in conformity with generally accepted accounting principles requires that the management make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

### **(c) System of accounting**

- i) The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis.
- ii) Financial Statements have been prepared under the historical cost convention.
- iii) The accounting policies have been consistent with those of the preceding financial year.



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**Summary of significant accounting policies and other explanatory information forming part of  
the financial statements for the year ended 31-March-2023**

**(d) Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes freight, duties, taxes and other expenses incidental to acquisition and installation. For new assets, all direct expenses and direct overheads incurred up to the date when the asset is ready for its intended use are capitalized. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gain or losses arising from disposal of tangible assets which are carried at cost are recognized in the Statement of Profit and Loss.

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets comprise of Computer software. Purchased software meant for in-house consumption and significant upgrades thereof having probable economic benefit exceeding one year are capitalized at acquisition price.

**(e) Investment properties**

**Recognition and initial measurement**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss in the period of de-recognition.





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Summary of significant accounting policies and other explanatory information forming part of  
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**(f) Revenue recognition**

**Proprietary trade**

Revenue from proprietary trading consists primarily of net trading income earned by the company when trading as principal. Net Trading income from proprietary trading represents trading gain net of trading losses. The profit or loss arising from all transactions entered into on account and risk of the Company are recorded on completion of trade date.

Market Value for exchange traded derivatives, principally, futures and options are based on quoted market prices. The gains or losses on derivatives used for trading purposes are included in revenue from proprietary trading. Purchase & Sales of derivatives financial instrument are recorded on trade date. The transaction are recorded on a net basis.

Income from arbitrage and trading in securities and derivatives comprises profit/loss on sale of securities held as stock-in-trade and profit/loss on equity derivative instruments, profit/loss on sale of securities is determined based on the norms laid down by SEBI/Exchange on which the trade has been taken place.

Profit /loss on equity derivative transactions is accounted for as below:

**Brokerage income**

Brokerage income is recognized on accrual basis. Brokerage revenues are based largely on predefined rates but differs for each client based on terms agreed. Revenue from upfront brokerage is recognised when the service is rendered. Annualized brokerage is recognized at the end of the measurement period when the pre-defined thresholds are met.

Income from equity broking business is recognised on the trade date basis as the securities transaction occur and is exclusive of Goods and Service Tax, Securities transaction tax, stamp duties and other levies by stock exchanges and securities and exchange board of India.

Fees for subscription-based services are received periodically but are recognized as earned on pro-rata basis over the term of the contract. Depository & related income is accounted on accrual basis.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividends**

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established as at the balance sheet date.



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Summary of significant accounting policies and other explanatory information forming part of  
the financial statements for the year ended 31-March-2023

**Real estate operations**

The company recognizes revenue on the basis of completed service contract method. The completed service contract method is relevant to these patterns of performance and accordingly revenue is recognized when the sole or final act takes place and the service becomes chargeable.

**(g) Inventories**

Shares and other securities held as stock-in-trade are valued at lower of cost and net realizable value. The cost of stocks disposed of during the year is determined on First-In-First-Out basis.

**(h) Investments**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and cost that are directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Cost is determined on a FIFO basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**(i) Depreciation and amortization on property, plant and equipment**

Depreciation on assets is calculated on straight line method basis as per the rates and in the manner prescribed under the Schedule II to the Act.

There is no difference in estimated useful life of assets as envisaged in Schedule II to the Act and those used by the Company. The useful life used by the Company is as below:

| <b>Asset Category</b>  | <b>Useful life (in years)</b> |
|------------------------|-------------------------------|
| Office Equipment       | 5 years                       |
| Computer & peripherals | 3 years                       |
| Furniture and fixture  | 3 years                       |
| Solar panels           | 10 years                      |
| Motor vehicle          | 10 years                      |



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**Summary of significant accounting policies and other explanatory information forming part of  
the financial statements for the year ended 31-March-2023**

Purchased intangible assets are amortized over their useful lives unless these lives are determined to be indefinite. Purchased intangible assets are carried at cost, less accumulated amortization. Amortization is completed over the estimated useful lives of five years using the Straight-Line Method. An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value.

**(j) Employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

The Company does not provide any long-term benefits to its employees.

**(k) Provisions and contingent liabilities**

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed in respect of which there are possible or present obligations that arise from past events but their existence is confirmed on occurrence of or non-occurrence of one or more uncertain future events and in respect of which there may not be probably any outflow of resources.

**(l) Deferred tax**

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the taxation authorities using the applicable tax rates and tax laws. Provisions for taxation is made at current rate of tax in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is reasonable certainty that future taxable income will be available against which such deferred tax assets can be realized. In situation where the Company has unabsorbed depreciation or carry forward losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future profits. The carrying amount of deferred tax assets is reviewed at each balance sheet for any write down or reversal, as considered appropriate.



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**Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023**

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**(m) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**(n) Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of these financial statements includes cash at bank and in hand and short-term investments with an original maturity of three months or less.

**For VGG & CO**  
**Chartered Accountants**  
**Firm Registration No. 031985N**

*Vaibhav Gupta*

**Vaibhav Gupta**  
**Partner**  
**Membership No: 099715**  
**UDIN: 23099715BGUVOA4780**



**Place: New Delhi**  
**Date: 19-August-2023**

Growth Securities Private Limited  
Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
Road SE, Zone-5, GIFT City, Gandhinagar, Gujarat-382355  
CIN - U74899GJ1996PTC119714  
Balance Sheet as at 31-March-2023  
[All amounts are in rupees lakh, unless otherwise specified]

|   |       | As at<br>31-March-2023<br>₹ | As at<br>31-March-2022<br>₹ |
|---|-------|-----------------------------|-----------------------------|
| <b>Equity and Liabilities</b>                       |       |                             |                             |
| <b>Shareholders' funds</b>                          |       |                             |                             |
| Share capital                                       | 3     | 30.00                       | 30.00                       |
| Reserves and surplus                                | 4     | 1,974.95                    | 1,152.98                    |
|   |       | <u>2,004.95</u>             | <u>1,182.98</u>             |
| <b>Non-current liabilities</b>                      |       |                             |                             |
| Long-term borrowings                                | 5     | 14.45                       | -                           |
| Deferred tax liabilities (net)                      | 6     | 3.67                        | 1.64                        |
|   |       | <u>18.12</u>                | <u>1.64</u>                 |
| <b>Current liabilities</b>                          |       |                             |                             |
| Short-term borrowings                               | 7     | 2,534.44                    | 911.21                      |
| Trade payables                                      | 8     |                             |                             |
| - dues to micro and small enterprises               |       | -                           | -                           |
| - dues to other than micro and small enterprises    |       | 704.00                      | 426.83                      |
| Other current liabilities                           | 9     | 21,064.68                   | 5,608.95                    |
| Short-term provisions                               | 10    | 62.92                       | 38.80                       |
|   |       | <u>24,366.04</u>            | <u>6,985.79</u>             |
|   |       | <u>26,389.11</u>            | <u>8,170.41</u>             |
| <b>Assets</b>                                       |       |                             |                             |
| <b>Non-current assets</b>                           |       |                             |                             |
| Property, plant and equipment and intangible assets |       |                             |                             |
| - Property, plant and equipment                     | 11(a) | 376.94                      | 111.65                      |
| - Intangible assets                                 | 11(b) | 28.45                       | 6.01                        |
| Non-current investments                             | 12    | 375.45                      | 378.50                      |
| Other non-current assets                            | 13    | 294.82                      | 404.55                      |
|   |       | <u>1,075.66</u>             | <u>900.71</u>               |
| <b>Current assets</b>                               |       |                             |                             |
| Inventories   | 14    | 137.27                      | 16.08                       |
| Current investment                                  | 15    | 428.10                      | -                           |
| Trade receivables                                   | 16    | 40.77                       | 57.67                       |
| Cash and bank balances                              | 17    |                             |                             |
| - cash and cash equivalents                         |       | 919.92                      | 3,785.57                    |
| - other bank balances                               |       | 21,397.89                   | 2,726.50                    |
| Short-term loans and advances                       | 18    | 1,962.15                    | 645.82                      |
| Other current assets                                | 19    | 427.36                      | 38.06                       |
|   |       | <u>25,313.45</u>            | <u>7,269.70</u>             |
|   |       | <u>26,389.11</u>            | <u>8,170.41</u>             |

The accompanying notes are an integral part of these financial statements.  
As per our report of even date.

For VGG & CO.  
Chartered Accountants  
Firm Registration No. 031985N

  
Vaibhav Gupta  
Partner  
Membership No: 099715  
UDINI-23099715BGUV0A4780  
Place: New Delhi  
Date: 19-08-2023

For and on behalf of  
Growth Securities Private Limited

  
Dhruv Gupta  
Director  
DIN : 06920431

  
Devansh Gupta  
Director  
DIN : 06920376



## Growth Securities Private Limited

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,

Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat-382355

CIN - U74899GJ1996PTC119714

## Statement of Profit and Loss for the year ended 31-March-2023

[All amounts are in rupees lakh, unless otherwise specified]

|                                       | Note | Year ended<br>31-March-2023<br>₹ | Year ended<br>31-March-2022<br>₹ |
|---------------------------------------|------|----------------------------------|----------------------------------|
| <b>Revenue</b>                        |      |                                  |                                  |
| Revenue from operations               | 20   | 5,474.81                         | 1,018.78                         |
| Other income                          | 21   | 304.31                           | 45.11                            |
| <b>Total income</b>                   |      | <b>5,779.12</b>                  | <b>1,063.88</b>                  |
| <b>Expenses</b>                       |      |                                  |                                  |
| Change in inventories                 | 22   | (121.19)                         | (16.08)                          |
| Trading and other charges             | 23   | 3,061.36                         | 574.81                           |
| Employee benefit expense              | 24   | 954.33                           | 59.13                            |
| Finance cost                          | 25   | 114.65                           | 17.84                            |
| Depreciation and amortization         | 26   | 109.94                           | 15.24                            |
| Other expenses                        | 27   | 608.67                           | 52.13                            |
| <b>Total expenses</b>                 |      | <b>4,727.76</b>                  | <b>703.07</b>                    |
| <b>Profit for the year before tax</b> |      | <b>1,051.36</b>                  | <b>360.81</b>                    |
| <b>Tax expense</b>                    |      |                                  |                                  |
| Current tax                           |      | 225.13                           | 73.80                            |
| Deferred tax                          |      | 2.03                             | 1.97                             |
| Tax earlier years' charge/(credit)    |      | 2.23                             | (0.19)                           |
|                                       |      | <b>229.39</b>                    | <b>75.58</b>                     |
| <b>Profit for the year after tax</b>  |      | <b>821.97</b>                    | <b>285.23</b>                    |
| <b>Earnings per equity share:</b>     | 28   |                                  |                                  |
| Basic and diluted                     |      | 273.99                           | 95.08                            |
| [Face value Rs.10 per share]          |      |                                  |                                  |

The accompanying notes are an integral part of these financial statements.  
As per our report of even date.

For VGG & CO.  
Chartered Accountants  
Firm Registration No. 031985N

  
Vaibhav Gupta  
Partner  
Membership No: 099715  
UDINH 23099715BGUVU0A4780  
Place: New Delhi  
Date: 19-09-2023



For and on behalf of  
Growth Securities Private Limited

  
Dhruv Gupta  
Director  
DIN : 06920431

  
Devansh Gupta  
Director  
DIN : 06920376

## Growth Securities Private Limited

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51, Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat-382355

CIN - U74899GJ1996PTC119714

## Cash flow statement for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earning per share]

| Particulars  | Year ended        | Year ended      |
|--|-------------------|-----------------|
|  | 31-March-2023     | 31-March-2022   |
|  | ₹                 | ₹               |
| <b>(A) Cash flow from operating activities:</b>                        |                   |                 |
| Profit before income tax   | 1,051.36          | 360.81          |
| <b>Adjustments for:</b>  |                   |                 |
| <b>Continuing operations</b>   |                   |                 |
| Depreciation, amortisation and impairment                              | 109.94            | 15.24           |
| Finance costs  | 114.65            | 17.84           |
| Interest income  | (1,148.60)        | (31.20)         |
| Gain on sale of investments  | (300.16)          | (45.04)         |
| Non-cash adjustments   | -                 | 405.34          |
| Dividend income  | (4.15)            | (0.06)          |
| <b>Operating (loss)/profit before working capital changes</b>          | <b>(176.96)</b>   | <b>722.92</b>   |
| <b>Change in operating assets and liabilities</b>                      |                   |                 |
| <b>Trade receivables, advances and other assets</b>                    |                   |                 |
| stock-in-trade   | (121.19)          | (16.08)         |
| deposit accounts   | (18,671.36)       | (2,929.46)      |
| Security deposits held with exchange and clearing agents etc           | 109.73            | -               |
| trade and other receivables  | 16.89             | (44.68)         |
| short-term loans and advances  | (2,811.87)        | -               |
| other current assets   | (389.31)          | (139.70)        |
| <b>Trade payables, other liabilities and provisions</b>                |                   |                 |
| trade payables   | 277.17            | 19.07           |
| Other current liabilities  | 15,455.72         | 5,083.12        |
| Short-term provisions  | (38.79)           | -               |
| <b>Cash generated from operations</b>                                  | <b>(6,349.95)</b> | <b>2,695.19</b> |
| - Income taxes paid  | (162.22)          | (39.65)         |
| <b>Net cash flow generated from/(used in) operating activities (A)</b> | <b>(6,512.17)</b> | <b>2,655.54</b> |
| <b>(B) Cash flows from investing activities</b>                        |                   |                 |
| Purchase of plant property and equipment                               | (397.67)          | (122.94)        |
| Proceeds from sale of non-current investments                          | 1,796.51          | 95.05           |
| Purchase of current investments  | (428.10)          | -               |
| Dividend Income  | 4.15              | 0.06            |
| Interest received  | 1,148.60          | 31.20           |
| <b>Net cash flow(used in)/ generated from investing activities (B)</b> | <b>2,123.49</b>   | <b>3.37</b>     |
| <b>(C) Cash flows from financing activities</b>                        |                   |                 |
| Proceeds/(Repayment) from short-term borrowings                        | 1,623.23          | 911.21          |
| Proceeds/(Repayment) from long-term borrowings                         | 14.45             | -               |
| Finance cost   | (114.65)          | (17.84)         |
| <b>Net cash flow(used in)/ generated from financing activities (C)</b> | <b>1,523.03</b>   | <b>893.37</b>   |



## Growth Securities Private Limited

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CIN - U74899GJ1996PTC119714

## Cash flow statement for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earning per share]

| Particulars  | Year ended    | Year ended    |
|--|---------------|---------------|
|  | 31-March-2023 | 31-March-2022 |
|  | ₹             | ₹             |
| Net increase/(decrease) in cash and cash equivalents (A+B+C)     | (2,865.65)    | 3,552.28      |
| Cash and cash equivalents at the beginning of the financial year | 3,785.57      | 233.29        |
| Cash and cash equivalents at end of the year                     | 919.92        | 3,785.57      |
| <b>Components of cash and cash equivalents</b>                   |               |               |
| Balance with banks   |               |               |
| - in current accounts  | 916.76        | 3,779.97      |
| - in deposit accounts  | -             | 0.82          |
| Cash on hand   | 3.16          | 4.78          |
| Total cash and cash equivalents                                  | 919.92        | 3,785.57      |

The above cash flow statement has been prepared under the indirect method as set out in AS 3 - Statement of cash flows.

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For VGG &amp; CO.

Chartered Accountants

Firm Registration No. 031985N



Vaibhav Gupta

Partner

Membership No: 099715

UDIN:-23099715 BGVVOA4780

Place: New Delhi

Date: 19-08-2023

For and on behalf of

Growth Securities Private Limited

Dhruv Gupta

Director

DIN : 06920431

Devansh Gupta

Director

DIN : 06920376

## Growth Securities Private Limited

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51, Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat-382355

CIN - U74899GJ1996PTC119714

Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, unless otherwise specified]

|   | As at<br>31-March-2023 | As at<br>31-March-2022 |
|---|------------------------|------------------------|
|   | ₹                      | ₹                      |
| <b>3 Share capital</b>  |                        |                        |
| <b>Authorised share capital:</b>  |                        |                        |
| 10,00,000 (Previous year 10,00,000) equity shares of Rs. 10 each                                    | 100.00                 | 100.00                 |
|   | 100.00                 | 100.00                 |
| <b>Issued subscribed and paid-up:</b>   |                        |                        |
| 3,00,000 (Previous year 3,00,000) equity shares of Rs. 10 each, fully paid up                       | 30.00                  | 30.00                  |
|   | 30.00                  | 30.00                  |
| <b>Total equity share capital</b>   | 30.00                  | 30.00                  |
| <b>(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year:</b> |                        |                        |
| Opening number of equity shares outstanding   | 3,00,000               | 3,00,000               |
| Add: Issued during the year   | -                      | -                      |
| Equity shares outstanding at the end of the year  | 3,00,000               | 3,00,000               |

**(b) Terms/ rights attached to equity shares:**

The Company has only issued one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and other liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013 read with the Memorandum and Articles of Association of the Company.

**(c) Details of shareholders holding more than 5% equity shares in the Company :**

|               | As at<br>31-March-2023 |            | As at<br>31-March-2022 |            |
|---------------|------------------------|------------|------------------------|------------|
|               | No. of Shares          | Percentage | No. of Shares          | Percentage |
| Dhruv Gupta   | 2,57,400               | 85.80%     | 2,57,400               | 85.80%     |
| Devansh Gupta | 42,600                 | 14.20%     | 42,600                 | 14.20%     |

**(d) No equity shares have been bought back and no equity shares have been issued for a consideration other than cash during the preceding five financial years, except as disclosed below:**

**Details of bonus shares (i.e. for a consideration other than cash) issued in financial year 2019-20:**

The Company had allotted 2,00,000 equity shares dated 30-September-2019 as bonus shares in the ratio of 1:2 i.e. 2 equity shares for every equity share held by shareholder.

**(e) Details of Promoter's Shareholding as at 31-March-2023**

| Promoters' Name | Opening number<br>of Shares | Change during the<br>year | Closing number of<br>Shares | % of total shares | % change during<br>the year |
|-----------------|-----------------------------|---------------------------|-----------------------------|-------------------|-----------------------------|
| Dhruv Gupta     | 2,57,400                    | -                         | 2,57,400                    | 85.80%            | -                           |
| Devansh Gupta   | 42,600                      | -                         | 42,600                      | 14.20%            | -                           |

**Details of Promoter's Shareholding as at 31-March-2022**

| Promoters' Name | Opening number<br>of Shares | Change during the<br>year | Closing number of<br>Shares | % of total shares | % change during<br>the year |
|-----------------|-----------------------------|---------------------------|-----------------------------|-------------------|-----------------------------|
| Dhruv Gupta     | 2,57,400                    | -                         | 2,57,400                    | 85.80%            | -                           |
| Devansh Gupta   | 42,600                      | -                         | 42,600                      | 14.20%            | -                           |



**Growth Securities Private Limited**  
Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat-382355

**Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023**

[All amounts are in rupees lakh, unless otherwise specified]

|  | As at<br>31-March-2023<br>₹ | As at<br>31-March-2022<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>4 Reserves and surplus</b>  |                             |                             |
| Surplus in statement of profit and loss  |                             |                             |
| Opening balance  | 1,152.97                    | 867.73                      |
| Add: Profit for the year   | 821.98                      | 285.24                      |
| Closing balance  | <u>1,974.95</u>             | <u>1,152.97</u>             |
| <b>5 Long-term borrowings</b>  |                             |                             |
| Secured  |                             |                             |
| - Term loan from bank (refer note- a)  | 17.96                       | -                           |
| less: Current maturities of long-term borrowings   | (3.51)                      | -                           |
|  | <u>14.45</u>                | <u>-</u>                    |
| <b>a) Security and terms of repayment of borrowing from bank:</b>  |                             |                             |
| The aforesaid term loan from bank are secured by hypothecation of vehicles, repayable in 60 monthly instalments from the start of the loan. The rate of interest is 8.13% for the above borrowing. |                             |                             |
| <b>6 Deferred tax liabilities (net)</b>  |                             |                             |
| - arising on account of difference in depreciation and amortisation of PPE   | 3.67                        | 1.64                        |
|  | <u>3.67</u>                 | <u>1.64</u>                 |
| <b>7 Short-term borrowings</b>   |                             |                             |
| Secured, repayable on demand   |                             |                             |
| - Overdraft facility from bank   | 1,767.47                    | -                           |
| Unsecured loans, repayable on demand*  |                             |                             |
| - from directors [refer note 29]   | 763.46                      | 800.21                      |
| - from other related parties [refer note 29]   | -                           | 111.00                      |
| Current maturities of long-term borrowings [refer note 5]  | 3.51                        | -                           |
|  | <u>2,534.44</u>             | <u>911.21</u>               |
| * interest free  |                             |                             |

Following are the terms of borrowings sanctioned from scheduled banks

**A) Axis Bank Limited**

| Particulars  | 31-Mar-2023 | 31-Mar-2022 |
|--|-------------|-------------|
| a) Overdraft facility (repayable on demand)                  | 5,000.00    | 2,500.00    |
| b) Bank guarantee (repayable on demand)                      | 3,500.00    | 1,000.00    |
| c) Overdraft facility against property (repayable on demand) | 1,500.00    | 1,500.00    |
| d) Overdraft against fixed deposit                           | -           | 500.00      |





[All amounts are in rupees lakh, unless otherwise specified]

Growth Securities Private Limited  
Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
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Summary of significant accounting policies and other explanatory information forming part of the  
financial statements for the year ended 31-March-2023  
[All amounts are in rupees lakh, unless otherwise specified]

| Outstanding for following periods from due date of payment | As at<br>31-March-2022 |        |
|--|------------------------|--------|
|  | MSME                   | Others |
| Unbilled dues  | -                      | 410.06 |
| Less than 1 year   | -                      | 14.99  |
| More than 1 year & up to 2 years                           | -                      | -      |
| More than 2 year & up to 3 years                           | -                      | -      |
| More than 3 years  | -                      | 1.78   |
|  | -                      | 426.83 |

- 8.2 There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years. Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

|   | As at<br>31-March-2023<br>₹ | As at<br>31-March-2022<br>₹ |
|---|-----------------------------|-----------------------------|
| <b>9 Other current liabilities</b>          |                             |                             |
| Interest accrued and due                    | 0.03                        | -                           |
| Employee emoluments                         | 111.88                      | 9.97                        |
| <b>Client balances</b>                      |                             |                             |
| - to related parties                        | 470.77                      | 1,300.31                    |
| - to others                                 | 20,435.89                   | 3,770.00                    |
| Derivative liability (mark to market)       | -                           | 8.36                        |
| Book overdraft                              | 13.43                       | -                           |
| Expense reimbursement payable               | -                           | 1.41                        |
| <b>Statutory dues payable</b>               |                             |                             |
| - Goods and services tax payable            | -                           | 4.23                        |
| - Tax deducted at source payable            | 32.68                       | 1.00                        |
|   | <b>21,064.68</b>            | <b>5,608.96</b>             |
| <b>10 Short-term provisions</b>             |                             |                             |
| Provision for income tax                    | 225.14                      | 38.80                       |
| Less: tax deducted, collected and deposited | (162.22)                    | -                           |
|   | <b>62.92</b>                | <b>38.80</b>                |



## Growth Securities Private Limited

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51, Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat-382355

Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, unless otherwise specified]

## 11(a) Property, plant and equipment

| Description of Assets                          | Office Equipment | Computers & Peripherals | Furnitures & Fixtures | Solar panel | Motor Vehicle | Total  |
|--|------------------|-------------------------|-----------------------|-------------|---------------|--------|
| <b>Gross carrying amount</b>                   |                  |                         |                       |             |               |        |
| Opening balance as at 01-April-2022            | 3.43             | 100.97                  | 15.62                 | 8.93        | -             | 128.95 |
| Additions                                      | 0.43             | 370.17                  | 0.62                  | -           | 28.21         | 399.43 |
| Disposals                                      | 0.40             | 24.44                   | 0.57                  | -           | -             | 25.41  |
| Closing balance as at 31-March-2023            | 3.46             | 446.70                  | 15.67                 | 8.93        | 28.21         | 502.97 |
| <b>Accumulated depreciation</b>                |                  |                         |                       |             |               |        |
| Opening balance as at 01-April-2022            | 3.06             | 11.87                   | 1.53                  | 0.85        | -             | 17.31  |
| Depreciation charge during the year            | 0.40             | 100.67                  | 5.12                  | 0.85        | 1.68          | 108.73 |
| Disposals/other adjustments                    | -                | -                       | -                     | -           | -             | -      |
| Closing balance as at 31-March-2023            | 3.46             | 112.54                  | 6.65                  | 1.70        | 1.68          | 126.03 |
| <b>Net carrying amount as at 31-March-2023</b> | (0.00)           | 334.16                  | 9.02                  | 7.23        | 26.53         | 376.94 |
| <b>Gross carrying amount</b>                   |                  |                         |                       |             |               |        |
| Opening balance as at 01-April-2021            | 3.43             | -                       | -                     | -           | -             | 3.43   |
| Additions                                      | -                | 100.97                  | 15.62                 | 8.93        | -             | 125.52 |
| Disposals                                      | -                | -                       | -                     | -           | -             | -      |
| Closing balance as at 31-March-2022            | 3.43             | 100.97                  | 15.62                 | 8.93        | -             | 128.95 |
| <b>Accumulated depreciation</b>                |                  |                         |                       |             |               |        |
| Opening balance as at 01-April-2021            | 2.41             | -                       | -                     | -           | -             | 2.41   |
| Depreciation charge during the year            | 0.65             | 11.87                   | 1.53                  | 0.85        | -             | 14.90  |
| Disposals/other adjustments                    | -                | -                       | -                     | -           | -             | -      |
| Closing balance as at 31-March-2022            | 3.06             | 11.87                   | 1.53                  | 0.85        | -             | 17.31  |
| <b>Net carrying amount as at 31-March-2022</b> | 0.37             | 89.10                   | 14.09                 | 8.08        | -             | 111.65 |

## 11(b) Intangible assets

| Description of assets                          | Software | Total |
|--|----------|-------|
| <b>Gross carrying amount</b>                   |          |       |
| Opening balance as at 01-April-2022            | 6.35     | 6.35  |
| Additions                                      | 23.65    | 23.65 |
| Disposals                                      | -        | -     |
| Closing balance as at 31-March-2023            | 30.00    | 30.00 |
| <b>Accumulated amortisation</b>                |          |       |
| Opening balance as at 01-April-2022            | 0.34     | 0.34  |
| Depreciation charge during the year            | 1.21     | 1.21  |
| Disposals/other adjustments                    | -        | -     |
| Closing balance as at 31-March-2023            | 1.55     | 1.55  |
| <b>Net carrying amount as at 31-March-2023</b> | 28.45    | 28.45 |
| <b>Gross carrying amount</b>                   |          |       |
| Opening balance as at 01-April-2021            | -        | -     |
| Additions                                      | 6.35     | 6.35  |
| Disposals                                      | -        | -     |
| Closing balance as at 31-March-2022            | 6.35     | 6.35  |
| <b>Accumulated amortisation</b>                |          |       |
| Opening balance as at 01-April-2021            | -        | -     |
| Depreciation charge during the year            | 0.34     | 0.34  |
| Disposals/other adjustments                    | -        | -     |
| Closing balance as at 31-March-2022            | 0.34     | 0.34  |
| <b>Net carrying amount as at 31-March-2022</b> | 6.01     | 6.01  |



Growth Securities Private Limited  
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Summary of significant accounting policies and other explanatory information forming part of the  
financial statements for the year ended 31-March-2023  
[All amounts are in rupees lakh, unless otherwise specified]

|  | As at<br>31-March-2023<br>₹ | As at<br>31-March-2022<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>12 Non-current investments</b>  |                             |                             |
| <b>Investment in properties (at cost)</b>  |                             |                             |
| - Office units at Dwarka   | 13.75                       | 13.75                       |
| - Property at 4/10, Asaf Ali Road, New Delhi   | 340.91                      | 338.91                      |
| <b>Investment in quoted equity instruments (at cost)</b>   |                             |                             |
| - Carborundum Universal Limited  | -                           | 5.05                        |
| [Nil (31-March-2022: 1,904) equity shares<br>of ₹ 1/- each, fully paid-up]   |                             |                             |
| <b>Investment in unquoted equity instruments (at cost)</b>   |                             |                             |
| - Nirmal Commodities Broker Private Limited  | 20.79                       | 20.79                       |
| [1,99,900 (31-March-2022: 1,99,900) equity shares<br>of ₹ 10/- each, fully paid-up]  |                             |                             |
|  | <b>375.45</b>               | <b>378.50</b>               |
| Aggregate amount of quoted investments   | -                           | 5.05                        |
| Market value of quoted investments   | -                           | 15.19                       |
| Aggregate amount of unquoted investments   | 20.79                       | 20.79                       |
| <p>* The Company has given Corporate Guarantee to Globe Fincap Limited as a Co-Guarantor along with Devansh Real Estate Private Limited in respect of loan facility of a sum not exceeding ₹ 42.50 crore sanctioned to Algoquant Financials LLP (a related party). The original title deeds in respect of the property at 4/10, Asaf Ali Road, New Delhi are lodged with Globe Fincap Limited, as security against the above mentioned loan facility. The charge on the property of the Company has been registered in the records of the Registrar of Companies on 02-January-2023.</p> |                             |                             |
| <b>13 Other non-current assets</b>   |                             |                             |
| <b>Security deposit</b>  |                             |                             |
| - with stock exchange^   | 274.11                      | 366.00                      |
| - with clearing agents   | 5.00                        | 26.01                       |
| - for leased office premises   | 10.17                       | 7.00                        |
| Other recoverable  | 5.54                        | 5.54                        |
|  | <b>294.82</b>               | <b>404.55</b>               |

# Balance with bank in fixed deposit accounts include the amounts which are maintained as security margin with the stock exchanges.

^The deposits are kept with stock exchanges as security deposits and minimum base capital requirements



## Growth Securities Private Limited

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,

Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat-382355

Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, unless otherwise specified]

## 14 Inventories

## Inventory of shares and securities in quoted equity instruments (at lower of cost and NRV)\*

|  | As at<br>31-March-2023 |               |
|--|------------------------|---------------|
|  | No. of shares^         | Amount        |
| BF Utilities Limited (Face value Rs.5)                   | 900                    | 2.56          |
| Alok Industries Limited (Face value Rs.1)                | 35,000                 | 4.01          |
| Coffee Day Enterprises Limited (Face value Rs.10)\$      | 10,000                 | 2.86          |
| Easy Trip Planners Limited (Face value Rs.2)             | 55,000                 | 23.98         |
| Indiabulls Real Estate limited (Face value Rs.2)\$       | 16,000                 | 7.77          |
| Jagatjit Industries Limited (Face value Rs.2)            | 5,000                  | 4.67          |
| JM Financials Limited (Face value Rs.1)                  | 5,000                  | 2.96          |
| Life Insurance Corporation of India (Face value Rs.10)   | 1,200                  | 6.41          |
| New Delhi Television Limited (Face value Rs.4)           | 500                    | 0.92          |
| PTC India Limited (Face value Rs.10)                     | 5                      | 0.00          |
| PC Jeweller Limited (Face value Rs.10)\$                 | 27,031                 | 7.23          |
| Reliance Industries Limited (Face value Rs.10)           | 20                     | 0.46          |
| Spacenet Enterprises India Limited (Face value Rs.1)     | 1,00,000               | 16.15         |
| Alankit Limited (Face value Rs.1)\$                      | 5,00,000               | 36.50         |
| Tata Teleservices (Maharashtra) Ltd (Face value Rs.10)\$ | 37,500                 | 20.79         |
|  |                        | <b>137.27</b> |

|  | As at<br>31-March-2022 |              |
|--|------------------------|--------------|
|  | No. of shares^         | Amount       |
| Adani Enterprises Limited (Face value Rs.1)        | 10                     | 0.19         |
| Axis Bank Limited (Face value Rs.2)                | 100                    | 0.76         |
| Bse Limited (Face value Rs.2)                      | 300                    | 0.42         |
| Easy Trip Planners Limited (Face value Rs.2)       | 1,000                  | 2.98         |
| Indiabulls Real Estate Limited (Face value Rs.2)   | 200                    | 0.20         |
| Jaiprakash Associate Limited (Face value Rs.2)     | 5,000                  | 0.42         |
| Larsen & Toubro Limited (Face value Rs.2)          | 100                    | 1.71         |
| Heranba Industries Limited (Face value Rs.10)      | 400                    | 2.42         |
| Reliance Industries Limited (Face value Rs.10)     | 220                    | 5.67         |
| Reliance InFrastructure limited (Face value Rs.10) | 100                    | 0.09         |
| Tata Communications limited (Face value Rs.10)     | 100                    | 1.23         |
|  |                        | <b>16.08</b> |

\* all shares are fully paid up

^ number of shares are for the period ended 31-March-2023 and March-2022

\$ pledged against daily margin limit





**Growth Securities Private Limited**  
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**Summary of significant accounting policies and other explanatory information forming part of the**  
**financial statements for the year ended 31-March-2023**

[All amounts are in rupees lakh, unless otherwise specified]

**15 Current investment**

| Investment in quoted equity shares (valued at lower of cost or   | As at         |               |
|--|---------------|---------------|
|  | 31-March-2023 |               |
|  | No. of shares | Amount        |
| Droneacharya Aerial Innovations Limited (Face value Rs. 10)      | 72,000        | 88.27         |
| Hazoor Multi Projects Limited (Face value Rs. 10)                | 1,52,269      | 139.78        |
| Hazoor Multi Projects Limited (Face value Rs. 10) partly paid up | 76,134        | 16.75         |
| SG Finserve Ltd (Face value Rs. 10)                              | 23,000        | 104.11        |
| Shriram Pistons & Rings Limited (Face value Rs. 10)              | 9,500         | 74.44         |
| Mauria Udyog Limited (Face value Rs. 10)                         | 1,00,000      | 4.75          |
|  |               | <b>428.10</b> |

All investments are fully paid up except otherwise specified

There is no current investment in the comparative financial year ended 31-March-2022

**16 Trade receivables**  
**(Undisputed, considered good)**

**Rent receivable**

|  |              |              |
|--|--------------|--------------|
| - from related parties (Refer note : 29) | 6.48         | 38.88        |
| - from others                            | 34.29        | 18.79        |
|  | <b>40.77</b> | <b>57.67</b> |

**Trade receivables (undisputed) ageing schedule**

| Outstanding for following periods from due date of payment | As at         | As at         |
|--|---------------|---------------|
|  | 31-March-2023 | 31-March-2022 |
|  | ₹             | ₹             |
| Less than 6 months   | 40.77         | 38.23         |
| More than 6 months & up to 1 years                         | -             | 19.44         |
|  | <b>40.77</b>  | <b>57.67</b>  |

| As at         | As at         |
|---------------|---------------|
| 31-March-2023 | 31-March-2022 |
| ₹             | ₹             |

**17 Cash and bank balances**

**Cash and cash equivalents**

**Balances with banks**

|   |        |          |
|---|--------|----------|
| - in current accounts                                   | 916.76 | 3,779.97 |
| - in fixed deposits with maturity of less than 3 months | -      | 0.82     |

**Cash on hand**

|  |               |                 |
|--|---------------|-----------------|
|  | 3.16          | 4.78            |
|  | <b>919.92</b> | <b>3,785.57</b> |



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[All amounts are in rupees lakh, unless otherwise specified]

|  | As at<br>31-March-2023<br>₹ | As at<br>31-March-2022<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Other bank balances</b>   |                             |                             |
| Balances with banks  |                             |                             |
| in current accounts  |                             |                             |
| - with original maturity period of more than 12 months   | -                           | 1,250.00                    |
| - in fixed deposits with maturity of more than 3 months and less                                 | 21,397.89                   | 1,476.50                    |
|  | <u>21,397.89</u>            | <u>2,726.50</u>             |
| # Balance with bank in fixed deposit accounts include the  |                             |                             |
| - Pledged as security for guarantees issued by banks in favour of stock exchanges (Refer note 7) |                             |                             |
| - Given to stock exchanges / clearing corporation as security margin (Refer note 7)              |                             |                             |
|  | As at<br>31-March-2023<br>₹ | As at<br>31-March-2022<br>₹ |
| <b>18 Short-term loans and advances</b>  |                             |                             |
| (Unsecured, considered good)   |                             |                             |
| Earnest money deposit  | -                           | 24.60                       |
| <b>Advance</b>   |                             |                             |
| - to vendors   | 4.29                        | 11.84                       |
| - to employee  | 0.62                        | -                           |
| - for related parties  | 11.41                       | -                           |
| <b>Client &amp; custodian balance receivable</b>   |                             |                             |
| - from related parties   | 194.14                      | -                           |
| - from others  | 323.35                      | -                           |
| Balances with clearing agents  | 1,279.77                    | -                           |
| Other recoverable  | 58.23                       | 68.34                       |
| Prepaid expense  | 15.34                       | 7.14                        |
| Derivative asset (mark to market)  | 2.95                        | -                           |
| <b>Balance with government authorities</b>   |                             |                             |
| - goods & service tax credit available   | 70.42                       | 18.57                       |
| - income tax refund receivable   | 1.63                        | 1.63                        |
|  | <u>1,962.15</u>             | <u>645.81</u>               |
| <b>19 Other current assets</b>   |                             |                             |
| <b>Accrued</b>   |                             |                             |
| - interest on fixed deposits   | 427.36                      | 13.15                       |
| - Accrued income [proprietary trading]   | -                           | 24.91                       |
|  | <u>427.36</u>               | <u>38.06</u>                |



**Growth Securities Private Limited**  
**Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,**  
**Road 5E, Zone-5, GIFT City, Gandhinagar, Gujarat-382355**  
**Summary of significant accounting policies and other explanatory information forming part of the**  
**financial statements for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, unless otherwise specified]**

|   | Year ended<br>31-March-2023<br>₹ | Year ended<br>31-March-2022<br>₹ |
|---|----------------------------------|----------------------------------|
| <b>20 Revenue from operations</b>                           |                                  |                                  |
| <b>Income from trading operations</b>                       |                                  |                                  |
| Trading in financial instruments                            | 1,164.16                         | 777.83                           |
| Brokerage & other charges                                   | 2,985.94                         | 17.01                            |
| <b>Other operating revenues</b>                             |                                  |                                  |
| Interest  |                                  |                                  |
| - on fixed deposits with banks [margin-money]               | 1,148.60                         | 31.20                            |
|   | <b>5,298.69</b>                  | <b>826.03</b>                    |
| <b>Income from real estate</b>                              |                                  |                                  |
| Rental income   | 163.39                           | 180.95                           |
| Maintenance income  | 12.74                            | 11.79                            |
|   | <b>176.12</b>                    | <b>192.74</b>                    |
|   | <b>5,474.82</b>                  | <b>1,018.78</b>                  |
| <b>21 Other income</b>                                      |                                  |                                  |
| <b>Gain on sale of:</b>                                     |                                  |                                  |
| - non-current investment                                    | 10.94                            | 45.04                            |
| - current investment  | 289.22                           | -                                |
| Dividend income   | 4.15                             | 0.06                             |
|   | <b>304.31</b>                    | <b>45.11</b>                     |
| <b>22 Change in inventories*</b>                            |                                  |                                  |
| Opening stock   | 16.08                            | -                                |
| Closing stock   | 137.27                           | 16.08                            |
|   | <b>(121.19)</b>                  | <b>(16.08)</b>                   |
| <b>*represents the inventory of shares held for trading</b> |                                  |                                  |
| <b>23 Trading and other charges</b>                         |                                  |                                  |
| Exchange transaction and connectivity charges               | 2,233.93                         | 347.66                           |
| Security transaction tax                                    | 249.86                           | 181.54                           |
| IT Maintenance expenses                                     | 154.49                           | 11.22                            |
| Software expense  | 397.15                           | 4.25                             |
| Stamp duty expenses   | 1.06                             | 0.28                             |
| Non-compliance charges                                      | 5.09                             | 0.22                             |
| Exchange membership charges                                 | 5.07                             | 3.46                             |
| Other exchange related charges                              | 14.72                            | 26.19                            |
|   | <b>3,061.36</b>                  | <b>574.81</b>                    |



**Growth Securities Private Limited**  
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**Summary of significant accounting policies and other explanatory information forming part of the**  
**financial statements for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, unless otherwise specified]**

|   | Year ended<br>31-March-2023<br>₹ | Year ended<br>31-March-2022<br>₹ |
|---|----------------------------------|----------------------------------|
| <b>24 Employee benefit expense</b>            |                                  |                                  |
| Salaries and wages                            | 943.99                           | 56.66                            |
| Staff welfare expenses                        | 10.34                            | 2.47                             |
|   | <b>954.33</b>                    | <b>59.13</b>                     |
| <b>25 Finance cost</b>                        |                                  |                                  |
| Bank guarantee charges                        | 68.25                            | 4.69                             |
| Interest on                                   |                                  |                                  |
| - long-term borrowings                        | 0.80                             | -                                |
| - short-term borrowings                       | 45.07                            | 13.15                            |
| Delayed payment of statutory dues             | 0.53                             | 0.00                             |
|   | <b>114.65</b>                    | <b>17.84</b>                     |
| <b>26 Depreciation and amortization</b>       |                                  |                                  |
| Depreciation on property, plant & equipment   | 108.73                           | 14.90                            |
| Amortization on intangible assets             | 1.21                             | 0.34                             |
|   | <b>109.94</b>                    | <b>15.24</b>                     |
| <b>27 Other expenses</b>                      |                                  |                                  |
| Property tax                                  | 0.96                             | 8.33                             |
| Rent expense                                  | 67.67                            | 17.41                            |
| Electricity, power & fuel charges             | 32.34                            | 0.06                             |
| Legal & professional charges                  | 352.18                           | 3.50                             |
| Loss on valuation of current investment       | 83.88                            | -                                |
| Repair and maintenance                        | 40.65                            | 5.90                             |
| Car parking charges                           | 0.16                             | 1.08                             |
| Ineligible input                              | 1.71                             | 3.82                             |
| Telephone expenses                            | 4.08                             | 1.56                             |
| Security service charges                      | 4.31                             | 4.06                             |
| Auditor's remuneration (as statutory auditor) | 4.72                             | 4.72                             |
| Business promotion expense                    | 6.40                             | -                                |
| Insurance expense                             | 0.79                             | 0.04                             |
| Bank charges                                  | 0.11                             | 0.05                             |
| Rates, fees and taxes                         | 0.61                             | 0.45                             |
| Miscellaneous expenses                        | 8.09                             | 1.13                             |
|   | <b>608.66</b>                    | <b>52.13</b>                     |



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**Summary of significant accounting policies and other explanatory information forming part of the**  
**financial statements for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, unless otherwise specified]**

|   | Year ended<br>31-March-2023<br>₹ | Year ended<br>31-March-2022<br>₹ |
|---|----------------------------------|----------------------------------|
| <b>28 Earnings per equity share (EPS)</b>                                   |                                  |                                  |
| Profit after tax attributable to equity shareholders                        | 821.97                           | 285.23                           |
| Total equity shares outstanding at the end of the year                      | 3,00,000                         | 3,00,000                         |
| Weighted average number of equity shares outstanding at the end of the year | 3,00,000                         | 3,00,000                         |
| Face value per equity share   | 10                               | 10                               |
| EPS (Basic and diluted)   | <b>273.99</b>                    | <b>95.08</b>                     |





## 29 Related party disclosures

Dhruv Gupta (Director)  
Devansh Gupta (Director)

Algoquant Financials LLP  
Algoquant LLP  
Mercury Research LLP  
Aafien Research LLP  
Algoquant Fintech Limited  
Devansh Real Estate Private Limited

Ogha Research LLP  
Sigmaquant Technologies Private Limited  
Thinkbot Technologies LLP

| Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|-----------------------------|-----------------------------|
| ₹                           | ₹                           |

### Short term borrowings taken

Received/(repaid) during the year (net)  
Balance outstanding at year end

528.46

520.27

Balance outstanding at year end

235.00

279.94

## Balance outstanding at year end

(12.28)

100



## Growth Securities Private Limited

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
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Summary of significant accounting policies and other explanatory information forming part of the financial  
statements for the year ended 31-March-2023

[All amounts are in rupees lakh, unless otherwise specified]

## II Transactions with entities under control of Key management personnel

|  | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|--|-----------------------------|-----------------------------|
|  | ₹                           | ₹                           |
| <b>Short-term borrowings taken</b>       |                             |                             |
| <b>Algoquant Financials LLP</b>          |                             |                             |
| opening balance                          | 59.00                       | -                           |
| received/(repaid) during the year (net)  | (59.00)                     | 59.00                       |
| balance outstanding at year end          | -                           | 59.00                       |
| <b>Algoquant LLP</b>                     |                             |                             |
| opening balance                          | 52.00                       | -                           |
| received/(repaid) during the year (net)  | (52.00)                     | 52.00                       |
| balance outstanding at year end          | -                           | 52.00                       |
| <b>Reimbursement of expenses payable</b> |                             |                             |
| <b>Algoquant LLP</b>                     |                             |                             |
| opening balance                          | 0.05                        | -                           |
| received/(repaid) during the year (net)  | -                           | 0.05                        |
| balance outstanding at year end          | 0.05                        | 0.05                        |
| <b>Rent receivable (excluding GST)</b>   |                             |                             |
| <b>Algoquant Financials LLP</b>          |                             |                             |
| Opening balance                          | 36.00                       | -                           |
| Income recognised for the year           | 36.00                       | 36.00                       |
| Amount received during the year          | 66.00                       | -                           |
| Balance outstanding at year end          | 6.00                        | 36.00                       |
| <b>Rent payable (excluding GST)</b>      |                             |                             |
| Opening balance                          | 0.61                        | -                           |
| Expense booked for the year              | -                           | 0.61                        |
| Amount repaid during the year            | -                           | -                           |
| Balance outstanding at year end          | 0.61                        | 0.61                        |

## III Entities under significant influence of Key management personnel

**Brokerage received (excluding GST)**

|   |              |             |
|---|--------------|-------------|
| Ogha Research LLP                       | 5.30         | 1.00        |
| Algoquant Financials LLP                | 22.45        | -           |
| Algoquant LLP                           | 0.47         | -           |
| Mercury Research LLP                    | 0.49         | -           |
| Aafien Research LLP                     | 41.25        | 0.22        |
| Algoquant Fintech Limited               | 3.37         | -           |
| Sigmaquant Technologies Private Limited | 9.08         | 0.79        |
| Thinkbot Technologies LLP               | 6.95         | 1.38        |
|   | <b>89.36</b> | <b>3.39</b> |



**Growth Securities Private Limited**

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Summary of significant accounting policies and other explanatory information forming part of the financial  
statements for the year ended 31-March-2023

[All amounts are in rupees lakh, unless otherwise specified]

**30 Other Statutory Information for the current and preceding financial year**

- (i) The Company does not have any immovable property whose title deeds are not held in the name of the Company.
- (ii) The Company has not revalued its Property, Plant and Equipment.
- (iii) The Company has not granted any loans or advances to promoters, directors, KMPs and related parties.
- (iv) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (v) The Company has not been declared as wilful defaulter by any bank, financial institution or other lender.
- (vi) The Company does not have any transactions with companies struck off under section 248 of Companies Act, 2013.
- (vii) The Company has borrowings and credit facilities from Axis Bank Limited and IDBI Bank Limited, which is stated in note 7. The Company has given Corporate Guarantee to Globe Fincap Limited as a Co-Guarantor along with Devansh Real Estate Private Limited and Dhruv Devansh Investment & Finance LLP in respect of loan facility of a sum not exceeding Rs. 4,250.00 lakh sanctioned to Algoquant Financials LLP (a related party). The original title deeds in respect of property at 4/10, Asaf Ali Road, New Delhi are lodged with Globe Fincap Limited, as security against the above mentioned loan facility. The charge on the property of the Company has been registered in the records of the Registrar of Companies on 02-January-2023.
- (viii) The Company does not have any investment in any downstream subsidiary, joint venture, associate. Therefore, compliance with number of layers of subsidiary is not applicable on the Company.
- (ix) The Company did not enter into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013 except as explained at note 33.
- (x) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (xi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



## Growth Securities Private Limited

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
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Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, unless otherwise specified]

## 31 Financial ratios

A financial ratio are the tool used by investors to analyse and gain information about the finance of a company's history or the entire business sector. Accordingly for the purpose of calculation of the following financial ratios, numbers are taken from the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement.

| Ratio                                      | 31-Mar-2023 | 31-Mar-2022 | % change | Reason for variance  |
|--|-------------|-------------|----------|--|
| Current ratio <sup>(1)</sup>               | 1.04        | 0.85        | 22.22%   | The new segment of Company's business is only operational for 2 months in the previous year. |
| Debt-equity ratio <sup>(2)</sup>           | 1.27        | 0.77        | 65.05%   |  |
| Debt-service coverage ratio <sup>(3)</sup> | 0.50        | 0.33        | 52.87%   |  |
| Return on equity ratio <sup>(4)</sup>      | 0.52        | 0.27        | 88.08%   |  |
| Net capital turnover ratio <sup>(5)</sup>  | 0.22        | (2.27)      | -109.71% |  |
| Net profit ratio <sup>(6)</sup>            | 0.15        | 0.32        | -53.56%  |  |
| Return on capital employed <sup>(7)</sup>  | 0.26        | 0.15        | 74.12%   |  |
| Return on investment <sup>(8)</sup>        |             |             |          |  |

## Formula for calculating ratios

|                                 | Numerator                                     | Denominator                  |
|---------------------------------|---|------------------------------|
| (1) Current ratio               | Current Assets                                | Current Liabilities          |
| (2) Debt-equity ratio           | Total Debt                                    | Shareholder's Equity         |
| (3) Debt-service coverage ratio | Earnings available for debt service           | Debt Service                 |
| (4) Return on equity ratio      | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity |
| (5) Net capital turnover ratio  | Net Sales                                     | Average Working Capital      |
| (6) Net profit ratio            | Net Profit                                    | Net Sales                    |
| (7) Return on capital employed  | Earning before interest and taxes             | Capital Employed             |
| (8) Return on investment        | {MV(T1) - MV(T0) - Sum [C(t)]}                | {MV(T0) + Sum [W(t) * C(t)]} |

## 32 Scheme of arrangement

The Board of Directors of the Company in their meeting held on 10 March 2023, approved a draft Composite Scheme of Arrangement ("The Scheme") between the Company i.e. Growth Securities Private Limited (demerged company), Algoquant Fintech Limited (resulting company) and Algoquant Investments Private Limited (Formerly Mandelia Investments Private Limited), whereby the stock broking business of Growth Securities shall be demerged into the resulting company on a going concern basis and also Algoquant Investments Private Limited shall merge in to the resulting company. The Company is in the process of undertaking necessary regulatory steps as enunciated under various applicable laws and regulations including filing the Scheme with the National Company Law Tribunal for approval. The Scheme is subject to requisite approvals and therefore, no adjustments have been made to the financial statement of the Company as of and for the year ended 31-March-2023 with respect to the Scheme.

## 33 Appropriate re-groupings have been made in the financial statements wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to make them comparable with current year figures.

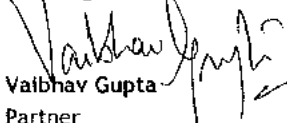
The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For VGG & CO.

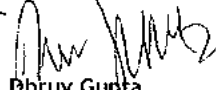
Chartered Accountants

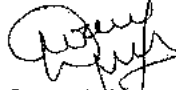
Firm Registration No. 031985N

  
Vaibhav Gupta  
Partner  
Membership No: 099715  
UDIN :- 23099715BGUNVOA4780  
Place: New Delhi  
Date: 19-08-2023

For and on behalf of

Growth Securities Private Limited

  
Dhruv Gupta  
Director  
DIN : 06920431

  
Devansh Gupta  
Director  
DIN : 06920376

**Growth Securities Private Limited**  
Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
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CIN - U74899GJ1996PTC119714

Balance Sheet as at 31-December-2023

[All amounts are in rupees lakh, unless otherwise specified]

|   |       | Real Estate     | Trading operations | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
|---|-------|-----------------|--------------------|-----------------------------|--------------------------|
| <b>Equity and Liabilities</b>                       |       |                 |                    |                             |                          |
| <b>Shareholders' funds</b>                          |       |                 |                    |                             |                          |
| Share capital                                       | 3     | 30.00           |                    | 30.00                       | 30.00                    |
| Reserves and surplus                                | 4     | 1,190.78        | 1,829.05           | 3,019.83                    | 1,974.95                 |
|   |       | <b>1,220.78</b> | <b>1,829.05</b>    | <b>3,049.83</b>             | <b>2,004.95</b>          |
| <b>Non-current liabilities</b>                      |       |                 |                    |                             |                          |
| Long-term borrowings                                | 5     | -               | 11.47              | 11.47                       | 14.45                    |
| Deferred tax liabilities (net)                      | 6     | -               | (2.42)             | (2.42)                      | 3.67                     |
|   |       | <b>-</b>        | <b>9.05</b>        | <b>9.05</b>                 | <b>18.12</b>             |
| <b>Current liabilities</b>                          |       |                 |                    |                             |                          |
| Short-term borrowings                               | 7     | -               | 1,459.90           | 1,459.90                    | 2,534.44                 |
| Trade payables                                      | 8     | -               | -                  | -                           | -                        |
| - dues to micro and small enterprises               |       | -               | -                  | -                           | -                        |
| - dues to other than micro and small enterprises    |       | 1.78            | 667.09             | 668.87                      | 704.00                   |
| Other current liabilities                           | 9     | -               | 28,768.97          | 28,069.96                   | 21,064.69                |
| Short-term provisions                               | 10    | 19.23           | 85.75              | 104.99                      | 62.92                    |
|   |       | <b>21.01</b>    | <b>30,981.71</b>   | <b>30,303.72</b>            | <b>24,366.04</b>         |
|   |       | <b>1,241.79</b> | <b>32,819.82</b>   | <b>33,362.60</b>            | <b>26,389.12</b>         |
| <b>Assets</b>                                       |       |                 |                    |                             |                          |
| <b>Non-current assets</b>                           |       |                 |                    |                             |                          |
| Property, plant and equipment and intangible assets |       |                 |                    |                             |                          |
| - Property, plant and equipment                     | 11(a) |                 | 369.05             | 369.05                      | 376.93                   |
| - Intangible assets                                 | 11(b) |                 | 26.31              | 26.31                       | 28.45                    |
| Non-current investments                             | 12    | 375.46          | 150.00             | 525.46                      | 375.45                   |
| Other non-current assets                            | 13    | 5.54            | 843.53             | 849.07                      | 294.82                   |
|   |       | <b>381.00</b>   | <b>1,388.89</b>    | <b>1,769.89</b>             | <b>1,075.65</b>          |
| <b>Current assets</b>                               |       |                 |                    |                             |                          |
| Inventories   | 14    | -               | 636.12             | 636.12                      | 137.27                   |
| Current investment                                  | 15    |                 | 74.44              | 74.44                       | 428.10                   |
| Trade receivables                                   | 16    | 144.92          | -                  | 144.92                      | 40.77                    |
| Cash and bank balances                              | 17    |                 |                    |                             |                          |
| - cash and cash equivalents                         |       | 6.73            | 132.65             | 139.38                      | 919.91                   |
| - other bank balances                               |       | -               | 27,769.81          | 27,769.81                   | 21,397.89                |
| Short-term loans and advances                       | 18    | 709.14          | 2,692.35           | 2,702.48                    | 1,962.15                 |
| Other current assets                                | 19    | -               | 125.56             | 125.56                      | 427.37                   |
|   |       | <b>860.79</b>   | <b>31,430.94</b>   | <b>31,592.72</b>            | <b>25,313.46</b>         |
|   |       | <b>1,241.79</b> | <b>32,819.82</b>   | <b>33,362.61</b>            | <b>26,389.12</b>         |

The accompanying notes are an integral part of these financial statements.  
As per our report of even date.

For and on behalf of  
Growth Securities Private Limited

  
Dhruv Gupta  
Director  
DIN: 06920431

  
Devansh Gupta  
Director  
DIN: 06920376



Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat-382355

CIN - U74899GJ1996PTC119714

Statement of Profit and Loss for the year ended 31-December-2023

[All amounts are in rupees lakh, unless otherwise specified]

|  | Note | Real estate   | Trading operations | Year ended 31-December-2023<br>₹ | Year ended 31-March-2023<br>₹ |
|--|------|---------------|--------------------|----------------------------------|-------------------------------|
| <b>Revenue</b>                                 |      |               |                    |                                  |                               |
| Revenue from operations                        | 20   | 120.17        | 7,740.63           | 7,860.81                         | 5,474.82                      |
| Other income                                   | 21   | -             | 117.42             | 117.42                           | 304.31                        |
| <b>Total income</b>                            |      | <b>120.17</b> | <b>7,858.05</b>    | <b>7,978.22</b>                  | <b>5,779.12</b>               |
| <b>Expenses</b>                                |      |               |                    |                                  |                               |
| Change in inventories                          | 22   | -             | (498.85)           | (498.85)                         | (121.19)                      |
| Trading and other charges                      | 23   | 0.02          | 5,415.52           | 5,415.54                         | 3,061.36                      |
| Employee benefit expense                       | 24   | -             | 914.48             | 914.48                           | 954.33                        |
| Finance cost                                   | 25   | -             | 322.41             | 322.41                           | 114.65                        |
| Depreciation and amortization                  | 26   | -             | 135.62             | 135.62                           | 109.94                        |
| Other expenses                                 | 27   | 34.11         | 308.07             | 342.18                           | 608.66                        |
| <b>Total expenses</b>                          |      | <b>34.13</b>  | <b>6,597.24</b>    | <b>6,631.36</b>                  | <b>4,727.75</b>               |
| <b>Profit for the year before tax</b>          |      | <b>86.04</b>  | <b>1,260.81</b>    | <b>1,346.86</b>                  | <b>1,051.37</b>               |
| <b>Tax expense</b>                             |      |               |                    |                                  |                               |
| Current tax                                    |      | 19.23         | 288.83             | 308.06                           | 225.13                        |
| Deferred tax                                   |      | -             | (6.09)             | (6.09)                           | 2.03                          |
| Tax earlier years' charge/(credit)             |      | -             | -                  | -                                | 2.23                          |
|  |      | <b>19.23</b>  | <b>282.74</b>      | <b>301.97</b>                    | <b>229.39</b>                 |
| <b>Profit for the year after tax</b>           |      | <b>66.81</b>  | <b>978.07</b>      | <b>1,044.88</b>                  | <b>821.98</b>                 |
| <b>Earnings per equity share:</b>              |      |               |                    |                                  |                               |
| Basic and diluted [Face value Rs.10 per share] | 28   |               |                    | 348.29                           | 273.99                        |

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For and on behalf of  
Growth Securities Private Limited

  
Dhruv Gupta  
Director  
DIN: 06920431

  
Devansh Gupta  
Director  
DIN: 06920376

Place: New Delhi

Date: 12.02.2024

| Particulars  | Year ended 31-<br>December-2023<br>₹ | Year ended<br>31-March-2022<br>₹ |
|--|--------------------------------------|----------------------------------|
| <b>(A) Cash flow from operating activities:</b>                  |                                      |                                  |
| Profit before income tax   | 1,346.86                             | 1,051.37                         |
| Adjustments for:   |                                      |                                  |
| Continuing operations  |                                      |                                  |
| Depreciation, amortisation and impairment                        | 135.62                               | 109.94                           |
| Finance costs  | 322.41                               | 114.65                           |
| Interest income  | (1,443.64)                           | (1,142.32)                       |
| Gain on sale of investments                                      | (119.76)                             | (300.16)                         |
| Non-cash adjustments   | -                                    | -                                |
| Dividend income  | (0.43)                               | (4.15)                           |
| Operating (loss)/profit before working capital changes           | 241.06                               | (170.67)                         |
| Change in operating assets and liabilities                       |                                      |                                  |
| Trade receivables, advances and other assets                     |                                      |                                  |
| stock-in-trade   | (498.85)                             | (121.19)                         |
| deposit accounts   | (6,371.92)                           | (18,671.36)                      |
| trade and other receivables                                      | (104.15)                             | 16.89                            |
| Security deposits held with exchange and clearing agents etc     | (554.25)                             | 109.73                           |
| short-term loans and advances                                    | (740.33)                             | (2,811.87)                       |
| other current assets   | 301.80                               | (389.31)                         |
| Trade payables, other liabilities and provisions                 |                                      |                                  |
| trade payables   | (35.13)                              | 277.17                           |
| Other current liabilities  | 7,005.28                             | 15,455.72                        |
| Short-term provisions  | -                                    | (38.79)                          |
| Cash generated from operations                                   | (756.52)                             | (6,343.68)                       |
| - Income taxes paid  | (266.00)                             | (162.22)                         |
| Net cash flow generated from/(used in) operating activities (A)  | (1,022.52)                           | (6,505.90)                       |
| <b>(B) Cash flows from investing activities</b>                  |                                      |                                  |
| Purchase of plant property and equipment                         | (125.56)                             | (397.67)                         |
| Proceeds/Purchased from sale of non-current investments          | (150.01)                             | 1,796.51                         |
| Proceeds/Purchase of current investments                         | 473.42                               | (428.10)                         |
| Dividend Income  | 0.43                                 | 4.15                             |
| Interest received  | 1,443.64                             | 1,142.32                         |
| Net cash flow(used in)/ generated from investing activities (B)  | 1,641.92                             | 2,117.21                         |
| <b>(C) Cash flows from financing activities</b>                  |                                      |                                  |
| Proceeds/(Repayment) from short-term borrowings                  | (1,074.55)                           | 1,623.24                         |
| Proceeds/(Repayment) from long-term borrowings                   | (2.99)                               | 14.45                            |
| Finance cost   | (322.41)                             | (114.65)                         |
| Net cash flow(used in)/ generated from financing activities (C)  | (1,399.94)                           | 1,523.04                         |
| Net increase/(decrease) in cash and cash equivalents (A+B+C)     | (780.54)                             | (2,865.65)                       |
| Cash and cash equivalents at the beginning of the financial year | 919.92                               | 3,785.57                         |
| Cash and cash equivalents at end of the year                     | 139.38                               | 919.92                           |

## Growth Securities Private Limited

Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51, Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat-382355

CIN - U74899GJ1996PTC119714

## Cash flow statement for the year ended 31-December-2023

[All amounts are in rupees lakh, except share data and earning per share]

| Particulars                                    | Year ended 31-<br>December-2023 | Year ended<br>31-March-2022 |
|--|---------------------------------|-----------------------------|
|  | ₹                               | ₹                           |
| <b>Components of cash and cash equivalents</b> |                                 |                             |
| Balance with banks                             |                                 |                             |
| - in current accounts                          | 132.65                          | 916.76                      |
| - in deposit accounts                          | -                               | -                           |
| Cash on hand                                   | 6.73                            | 3.16                        |
| <b>Total cash and cash equivalents</b>         | <b>139.38</b>                   | <b>919.92</b>               |

The above cash flow statement has been prepared under the indirect method as set out in AS 3 - Statement of cash flows

The accompanying notes are an integral part of these financial statements.  
As per our report of even date.

For and on behalf of  
Growth Securities Private Limited

  
Dhruv Gupta  
Director  
DIN: 06920431

  
Devansh Gupta  
Director  
DIN: 06920376

Place: New Delhi  
Date: 12.02.2024

Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-December-2023

[All amounts are in rupees lakh, unless otherwise specified]

|   | As at 31-<br>December-2023 | As at<br>31-March-2023 |
|---|----------------------------|------------------------|
|   | ₹                          | ₹                      |
| <b>3 Share capital</b>  |                            |                        |
| <b>Authorised share capital:</b>  |                            |                        |
| 10,00,000 (Previous year 10,00,000) equity shares of Rs. 10 each                                    | 100.00                     | 100.00                 |
|   | <b>100.00</b>              | <b>100.00</b>          |
| <b>Issued subscribed and paid-up:</b>   |                            |                        |
| 3,00,000 (Previous year 3,00,000) equity shares of Rs. 10 each, fully paid up                       | 30.00                      | 30.00                  |
|   | <b>30.00</b>               | <b>30.00</b>           |
| <b>Total equity share capital</b>   | <b>30.00</b>               | <b>30.00</b>           |
| <b>(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year:</b> |                            |                        |
| Opening number of equity shares outstanding   | 3,00,000                   | 3,00,000               |
| Add: Issued during the year   | -                          | -                      |
| Equity shares outstanding at the end of the year  | <b>3,00,000</b>            | <b>3,00,000</b>        |

**(b) Terms/ rights attached to equity shares:**

The Company has only issued one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and other liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013 read with the Memorandum and Articles of Association of the Company.

**(c) Details of shareholders holding more than 5% equity shares in the Company :**

|               | As at 31-December-2023 |            | As at<br>31-March-2023 |            |
|---------------|------------------------|------------|------------------------|------------|
|               | No. of Shares          | Percentage | No. of Shares          | Percentage |
| Dhruv Gupta   | 2,57,400               | 85.80%     | 2,57,400               | 85.80%     |
| Devansh Gupta | 42,600                 | 14.20%     | 42,600                 | 14.20%     |

**(d) No equity shares have been bought back and no equity shares have been issued for a consideration other than cash during the preceding five financial years, except as disclosed below:**

**Details of bonus shares (i.e for a consideration other than cash) issued in financial year 2019-20:**

The Company had allotted 2,00,000 equity shares dated 30-September-2019 as bonus shares in the ratio of 1:2 i.e. 2 equity shares for every equity share held by shareholder.

**(e) Details of Promoter's Shareholding as at 31-December-2023**

| Promoters' Name | Opening number<br>of Shares | Change during the<br>year | Closing number of<br>Shares | % of total shares | % change during<br>the year |
|-----------------|-----------------------------|---------------------------|-----------------------------|-------------------|-----------------------------|
| Dhruv Gupta     | 2,57,400                    | -                         | 2,57,400                    | 85.80%            | -                           |
| Devansh Gupta   | 42,600                      | -                         | 42,600                      | 14.20%            | -                           |

**Details of Promoter's Shareholding as at 31-March-2023**

| Promoters' Name | Opening number<br>of Shares | Change during the<br>year | Closing number of<br>Shares | % of total shares | % change during<br>the year |
|-----------------|-----------------------------|---------------------------|-----------------------------|-------------------|-----------------------------|
| Dhruv Gupta     | 2,57,400                    | -                         | 2,57,400                    | 85.80%            | -                           |
| Devansh Gupta   | 42,600                      | -                         | 42,600                      | 14.20%            | -                           |

Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-December-2023

[All amounts are in rupees lakh, unless otherwise specified]

|  | Real estate     | Trading operations | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
|--|-----------------|--------------------|-----------------------------|--------------------------|
| <b>4 Reserves and surplus</b>  |                 |                    |                             |                          |
| Surplus in statement of profit and loss  |                 |                    |                             |                          |
| Opening balance  | 1,123.97        | 850.98             | 1,974.95                    | 1,152.97                 |
| Add: Profit for the year   | 66.81           | 978.07             | 1,044.88                    | 821.98                   |
| Closing balance  | <b>1,190.78</b> | <b>1,829.05</b>    | <b>3,019.83</b>             | <b>1,974.95</b>          |
| <b>5 Long-term borrowings</b>  |                 |                    |                             |                          |
| Secured  |                 |                    |                             |                          |
| - Term loan from bank (refer note- a)  | -               | 15.13              | 15.13                       | 18                       |
| less: Current maturities of long-term borrowings   | -               | (3.67)             | (3.67)                      | (3.51)                   |
|  | <b>-</b>        | <b>11.47</b>       | <b>11.47</b>                | <b>14.45</b>             |
| <b>a) Security and terms of repayment of borrowing from bank:</b>  |                 |                    |                             |                          |
| The aforesaid term loan from bank are secured by hypothecation of vehicles, repayable in 60 monthly instalments from the start of the loan. The rate of interest is 8.13% for the above borrowing. |                 |                    |                             |                          |
| <b>6 Deferred tax liabilities (net)</b>  |                 |                    |                             |                          |
| - arising on account of difference in depreciation and amortisation of PPE   | -               | (2.42)             | (2.42)                      | 3.67                     |
|  | <b>-</b>        | <b>(2.42)</b>      | <b>(2.42)</b>               | <b>3.67</b>              |
| <b>7 Short-term borrowings</b>   |                 |                    |                             |                          |
| Secured, repayable on demand   |                 |                    |                             |                          |
| - Overdraft facility from bank   | -               | 404.76             | 404.76                      | 1,767.47                 |
| Unsecured loans, repayable on demand*  |                 |                    |                             |                          |
| - from directors [refer note 29]   | -               | 1,051.46           | 1,051.46                    | 763.46                   |
| - from other related parties [refer note 29]   | -               | -                  | -                           | -                        |
| Current maturities of long-term borrowings [refer note 5]  | -               | 3.67               | 3.67                        | 3.51                     |
|  | <b>-</b>        | <b>1,459.90</b>    | <b>1,459.90</b>             | <b>2,534.44</b>          |
| * interest free  |                 |                    |                             |                          |

Following are the terms of borrowings sanctioned from scheduled banks

| A) Axis Bank Limited   | Particulars | 31-December-2023 | 31-Mar-2023 |
|--|-------------|------------------|-------------|
| a) Overdraft facility (repayable on demand)                  |             | 15,000.00        | 5,000.00    |
| b) Bank guarantee (repayable on demand)                      |             | 3,500.00         | 3,500.00    |
| c) Overdraft facility against property (repayable on demand) |             | 1,500.00         | 1,500.00    |

**a) Overdraft facility (to meet exchange obligations and margin requirements) :**

Overdraft facility is available to the company to the tune of ₹ 15,000.00 lakh, against which following securities are provided:

- fixed deposits with Axis Bank Limited
- mortgage of property of Algoquant Financials LLP (a related party)
- pledge of director's holding in quoted shares of Algoquant Fintech Limited (a related party)

**b) Bank guarantee facility (to meet exchange obligations and margin requirements) :**

The bank guarantee facility worth ₹ 3,500.00 lakh is available to the Company against which following securities are provided:

- fixed deposits with Axis Bank Limited
- mortgage of property of Algoquant Financials LLP (a related party)

The Bank Guarantee is issued in the favour of stock exchanges and clearing corporations, in which the Company holds membership.

**c) Overdraft facility against property (to meet working capital requirement):**

Overdraft facility is available to the Company to the tune of ₹ 1,500.00 lakh which is secured against a mortgage on property of Algoquant Financials LLP (entities controlled by key management personnel).

**B) Canara Bank Limited**

The bank guarantee facility worth ₹ 12,50.00 lakh is available to the Company against which following securities are provided:

- fixed deposits with Canara Bank Limited
- mortgage of property of Nirmal Buildwell Real Estate LLP (a related party)

The Bank Guarantee is issued in the favour of stock exchanges and clearing corporations, in which the Company holds membership.

The Management considers the interest rates negotiated with banks as confidential. Therefore, the Company does not disclosed these separately.

|  | Real estate | Trading operations | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
|--|-------------|--------------------|-----------------------------|--------------------------|
| <b>8 Trade payables</b>                          |             |                    |                             |                          |
| - dues to micro and small enterprises            | -           | -                  | -                           | -                        |
| - dues to other than micro and small enterprises | 1.78        | 667.09             | 668.87                      | 704.00                   |
|  | <b>1.78</b> | <b>667.09</b>      | <b>668.87</b>               | <b>704.00</b>            |

**8.1 Trade payables ageing schedule [undisputed]**

Outstanding for following periods from due date of payment

|                                  | As at 31-December-2023 |               |
|----------------------------------|------------------------|---------------|
|                                  | MSME                   | Others        |
| Unbilled dues                    | -                      | 638.35        |
| Less than 1 year                 | -                      | 30.52         |
| More than 1 year & up to 2 years | -                      | -             |
| More than 2 year & up to 3 years | -                      | -             |
| More than 3 years                | -                      | -             |
|                                  | <b>-</b>               | <b>668.87</b> |

Outstanding for following periods from due date of payment

|                                  | As at 31-March-2023 |               |
|----------------------------------|---------------------|---------------|
|                                  | MSME                | Others        |
| Unbilled dues                    | -                   | 631.72        |
| Less than 1 year                 | -                   | 72.28         |
| More than 1 year & up to 2 years | -                   | -             |
| More than 2 year & up to 3 years | -                   | -             |
| More than 3 years                | -                   | -             |
|                                  | <b>-</b>            | <b>704.00</b> |

- 8.2** There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years. Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.



Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-December-2023

[All amounts are in rupees lakh, unless otherwise specified]

|   | Real estate                | Trading operations | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
|---|----------------------------|--------------------|-----------------------------|--------------------------|
| <b>9 Other current liabilities</b>  |                            |                    |                             |                          |
| Interest accrued and due  |                            | -                  | -                           | 0.03                     |
| Employee emoluments   |                            | 81.66              | 81.66                       | 111.88                   |
| <b>Client balances</b>  |                            |                    |                             |                          |
| - to related parties  |                            | 632.88             | 632.88                      | 470.77                   |
| - to others   |                            | 27,339.32          | 27,339.32                   | 20,435.89                |
| Derivative liability (mark to market)   |                            | -                  | -                           | -                        |
| Book overdraft  |                            | -                  | -                           | 13.43                    |
| Expense reimbursement payable   |                            | -                  | -                           | -                        |
| Inter unit balance payable  |                            | 699.01             | -                           | -                        |
| <b>Statutory dues payable</b>   |                            |                    |                             |                          |
| - Goods and services tax payable  |                            | -                  | -                           | -                        |
| - Tax deducted at source payable  |                            | 16.11              | 16.11                       | 32.68                    |
|   | -                          | <b>28,768.97</b>   | <b>28,069.96</b>            | <b>21,064.69</b>         |
| <b>10 Short-term provisions</b>   |                            |                    |                             |                          |
| Provision for income tax  | 19.23                      | 422.32             | 441.55                      | 225.14                   |
| Less: tax deducted, collected and deposited   |                            | (336.57)           | (336.57)                    | (162.22)                 |
|   | <b>19.23</b>               | <b>85.75</b>       | <b>104.99</b>               | <b>62.92</b>             |
|   |                            |                    |                             |                          |
|   | Real estate                | Trading operations | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
| <b>12 Non-current investments</b>   |                            |                    |                             |                          |
| <b>Investment in properties (at cost)</b>   |                            |                    |                             |                          |
| - Office units at Dwarka  | 13.75                      |                    | 13.75                       | 13.75                    |
| - Property at 4/10, Asaf Ali Road, New Delhi  | 340.92                     |                    | 340.92                      | 340.92                   |
| <b>Investment in quoted equity instruments (at cost)</b>  |                            |                    |                             |                          |
| - Carborundum Universal Limited   | -                          | -                  | -                           | -                        |
| [Nil (31-March-2022: 1,904) equity shares of ₹ 1/- each, fully paid-up]   |                            |                    |                             |                          |
| <b>Investment in unquoted equity instruments (at cost)</b>  |                            |                    |                             |                          |
| - Nirmal Commodities Broker Private Limited   | 20.79                      |                    | 20.79                       | 20.78                    |
| [1,99,900 (31-March-2022: 1,99,900) equity shares of ₹ 10/- each, fully paid-up]  |                            |                    |                             |                          |
| - Growth Global Securities (IFSC) Private Limited   |                            | 150.00             | 150.00                      | -                        |
| [Wholly Owned Subsidiaries]   |                            |                    |                             |                          |
|   | <b>375.46</b>              | <b>150.00</b>      | <b>525.46</b>               | <b>375.45</b>            |
| Aggregate amount of quoted investments  |                            |                    | -                           | -                        |
| Market value of quoted investments  |                            |                    | -                           | -                        |
| Aggregate amount of unquoted investments  |                            |                    | 20.79                       | 20.78                    |
| * The Company has given Corporate Guarantee to Globe Fincap Limited as a Co-Guarantor along with Devansh Real Estate Private Limited in respect of loan facility of a sum not exceeding ₹ 42.50 crore sanctioned to Algoquant Financials LLP (a related party). The original title deeds in respect of the property at 4/10, Asaf Ali Road, New Delhi are lodged with Globe Fincap Limited, as security against the above mentioned loan facility. The charge on the property of the Company has been registered in the records of the Registrar of Companies on 02-January-2023. |                            |                    |                             |                          |
| <b>13 Other non-current assets</b>  |                            |                    |                             |                          |
| Security deposit  |                            |                    |                             |                          |
| - with stock exchange*  | -                          | 714.39             | 714.39                      | 274.11                   |
| - with clearing agents  | -                          | 118.97             | 118.97                      | 5.00                     |
| - for leased office premises  | -                          | 10.17              | 10.17                       | 10.17                    |
| Other recoverable   | 5.54                       |                    | 5.54                        | 5.54                     |
|   | <b>5.54</b>                | <b>843.53</b>      | <b>849.07</b>               | <b>294.82</b>            |
| * Balance with bank in fixed deposit accounts include the amounts which are maintained as security margin with the stock exchanges.   |                            |                    |                             |                          |
| *The deposits are kept with stock exchanges as security deposits and minimum base capital requirements  |                            |                    |                             |                          |
| <b>14 Inventories</b>   |                            |                    |                             |                          |
| <b>Inventory of shares and securities in quoted equity instruments (at lower of cost and NRV)*</b>  |                            |                    |                             |                          |
|   | As at 31-December-2023     |                    |                             |                          |
|   | No. of shares <sup>^</sup> | Amount             |                             |                          |
| Arshiya Limited (Face value Rs.2)   | 1,00,000                   | 5.00               |                             |                          |
| Coffee Day Enterprises Limited (Face value Rs.10)§  | 10,000                     | 4.10               |                             |                          |
| Jio Financial Services Limited (Face value Rs.1)§   | 2,40,000                   | 559.32             |                             |                          |
| Spacenet Enterprises India Limited (Face value Rs.1)§   | 4,00,000                   | 67.70              |                             |                          |
|   |                            | <b>636.12</b>      |                             |                          |
|   | As at 31-March-2023        |                    |                             |                          |
|   | No. of shares <sup>^</sup> | Amount             |                             |                          |
| BF Utilities Limited (Face value Rs.5)  | 900                        | 2.56               |                             |                          |
| Alok Industries Limited (Face value Rs.1)   | 35,000                     | 4.01               |                             |                          |
| Coffee Day Enterprises Limited (Face value Rs.10)§  | 10,000                     | 2.86               |                             |                          |
| Easy Trip Planners Limited (Face value Rs.2)  | 55,000                     | 23.98              |                             |                          |
| Indiabulls Real Estate limited (Face value Rs.2)§   | 16,000                     | 7.77               |                             |                          |
| Jagatiit Industries Limited (Face value Rs.2)   | 5,000                      | 4.67               |                             |                          |
| JM Financials Limited (Face value Rs.1)   | 5,000                      | 2.96               |                             |                          |
| Life Insurance Corporation of India (Face value Rs.10)  | 1,200                      | 6.41               |                             |                          |
| New Delhi Television Limited (Face value Rs.4)  | 500                        | 0.92               |                             |                          |
| PTC India Limited (Face value Rs.10)  | 5                          | 0.00               |                             |                          |
| PC Jeweller Limited (Face value Rs.10)§   | 27,031                     | 7.23               |                             |                          |
| Reliance Industries Limited (Face value Rs.10)  | 20                         | 0.46               |                             |                          |
| Spacenet Enterprises India Limited (Face value Rs.1)  | 1,00,000                   | 16.15              |                             |                          |
| Alankit Limited (Face value Rs.1)§  | 5,00,000                   | 36.50              |                             |                          |
| Tata Teleservices (Maharashtra) Ltd (Face value Rs.10)§   | 37,500                     | 20.79              |                             |                          |
|   |                            | <b>137.27</b>      |                             |                          |
| * all shares are fully paid up  |                            |                    |                             |                          |
| ^ number of shares are for the period ended 30-September-2023 and March-2023  |                            |                    |                             |                          |
| § pledged against daily margin limit  |                            |                    |                             |                          |
| <b>15 Current investment</b>  |                            |                    |                             |                          |
| <b>Investment in quoted equity shares (valued at lower of cost or NRV)</b>  |                            |                    |                             |                          |
|   | As at 31-December-2023     |                    |                             |                          |

Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-December-2023

[All amounts are in rupees lakh, unless otherwise specified]

| [All amounts are in rupees lakh, unless otherwise specified]                                     |  |                        |                             |                          |
|--|--|------------------------|-----------------------------|--------------------------|
|  |  | No. of shares          | Amount                      |                          |
| Shriram Pistons & Rings Limited (Face value Rs. 10)5   |  | 19,000                 |                             | 74.44                    |
|  |  |                        |                             | 74.44                    |
| All investments are fully paid up except otherwise specified                                     |  |                        |                             |                          |
| \$ pledged against daily margin limit  |  |                        |                             |                          |
| Investment in quoted equity shares (valued at lower of cost or NRV)                              |  | As at<br>31-March-2023 |                             |                          |
|  |  | No. of shares          | Amount                      |                          |
| Droneacharya Aerial Innovations Limited (Face value Rs. 10)                                      |  | 72,000                 | 88.27                       |                          |
| Hazoor Multi Projects Limited (Face value Rs. 10)  |  | 1,52,269               | 139.78                      |                          |
| Hazoor Multi Projects Limited (Face value Rs. 10) partly paid up                                 |  | 76,134                 | 16.75                       |                          |
| SG Finserve Ltd (Face value Rs. 10)  |  | 23,000                 | 104.11                      |                          |
| Shriram Pistons & Rings Limited (Face value Rs. 10)  |  | 9,500                  | 74.44                       |                          |
| Mauria Udyog Limited (Face value Rs. 10)   |  | 1,00,000               | 4.75                        |                          |
|  |  |                        | 428.10                      |                          |
| All investments are fully paid up except otherwise specified                                     |  |                        |                             |                          |
|  |  |                        |                             |                          |
|  | Real estate  | Trading operations     | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
| 16   | Trade receivables<br>(Undisputed, considered good)   |                        |                             |                          |
|  | Rent receivable  |                        |                             |                          |
|  | - from related parties (Refer note : 29)   |                        | 35.64                       | 6.48                     |
|  | - from others  |                        | 109.28                      | 34.29                    |
|  |  |                        | 144.92                      | 40.77                    |
|  | Trade receivables (undisputed) ageing schedule   |                        |                             |                          |
|  | Outstanding for following periods from due date of payment                                   |                        |                             |                          |
|  |  |                        | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
|  | Less than 6 months   |                        |                             | 40.77                    |
|  | More than 6 months & up to 1 years   |                        | 144.92                      | -                        |
|  |  |                        | 144.92                      | 40.77                    |
|  |  |                        |                             |                          |
|  | Real estate  | Trading operations     | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
| 17   | Cash and bank balances   |                        |                             |                          |
|  | Cash and cash equivalents  |                        |                             |                          |
|  | Balances with banks  |                        |                             |                          |
|  | - in current accounts  |                        | -                           | -                        |
|  | - in fixed deposits with maturity of less than 3 months                                      |                        | 132.65                      | 916.76                   |
|  | Cash on hand   |                        | 6.73                        | 3.16                     |
|  |  |                        | 6.73                        | 919.92                   |
|  |  |                        |                             |                          |
|  | Real estate  | Trading operations     | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
|  | Other bank balances  |                        |                             |                          |
|  | Balances with banks  |                        |                             |                          |
|  | in current accounts  |                        |                             |                          |
|  | - with original maturity period of more than 12 months                                       |                        | -                           | -                        |
|  | - in fixed deposits with maturity of more than 3 months and less than 12 months <sup>#</sup> |                        | 27,769.81                   | 21,397.89                |
|  |  |                        | 27,769.81                   | 21,397.89                |
| # Balance with bank in fixed deposit accounts include the amounts which are:                     |  |                        |                             |                          |
| - Pledged as security for guarantees issued by banks in favour of stock exchanges (Refer note 7) |  |                        |                             |                          |
| - Given to stock exchanges / clearing corporation as security margin (Refer note 7)              |  |                        |                             |                          |
|  |  |                        |                             |                          |
|  | Real estate  | Trading operations     | As at 31-December-2023<br>₹ | As at 31-March-2023<br>₹ |
| 18   | Short-term loans and advances<br>(Unsecured, considered good)                                |                        |                             |                          |
|  | Earnest money deposit  |                        |                             |                          |
|  | Advance  |                        |                             |                          |
|  | - to vendors   |                        | 49.45                       | 4.29                     |
|  | - to employee  |                        | -                           | 0.62                     |
|  | - for related parties  |                        | 36.11                       | 11.41                    |
|  | Client & custodian balance receivable  |                        |                             |                          |
|  | - from related parties   |                        | 0.00                        | 194.14                   |
|  | - from others  |                        | 244.32                      | 323.35                   |
|  | Balances with clearing agents  |                        | 2,270.00                    | 1,279.77                 |
|  | Other recoverable  |                        | 52.98                       | 58.23                    |
|  | Prepaid expense  |                        | 0.05                        | 15.34                    |
|  | Derivative asset (mark to market)  |                        | 0.16                        | 2.95                     |
|  | Inter unit balance recoverable   |                        | 699.01                      |                          |
|  | Balance with government authorities  |                        |                             |                          |
|  | - goods & service tax credit available   |                        | 8.50                        | 70.42                    |
|  | - income tax refund receivable   |                        | 1.63                        | 1.63                     |
|  |  |                        | 709.14                      | 1,962.15                 |
| 19   | Other current assets   |                        |                             |                          |
|  | Accrued  |                        |                             |                          |
|  | - interest on fixed deposits   |                        | 125.56                      | 427.36                   |
|  | - Accrued income [proprietary trading]   |                        | -                           | -                        |
|  |  |                        | 125.56                      | 427.36                   |

Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-December-2023

[All amounts are in rupees lakh, unless otherwise specified]

|   | Real estate | Trading operations | Year ended 31-December-2023 | Year ended 31-March-2023 |
|---|-------------|--------------------|-----------------------------|--------------------------|
|   |             |                    | ₹                           | ₹                        |
| <b>20 Revenue from operations</b>   |             |                    |                             |                          |
| Income from trading operations  |             |                    |                             |                          |
| Trading in financial instruments  | -           | 317.18             | 317.18                      | 1,164.16                 |
| Brokerage & other charges   | -           | 5,978.69           | 5,978.69                    | 2,985.94                 |
| Other operating revenues  |             |                    |                             |                          |
| Interest on fixed deposits with banks [margin money]                        | -           | 1,443.64           | 1,443.64                    | 1,142.32                 |
| Other Interest Income   |             | 1.12               | 1.12                        | 6.29                     |
|   | -           | 7,740.63           | 7,740.63                    | 5,298.69                 |
| Income from real estate   |             |                    |                             |                          |
| Rental income   | 117.51      | -                  | 117.51                      | 163.39                   |
| Maintenance income  | 2.66        | -                  | 2.66                        | 12.74                    |
|   | 120.17      | -                  | 120.17                      | 176.12                   |
|   | 120.17      | 7,740.63           | 7,860.81                    | 5,474.82                 |
| <b>21 Other income</b>  |             |                    |                             |                          |
| Gain on sale of non-current investment                                      |             | -                  | -                           | 10.94                    |
| Gain on sale of current investment  |             | 119.76             | 119.76                      | 289.22                   |
| Mark to market gain on open positions                                       |             | (2.77)             | (2.77)                      | -                        |
| Dividend income   |             | 0.43               | 0.43                        | 4.15                     |
|   | -           | 117.42             | 117.42                      | 304.31                   |
| <b>22 Change in inventories*</b>  |             |                    |                             |                          |
| Opening stock   |             | 137.27             | 137.27                      | 16.08                    |
| Closing stock   |             | 636.12             | 636.12                      | 137.27                   |
|   | -           | (498.85)           | (498.85)                    | (121.19)                 |
| *represents the inventory of shares held for trading                        |             |                    |                             |                          |
| <b>23 Trading and other charges</b>   |             |                    |                             |                          |
| Exchange transaction and connectivity charges                               |             | 5,270.12           | 5,270.12                    | 2,233.93                 |
| Security transaction tax  |             | 7.60               | 7.60                        | 249.86                   |
| IT Maintenance expenses   |             | 9.92               | 9.92                        | 154.49                   |
| Software expense  |             | 72.82              | 72.82                       | 397.15                   |
| Stamp duty expenses   | 0.02        | -                  | 0.02                        | 1.06                     |
| Non-compliance charges  |             | 34.90              | 34.90                       | 5.09                     |
| Exchange membership charges   |             | 7.10               | 7.10                        | 5.07                     |
| Other exchange related charges  |             | 13.07              | 13.07                       | 14.72                    |
|   | 0.02        | 5,415.52           | 5,415.54                    | 3,061.36                 |
| <b>24 Employee benefit expense</b>  |             |                    |                             |                          |
| Salaries and wages  |             | 895.11             | 895.11                      | 943.99                   |
| Staff welfare expenses  |             | 19.37              | 19.37                       | 10.34                    |
|   | -           | 914.48             | 914.48                      | 954.33                   |
| <b>25 Finance cost</b>  |             |                    |                             |                          |
| Bank guarantee charges  |             | 123.86             | 123.86                      | 68.25                    |
| Interest on long-term borrowings  |             | 0.81               | 0.81                        | 0.80                     |
| Interest on short-term borrowings   |             | 197.67             | 197.67                      | 45.07                    |
| Delayed payment of statutory dues   |             | 0.07               | 0.07                        | 0.53                     |
|   | -           | 322.41             | 322.41                      | 114.65                   |
| <b>26 Depreciation and amortization</b>                                     |             |                    |                             |                          |
| Depreciation on property, plant & equipment                                 |             | 133.47             | 133.47                      | 108.73                   |
| Amortization on intangible assets   |             | 2.15               | 2.15                        | 1.21                     |
|   | -           | 135.62             | 135.62                      | 109.94                   |
| <b>27 Other expenses</b>  |             |                    |                             |                          |
| Property tax  | 1.75        | -                  | 1.75                        | 0.96                     |
| Rent expense  |             | 57.34              | 57.34                       | 67.67                    |
| Electricity, power & fuel charges   |             | 32.30              | 32.30                       | 32.34                    |
| Legal & professional charges  |             | 122.68             | 122.68                      | 352.18                   |
| Loss on valuation of current investment                                     |             | -                  | -                           | 83.88                    |
| Repair and maintenance  | 18.37       | 45.15              | 63.52                       | 40.65                    |
| Car parking charges   | 6.70        | -                  | 6.70                        | 0.16                     |
| Ineligible input  |             | 39.29              | 39.29                       | 1.71                     |
| Telephone expenses  |             | 1.86               | 1.86                        | 4.08                     |
| Security service charges  | 7.28        | -                  | 7.28                        | 4.31                     |
| Auditor's remuneration (as statutory auditor)                               |             | -                  | -                           | 4.72                     |
| Business promotion expense  |             | 3.00               | 3.00                        | 6.40                     |
| Insurance expense   |             | 1.05               | 1.05                        | 0.79                     |
| Bank charges  |             | 1.27               | 1.27                        | 0.11                     |
| Rates, fees and taxes   |             | -                  | -                           | 0.61                     |
| Miscellaneous expenses  |             | 4.12               | 4.12                        | 8.09                     |
|   | 34.11       | 308.07             | 342.18                      | 608.66                   |
| <b>28 Earnings per equity share (EPS)</b>                                   |             |                    |                             |                          |
| Profit after tax attributable to equity shareholders                        |             |                    | 1,044.88                    | 821.98                   |
| Total equity shares outstanding at the end of the year                      |             |                    | 3,00,000                    | 3,00,000                 |
| Weighted average number of equity shares outstanding at the end of the year |             |                    | 3,00,000                    | 3,00,000                 |
| Face value per equity share   |             |                    | 10                          | 10                       |
| EPS (Basic and diluted)   |             |                    | 348.29                      | 273.99                   |

## Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-December-2023

[All amounts are in rupees lakh, unless otherwise specified]

## 11(a) Property, plant and equipment

| Description of Assets                             | Office Equipment | Computers & Peripherals | Furnitures & Fixtures | Solar panel | Motor Vehicle | Total         |
|---|------------------|-------------------------|-----------------------|-------------|---------------|---------------|
| <b>Gross carrying amount</b>                      |                  |                         |                       |             |               |               |
| Opening balance as at 01-April-2023               | 3.46             | 446.70                  | 15.67                 | 8.93        | 28.21         | 502.97        |
| Additions   | 33.57            | 91.75                   | 0.39                  | -           | -             | 125.71        |
| Disposals   | -                | 0.11                    | -                     | -           | -             | 0.11          |
| Closing balance as at 31-December-2023            | 37.03            | 538.33                  | 16.06                 | 8.93        | 28.21         | 628.56        |
| <b>Accumulated depreciation</b>                   |                  |                         |                       |             |               |               |
| Opening balance as at 01-April-2023               | 3.46             | 112.54                  | 6.65                  | 1.70        | 1.68          | 126.03        |
| Depreciation charge during the year               | 3.86             | 123.05                  | 3.90                  | 0.64        | 2.02          | 133.47        |
| Disposals/other adjustments                       | -                | -                       | -                     | -           | -             | -             |
| Closing balance as at 31-December-2023            | 7.33             | 235.60                  | 10.55                 | 2.34        | 3.70          | 259.51        |
| <b>Net carrying amount as at 31-December-2023</b> | <b>29.70</b>     | <b>302.74</b>           | <b>5.51</b>           | <b>6.59</b> | <b>24.51</b>  | <b>369.05</b> |
| <b>Gross carrying amount</b>                      |                  |                         |                       |             |               |               |
| Opening balance as at 01-April-2022               | 3.43             | 100.97                  | 15.62                 | 8.93        | -             | 128.95        |
| Additions   | 0.43             | 370.17                  | 0.62                  | -           | 28.21         | 399.42        |
| Disposals   | 0.40             | 24.44                   | 0.57                  | -           | -             | 25.41         |
| Closing balance as at 31-March-2023               | 3.46             | 446.70                  | 15.67                 | 8.93        | 28.21         | 502.97        |
| <b>Accumulated depreciation</b>                   |                  |                         |                       |             |               |               |
| Opening balance as at 01-April-2022               | 3.06             | 11.87                   | 1.53                  | 0.85        | -             | 17.31         |
| Depreciation charge during the year               | 0.40             | 100.67                  | 5.12                  | 0.85        | 1.68          | 108.73        |
| Disposals/other adjustments                       | -                | -                       | -                     | -           | -             | -             |
| Closing balance as at 31-March-2023               | 3.46             | 112.54                  | 6.65                  | 1.70        | 1.68          | 126.03        |
| <b>Net carrying amount as at 31-March-2023</b>    | <b>(0.00)</b>    | <b>334.16</b>           | <b>9.02</b>           | <b>7.23</b> | <b>26.53</b>  | <b>376.93</b> |

## 11(b) Intangible assets

| Description of assets                             | Software     | Total        |
|---|--------------|--------------|
| <b>Gross carrying amount</b>                      |              |              |
| Opening balance as at 01-April-2023               | 30.00        | 30.00        |
| Additions   | -            | -            |
| Disposals   | -            | -            |
| Closing balance as at 31-December-2023            | 30.00        | 30.00        |
| <b>Accumulated amortisation</b>                   |              |              |
| Opening balance as at 01-April-2023               | 1.55         | 1.55         |
| Depreciation charge during the year               | 2.15         | 2.15         |
| Disposals/other adjustments                       | -            | -            |
| Closing balance as at 31-December-2023            | 3.69         | 3.69         |
| <b>Net carrying amount as at 31-December-2023</b> | <b>26.31</b> | <b>26.31</b> |
| <b>Gross carrying amount</b>                      |              |              |
| Opening balance as at 01-April-2022               | 6.35         | 6.35         |
| Additions   | 23.65        | 23.65        |
| Disposals   | -            | -            |
| Closing balance as at 31-March-2023               | 30.00        | 30.00        |
| <b>Accumulated amortisation</b>                   |              |              |
| Opening balance as at 01-April-2022               | 0.34         | 0.34         |
| Depreciation charge during the year               | 1.21         | 1.21         |
| Disposals/other adjustments                       | -            | -            |
| Closing balance as at 31-March-2023               | 1.55         | 1.55         |
| <b>Net carrying amount as at 31-March-2023</b>    | <b>28.45</b> | <b>28.45</b> |

  
Dhruv Gupta  
Director  
DIN: 06920431

  
Devansh Gupta  
Director  
DIN: 06920376



## **Independent Auditor's Report**

**To the Members of Algoquant Investments Private Limited  
[Formerly Mandelia Investments Private Limited]**

**Report on the Audit of the Standalone Financial statements**

### **Opinion**

We have audited the accompanying standalone financial statements of **Algoquant Investments Private Limited [Formerly Mandelia Investments Private Limited]** ("the Company"), which comprise the Balance Sheet as at **31-March-2023**, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("here in after referred to as the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31-March-2023, its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statement.

### **Information other than the Standalone financial statements and Auditor's Report thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.





In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there's a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and the Board of Directors for the Standalone financial statements**

The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.



As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls system with reference to standalone financial statements and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



### Report on Other Legal and Regulatory Requirements

1. The Company has not paid any management remuneration during this year. Accordingly, the provisions of section 197 read with Schedule V of the Act, are not applicable to the Company for the year ended 31-March-2023;
2. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. Further to our comments in Annexure 1, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31-March-2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated 13-June-2017, read with corrigendum dated 13-July-2017 on reporting on internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigation which would impact its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31-March-2023;



- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31-March-2023;
- iv. a) The management has represented that, to the best of its knowledge and belief, on the date of this audit report, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31-March-2023.

**For O P Bagla & Co. LLP**

**Chartered Accountants**

Firm Registration Number: 000018N/N500091

*Deepanshu Saini*

**Deepanshu Saini**

**Partner**

Membership Number: 510573

UDIN: 23510573BCXPLW1336



**Place: New Delhi**

**Date: 21- August - 2023**



Annexure 1 referred to in Paragraph 2 under Report on Other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of **Algoquant Investments Private Limited** [Formerly Mandelia Investments Private Limited] on the financial statements of the Company for the year ended 31-March-2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. The Company does not have any property, plant and equipment or intangible assets or right of use assets or investment property and accordingly, reporting under clause 3(i) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- ii.
  - a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
  - b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii.
  - a) The Company has not made any investments in, or provided any guarantee or security to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. However, the Company has granted unsecured loans of Rs. 130.00 lakh [Year-end balance Rs. 130.00 lakh] to its one subsidiary company.
  - b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of the unsecured loans given by the Company to its subsidiary are not, *prima facie* prejudicial to the interest of the Company. The Company has not made any investments or provided any guarantee or security or granted to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year and hence, not commented upon.
  - c) In respect of unsecured loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The principal and interest amount was not due for repayment during the year.
  - d) There is no amount which is overdue for more than 90 days in respect of loans granted to the subsidiary.
  - e) The Company has granted unsecured loans which had not fallen due during the year. Accordingly, reporting under clauses 3(iii)(e) of the Order is not applicable to the Company.
  - f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.





Annexure 1 referred to in Paragraph 2 under Report on Other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of **Algoquant Investments Private Limited [Formerly Mandelia Investments Private Limited]** on the financial statements of the Company for the year ended 31-March-2023

- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- vii.
  - a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of account.
- ix.
  - a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- x.
  - a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
  - b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi.
  - a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
  - b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



Annexure 1 referred to in Paragraph 2 under Report on Other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of Algoquant Investments Private Limited [Formerly Mandelia Investments Private Limited] on the financial statements of the Company for the year ended 31-March-2023

- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, provisions of section 192 of the Act are not applicable to the Company.
- xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.
- c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) Based on the information and explanations given to us and as represented by the management of the Company, the Company (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the Management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors except already specified in the audit report(s) issued by the outgoing auditors.



Annexure 1 referred to in Paragraph 2 under Report on Other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of Algoquant Investments Private Limited [Formerly Mandelia Investments Private Limited] on the financial statements of the Company for the year ended 31-March-2023

- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and the Management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For O P Bagla & Co. LLP  
Chartered Accountants  
Firm Registration Number: 000018N/N500091

*Deepanshu Saini*  
Deepanshu Saini

Partner

Membership Number: 510573

UDIN: 23510573BGXPLW1336

Place: New Delhi

Date: 21-August-2023



**Algoquant Investments Private Limited**  
**[Formerly Mandella Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**

705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

**Standalone Balance Sheet as at 31-March-2023**

[All amounts are in rupees lakh, except share data and earnings per share]

|                                  | Notes | As at<br>31-March-2023<br>₹ | As at<br>31-March-2022<br>₹ |
|----------------------------------|-------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                    |       |                             |                             |
| <b>Non-current assets</b>        |       |                             |                             |
| <b>Financial assets</b>          |       |                             |                             |
| - Investments                    | 3     | 206.79                      | 206.79                      |
| Deferred tax assets (net)        | 4     | -                           | 0.21                        |
| <b>Total non-current assets</b>  |       | <b>206.79</b>               | <b>207.00</b>               |
| <b>Current assets</b>            |       |                             |                             |
| <b>Financial assets</b>          |       |                             |                             |
| - Cash and cash equivalents      | (i)   | 7.03                        | 131.43                      |
| - loans                          | (ii)  | 130.00                      | -                           |
| - Other financial assets         | (iii) | -                           | 0.03                        |
| Current tax assets               | 6     | -                           | 0.75                        |
| Other current assets             | 7     | 0.01                        | 0.00                        |
| <b>Total current assets</b>      |       | <b>137.04</b>               | <b>132.21</b>               |
|                                  |       | <b>343.83</b>               | <b>339.21</b>               |
| <b>EQUITY AND LIABILITIES</b>    |       |                             |                             |
| <b>Equity</b>                    |       |                             |                             |
| Equity share capital             | 8     | 52.75                       | 52.75                       |
| Other equity                     | 9     | 286.25                      | 283.88                      |
| <b>Total equity</b>              |       | <b>339.00</b>               | <b>336.63</b>               |
| <b>Liabilities</b>               |       |                             |                             |
| <b>Current liabilities</b>       |       |                             |                             |
| <b>Financial liabilities</b>     |       |                             |                             |
| - Other financial liabilities    | 10    | 4.55                        | 2.56                        |
| Other current liabilities        | 11    | -                           | 0.02                        |
| Current tax liabilities (net)    | 12    | 0.28                        | -                           |
| <b>Total current liabilities</b> |       | <b>4.83</b>                 | <b>2.58</b>                 |
|                                  |       | <b>343.83</b>               | <b>339.21</b>               |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date.

For O P Bagla & Co. LLP

Chartered Accountants

Firm Registration No : 000018N/N500091

For and on the behalf of the Board of Directors of  
**Algoquant Investments Private Limited**

*Deepanshu Saini*  
**Deepanshu Saini**  
 Partner  
 Membership No : 510573  
 Place: New Delhi  
 Date: 21-August-2023

*Dhruv Gupta*  
**Dhruv Gupta**  
 Director  
 DPIN: 06920431

*Devansh Gupta*  
**Devansh Gupta**  
 Director  
 DPIN: 06920376

**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**

**705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat**

**Standalone statement of profit and loss for the year ended 31-March-2023**

**[All amounts are in rupees lakh, except share data and earnings per share]**

|   | Notes | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|---|-------|-----------------------------|-----------------------------|
|   |       | ₹                           | ₹                           |
| <b>Revenue</b>                                      |       |                             |                             |
| Other income  | 13    | 6.55                        | 8.83                        |
| <b>Total revenue</b>                                |       | <b>6.55</b>                 | <b>8.83</b>                 |
| <b>Expenses</b>                                     |       |                             |                             |
| Finance costs                                       | 14    | 0.00                        | 0.07                        |
| Other expenses                                      | 15    | 3.07                        | 8.30                        |
| <b>Total expenses</b>                               |       | <b>3.07</b>                 | <b>8.37</b>                 |
| <b>Profit before tax</b>                            |       | <b>3.48</b>                 | <b>0.46</b>                 |
| <b>Tax expense</b>                                  | 16    |                             |                             |
| - current tax                                       |       | 0.91                        | 0.14                        |
| - deferred tax charge /(credit)                     |       | 0.21                        | -                           |
| - income tax earlier years'                         |       | -                           | 0.02                        |
|   |       | <b>1.12</b>                 | <b>0.16</b>                 |
| <b>Profit after tax</b>                             |       | <b>2.36</b>                 | <b>0.30</b>                 |
| Other comprehensive income for the year, net of tax |       | -                           | -                           |
| <b>Total comprehensive income for the year</b>      |       | <b>2.36</b>                 | <b>0.30</b>                 |
| <b>Earnings per equity share</b>                    | 17    | <b>4.48</b>                 | <b>0.57</b>                 |
| <b>[Face value Rs. 100 per share]</b>               |       |                             |                             |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date.

For O P Bagla & Co. LLP

Chartered Accountants

Firm Registration No : 000018N/N500091

For and on the behalf of the Board of Directors of

Algoquant Investments Private Limited

*Deepanshu Saini*  
  
**Deepanshu Saini**  
 Partner

Membership No : 510573

Place: New Delhi

Date: 21-August-2023

*Dhruv Gupta*  
  
**Dhruv Gupta**  
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**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**

705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

Standalone cash flow statement for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|  | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|--|-----------------------------|-----------------------------|
|  | ₹                           | ₹                           |
| <b>(A) Cash flow from operating activities</b>                   |                             |                             |
| Profit before income tax   | 3.48                        | 0.46                        |
| Adjustments for:   |                             |                             |
| Finance costs  | 0.00                        | (0.07)                      |
| Interest income  | (6.55)                      | (8.83)                      |
| Operating profit /(loss) before Working Capital Changes          | (3.07)                      | (8.45)                      |
| <b>Change in operating assets and liabilities</b>                |                             |                             |
| Trade receivables, advances and other assets                     |                             |                             |
| in other financial assets  | 0.03                        | -                           |
| in other current assets  | (0.01)                      | -                           |
| in current tax assets  | 0.75                        | -                           |
| Trade payables, other liabilities and provisions                 |                             |                             |
| in other financial liabilities                                   | 1.99                        | 2.02                        |
| in other current liabilities                                     | (0.02)                      | (0.02)                      |
| Cash used in operations  | (0.33)                      | (6.44)                      |
| - Income taxes paid (net of refunds)                             | (0.62)                      | (2.25)                      |
| Net cash flow used in operating activities                       | (0.95)                      | (8.69)                      |
| <b>(B) Cash flows from Investing activities</b>                  |                             |                             |
| Interest received  | 6.55                        | 8.79                        |
| Loan given to subsidiary   | (130.00)                    | -                           |
| Net cash flow (used in) / generated from Investing activities    | (123.45)                    | 8.79                        |
| <b>(C) Cash flows from financing activities</b>                  |                             |                             |
| Finance cost   | (0.00)                      | (0.07)                      |
| Net cash flow used in financing activities                       | (0.00)                      | (0.07)                      |
| Net increase/(decrease) in cash and cash equivalents (A+B+C)     | (124.40)                    | 0.03                        |
| Cash and cash equivalents at the beginning of the financial year | 131.43                      | 131.40                      |
| Cash and cash equivalents at end of the year                     | 7.03                        | 131.43                      |



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**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**

CIN: U67120GJ1983PTC136550

705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

Standalone cash flow statement for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|  | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|--|-----------------------------|-----------------------------|
|  | ₹                           | ₹                           |
| <b>Components of cash and cash equivalents</b> |                             |                             |
| Balance with banks                             |                             |                             |
| - in current accounts                          | 1.10                        | 131.43                      |
| Cheques in Hand                                | 5.93                        | -                           |
| <b>Total cash and cash equivalents</b>         | <b>7.03</b>                 | <b>131.43</b>               |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date.

**For O P Bagla & Co. LLP**

**Chartered Accountants**

Firm Registration No : 000018N/N500091

**For and on the behalf of the Board of Directors of**

**Algoquant Investments Private Limited**

*Deepanshu Saini*  
**Deepanshu Saini**  
 Partner  
 Membership No : 510573  
 Place: New Delhi  
 Date: 21- August-2023



*Dhruv Gupta*  
**Dhruv Gupta**  
 Director  
 DPIN: 06920431



*Devansh Gupta*  
**Devansh Gupta**  
 Director  
 DPIN: 06920376

**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**

705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

**Standalone Statement of changes in equity for the year ended 31-March-2023**

[All amounts are in rupees lakh, except share data and earnings per share]

**(A) Equity share capital**

|   | Amount<br>₹ |
|---|-------------|
| Balance as at 01-April-2021                     | 52.75       |
| Changes in equity share capital during the year | -           |
| Balance as at 31-March-2022                     | 52.75       |
| Changes in equity share capital during the year | -           |
| Balance as at 31-March-2023                     | 52.75       |

**(B) Other Equity**

**For the year ended 31-March-2023**

| Particulars                              | Reserves and Surplus | Total equity |
|--|----------------------|--------------|
|  | Retained earnings    |              |
|  | ₹                    | ₹            |
| As at 01-April-2022                      | 283.88               | 283.88       |
| -Profit for the year                     | 2.36                 | 2.36         |
| -Other comprehensive income for the year | -                    | -            |
| Total comprehensive income for the year  | 2.36                 | 2.36         |
| As at 31-March-2023                      | 286.25               | 286.25       |

**For the year ended 31-March-2022**

| Particulars                              | Reserves and Surplus | Total equity |
|--|----------------------|--------------|
|  | Retained earnings    |              |
|  | ₹                    | ₹            |
| As at 01-April-2021                      | 283.58               | 283.58       |
| -Profit for the year                     | 0.30                 | 0.30         |
| -Other comprehensive income for the year | -                    | -            |
| Total comprehensive income for the year  | 0.30                 | 0.30         |
| As at 31-March-2022                      | 283.88               | 283.88       |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date.

**For O P Bagla & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No : 000018N/N500091**

*Deepanshu Saini*  
**Deepanshu Saini**  
**Partner**  
**Membership No : 510573**  
**Place: New Delhi**  
**Date: 21-August-2023**



**For and on the behalf of the Board of Directors of**  
**Algoquant Investments Private Limited**

*Dhruv Gupta*  
**Dhruv Gupta**  
**Director**  
**DPIN: 06920431**



*Devansh Gupta*  
**Devansh Gupta**  
**Director**  
**DPIN: 06920376**

**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
**the standalone financial statements for the year ended 31-March- 2023**

## **1. Background of the Reporting entity**

Algoquant Investments Private Limited (the 'Company'), a private limited Company is an investment company. The Company was incorporated on 28-February-1983 and the registered office of the Company is at 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar Ahmedabad GJ 380015 India.

## **2. Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone financial statements. These policies have been consistent with those of the previous year.

### **A) Basis of preparation**

#### **i) Statement of compliance**

These standalone financial statements ('financial statements') have been prepared in accordance with Indian Accounting Standards (Ind - AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements for the year ended 31-March-2023 were authorized and approved for issue by the Board of Directors on 21-August-2023.

#### **ii) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

##### **An asset is treated as current when it is:**

- Expected to be realised or intended to be sold or consumed in normal operating cycle of the Company
- Held primarily for the purposes of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non -current.

##### **A liability is treated as current when:**

- It is expected to be settled in normal operating cycle of the Company
- It is held primarily for the purposes of trading
- It is due to be settled within twelve months from the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.



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**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
**the standalone financial statements for the year ended 31-March- 2023**

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**iii) Basis of measurement**

These standalone financial statements have been prepared on the historical cost basis except for the following items:

| Items                                    | Measurement basis |
|--|-------------------|
| Certain financial assets and liabilities | Fair value        |

**iv) Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgments**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the Standalone financial statements is included in the following notes:

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31-March-23 is included in the following note:

- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

**B) Financial Instruments**

**Recognition and initial measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:



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**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**

Summary of significant accounting policies and other explanatory information forming part of  
the standalone financial statements for the year ended 31-March- 2023

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**Non-derivative financial assets**

***Subsequent measurement***

**Financial assets carried at amortised cost** - a financial asset is measured at the amortised cost, if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Investments in equity instruments of subsidiaries**

Investments in equity instruments of subsidiary is measured at cost in accordance with Ind AS 27 Separate Financial Statements.

***De-recognition of financial assets***

A financial asset is primarily de-recognized when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Non-derivative financial liabilities**

***Subsequent measurement***

Subsequent to recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

***De-recognition of financial liabilities***

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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**C) Revenue**

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The Company applies the revenue recognition criteria to each nature of revenue transaction as set-out below:

**i) Recognition of dividend income, interest income or expense**

Dividend income is recognised in statement of profit and loss on the date on which the Group's right to receive payment is established.



*Handwritten signature*



**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
**the standalone financial statements for the year ended 31-March- 2023**

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Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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#### **D) Income tax**

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Income tax comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

##### **i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### **ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is recognised for:

- deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.



**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
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Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity and in this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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**E) Earnings per share**

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The basic earning/loss per share is computed by dividing the net profit/(loss) before other comprehensive income attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/(loss) per share comprises the weighted average shares considered for deriving basic earnings/(loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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**F) Provisions and contingent liabilities**

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Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.



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Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

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**G) Impairment**

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***Impairment of non-financial assets***

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

***Impairment of financial assets***

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets, Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

***Trade receivables***

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.



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**Other financial assets**

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

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**H) Cash and cash equivalents**

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Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

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**I) Cash flow statement**

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Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

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**J) Segment Reporting**

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In accordance with IND AS-108, the Company had only one segment i.e. business of Investments.



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**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**

705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

Summary of significant accounting policies and other explanatory information forming part of the standalone financial statements of the Company for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|   | As at<br>31-March-2023 | As at<br>31-March-2022 |
|---|------------------------|------------------------|
|   | ₹                      | ₹                      |
| <b>NON-CURRENT ASSETS</b>   |                        |                        |
| <b>3 Financial assets</b>   |                        |                        |
| <b>(a) Investment in subsidiary* [Quoted, at cost]</b>                                    |                        |                        |
| Algoquant Fintech Limited [Formerly Hindustan Everest Tools Limited]                      | 206.79                 | 206.79                 |
| 41,72,350 equity shares (previous year 41,72,350) of face value Rs.2 (previous year Rs.2) |                        |                        |
|   | <u>206.79</u>          | <u>206.79</u>          |
| <b>Aggregate value of quoted investments</b>  | 21,625.29              | 17,069.08              |

\* The Company makes an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present these at cost.

(i) Refer note 32 - Financial risk management for information about credit risk and market risk of other financial assets.

(ii) The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.

**4 Deferred tax asset**

Deferred tax asset arising on account of:

|                            |          |             |
|----------------------------|----------|-------------|
| - Unabsorbed business loss | -        | 0.21        |
|                            | <u>-</u> | <u>0.21</u> |

| Movement in deferred tax assets during the year ended 31-March-2023 | Opening Balance as at 1-April-2022 | Utilisation of MAT credit | Recognised during the year through profit and loss | Closing Balance as at 31-March-2023 |
|---|------------------------------------|---------------------------|--|-------------------------------------|
| - Unabsorbed business loss  | 0.21                               | -                         | 0.21   | -                                   |
|   | <u>0.21</u>                        | <u>-</u>                  | <u>0.21</u>  | <u>-</u>                            |

| Movement in deferred tax assets during the year ended 31-March-2022 | Opening Balance as at 1-April-2021 | Utilisation of MAT credit | Recognised during the year through profit and loss | Closing Balance as at 31-March-2022 |
|---|------------------------------------|---------------------------|--|-------------------------------------|
| - Unabsorbed business loss  | 0.21                               | -                         | -  | 0.21                                |
|   | <u>0.21</u>                        | <u>-</u>                  | <u>-</u>   | <u>0.21</u>                         |



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**Summary of significant accounting policies and other explanatory information forming part of the standalone financial statements of the Company for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

|  | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--|------------------------|------------------------|
|  | ₹                      | ₹                      |
| <b>CURRENT ASSETS</b>  |                        |                        |
| <b>5 Financial assets</b>  |                        |                        |
| <b>(i) Cash and cash equivalents</b>   |                        |                        |
| Balances with banks  |                        |                        |
| - In current accounts  | 1.10                   | 131.43                 |
| Cheques in hand  | 5.93                   | -                      |
| Cash on hand   | -                      | 0.00                   |
|  | <u>7.03</u>            | <u>131.43</u>          |
| <b>(ii) Loans</b>  |                        |                        |
| At amortized cost  |                        |                        |
| (Unsecured, considered good)   |                        |                        |
| Loan to related party  | 130.00                 | -                      |
|  | <u>130.00</u>          | <u>-</u>               |
| Terms and conditions of loan given :   |                        |                        |
| - the loan (and interest thereon) is unsecured and repayable by borrower with in 15 days from the end of last day of 11 calendar months from disbursement. The loan carries an interest of 10% per annum. There borrower can pre-pay principal and/or interest without any charges or penalties. |                        |                        |
| <b>(iii) Other financial assets</b>  |                        |                        |
| At amortized cost  |                        |                        |
| (Unsecured, considered good)   |                        |                        |
| Accrued interest receivable from subsidiary (refer note 18)  | -                      | 0.03                   |
|  | <u>-</u>               | <u>0.03</u>            |
| <b>6 Current tax assets</b>  |                        |                        |
| Advance tax and tax deducted at source   | -                      | 0.75                   |
|  | <u>-</u>               | <u>0.75</u>            |
| <b>7 Other current assets</b>  |                        |                        |
| (Unsecured, considered good)   |                        |                        |
| Other advances to supplier of services   | -                      | 0.00                   |
|  | <u>-</u>               | <u>0.00</u>            |
| Balance with government authorities  | 0.01                   | -                      |
|  | <u>0.01</u>            | <u>0.00</u>            |



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705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

**Summary of significant accounting policies and other explanatory information forming part of the standalone financial statements of the Company for the year ended 31-March-2023**

[All amounts are in rupees lakh, except share data and earnings per share]

|  | As at<br>31-March-2023<br>₹ | As at<br>31-March-2022<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>8 Equity share capital</b>  |                             |                             |
| Authorised share capital   |                             |                             |
| 1,00,000 (previous year 1,00,000) equity share of Rs. 100/- each             | 100.00                      | 100.00                      |
|  | <u>100.00</u>               | <u>100.00</u>               |
| Issued, subscribed and Paid up capital                                       |                             |                             |
| 52,746 (previous year 52,746) equity share of Rs. 100/- each, fully paid up. | 52.75                       | 52.75                       |
|  | <u>52.75</u>                | <u>52.75</u>                |

**(i) Reconciliation of equity shares outstanding at the beginning and as at the end of the year :**

|  | As at<br>31-March-2023 |              |
|--|------------------------|--------------|
|  | Numbers                | ₹            |
| Opening balance of equity shares                 | 52,746                 | 52.75        |
| Add: Equity shares issued during the year        | -                      | -            |
| Equity shares outstanding at the end of the year | <u>52,746</u>          | <u>52.75</u> |

|  | As at<br>31-March-2022 |              |
|--|------------------------|--------------|
|  | Numbers                | ₹            |
| Opening balance of equity shares                 | 52,746                 | 52.75        |
| Add: Equity shares issued during the year        | -                      | -            |
| Equity shares outstanding at the end of the year | <u>52,746</u>          | <u>52.75</u> |

**(ii) Terms/Rights attached to equity shares :**

The Company has one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The shareholders have all other rights as available to equity shareholders as per provisions of the Companies Act, 2013 read together with the Memorandum and Articles of Association of the Company, as applicable.



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Summary of significant accounting policies and other explanatory information forming part of the standalone financial statements of the  
Company for the year ended 31-March-2023  
[All amounts are in rupees lakh, except share data and earnings per share]

(iii) Details of shareholders holding more than 5% equity shares in the Company

|  | As at<br>31-March-2023 |           | As at<br>31-March-2022 |           |
|--|------------------------|-----------|------------------------|-----------|
|  | No. of shares          | % holding | No. of shares          | % holding |
| Algoquant Financials LLP* (the holding entity) | 52,746                 | 100%      | 52,746                 | 100%      |
|  | 52,746                 | 100%      | 52,746                 | 100%      |

(As per the records of the Company, including register of members)  
As at 31-March-2023

| S. No. | Promoters' Name  | No. of Shares at<br>beginning of the<br>year | Change during<br>the year | % of total shares | % change during<br>the year |
|--------|--|--|---------------------------|-------------------|-----------------------------|
| 1      | Algoquant Financials LLP ("the holding entity")<br>(One Share is held by Devansh Gupta as Nominee of Algoquant Financials LLP) | 52,746                                       | -                         | 100%              | -                           |

As at 31-March-2022

| S. No. | Promoters' Name  | No. of Shares at<br>beginning of the<br>year | Change during<br>the year | % of total shares | % change during<br>the year |
|--------|--|--|---------------------------|-------------------|-----------------------------|
| 1      | Algoquant Financials LLP ("the holding entity")<br>(One Share is held by Devansh Gupta as Nominee of Algoquant Financials LLP) | 52,746                                       | -                         | 100%              | -                           |

(iv) The Company has not issued/allotted any class of shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of bonus shares during the period of five year immediately preceding the reporting date. Further, no shares of any class were bought back during the period of five year immediately preceding the reporting date.

9 Other equity

|  | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--|------------------------|------------------------|
|  | ₹                      | ₹                      |
| <b>Retained earnings</b>                     |                        |                        |
| Balance as at the beginning of the year      | 283.88                 | 283.58                 |
| Add: Total comprehensive income for the year | 2.36                   | 0.30                   |
| Balance as at the end of the year            | 286.25                 | 283.88                 |
| <b>Total reserves and surplus</b>            | 286.25                 | 283.88                 |

Retained earnings: This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.



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705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

**Summary of significant accounting policies and other explanatory information forming part of the standalone financial statements of the Company for the year ended 31-March-2023**

**[All amounts are in rupees lakh, except share data and earnings per share]**

|  | As at<br>31-March-2023<br>₹                                   | As at<br>31-March-2022<br>₹ |
|--|---|-----------------------------|
| <b>10 Financial liabilities</b>  |   |                             |
| Trade payables   |   |                             |
| - total outstanding dues to micro and small enterprises  | -   | -                           |
| - total outstanding dues to other than micro and small enterprises   | 4.55  | 2.56                        |
|  | <u>4.55</u>   | <u>2.56</u>                 |
| <b>Ageing for trade payables from the due date of payment for each of the category as at 31-March-2023</b> |   |                             |
|  | Outstanding for following periods from due<br>date of payment | Total                       |
|  | Unbilled dues      Less than 1 year      More than 1 year     |                             |
| Undisputed dues - MSME   | -   | -                           |
| Undisputed dues - Others   | 0.92      3.63      -   | 4.55                        |
| <b>Ageing for trade payables from the due date of payment for each of the category as at 31-March-2022</b> |   |                             |
|  | Outstanding for following periods from due<br>date of payment | Total                       |
|  | Unbilled dues      Less than 1 year      More than 1 year     |                             |
| Undisputed dues - MSME   | -   | -                           |
| Undisputed dues - Others   | 0.52      2.04      -   | 2.56                        |
| <b>11 Other current liabilities</b>  |   |                             |
| Statutory dues payable   |   |                             |
| - tax deducted at source   | -   | 0.02                        |
|  | <u>-</u>  | <u>0.02</u>                 |
| <b>12 Current tax liabilities</b>  |   |                             |
| Provision for income tax*  | 0.28  | -                           |
|  | <u>0.28</u>   | <u>-</u>                    |
| * [net of advance tax and tax deducted at source Rs.0.65 (previous year Rs.0.31)]                          |   |                             |

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**705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat**  
**Summary of significant accounting policies and other explanatory information forming part of**  
**the standalone financial statements of the Company for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

|   | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|---|-----------------------------|-----------------------------|
|   | ₹                           | ₹                           |
| <b>13 Other Income</b>  |                             |                             |
| Interest income on:   |                             |                             |
| - inter-corporate deposits [financial asset, at amortised cost] | 6.55                        | 7.79                        |
| - fixed deposits [financial asset, at amortised cost]           | -                           | 1.05                        |
|   | <u>6.55</u>                 | <u>8.83</u>                 |
| <b>14 Finance costs</b>   |                             |                             |
| Interest on delayed payment of:                                 |                             |                             |
| - on advance income tax and tax deducted at source              | 0.00                        | 0.07                        |
|   | <u>0.00</u>                 | <u>0.07</u>                 |
| <b>15 Other expenses</b>  |                             |                             |
| Legal and professional fees                                     | 0.67                        | 7.68                        |
| Payment to auditors'  |                             |                             |
| - as statutory auditors*  | 1.16                        | 0.59                        |
| Bank charges  | 0.00                        | 0.03                        |
| Rates, fees and taxes   | 1.19                        | -                           |
| Advertisement expenses  | 0.04                        | -                           |
|   | <u>3.07</u>                 | <u>8.30</u>                 |
| *Includes GST.  |                             |                             |
| <b>16 Income tax expense</b>                                    |                             |                             |
| Disclosure pursuant to Ind AS 12 "Income Taxes"                 |                             |                             |
| (a) Major components of tax expense/(Income)                    |                             |                             |
| Current tax   |                             |                             |
| - Current tax for the year                                      | 0.91                        | 0.14                        |
| - Current tax for previous years                                | -                           | -                           |
| - income tax earlier years'                                     | -                           | 0.02                        |
| <b>Total current tax expense</b>                                | <u>0.91</u>                 | <u>0.16</u>                 |
| Deferred tax  |                             |                             |
| Deferred tax charge / (credit)                                  | 0.21                        | -                           |
| <b>Total deferred tax charge/ (credit)</b>                      | <u>0.21</u>                 | <u>-</u>                    |
| <b>Total income tax expense</b>                                 | <u>1.12</u>                 | <u>0.16</u>                 |



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**Summary of significant accounting policies and other explanatory information forming part of  
the standalone financial statements of the Company for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

|   | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|---|-----------------------------|-----------------------------|
|   | ₹                           | ₹                           |
| <b>(a) Reconciliation of tax expense and the Profit/(Loss) before exceptional items and tax</b> |                             |                             |
| <b>Tax rate</b>   | 3.48                        | 0.46                        |
| <b>Income tax expense calculated @ 26%</b>  | 26.00%                      | 25.17%                      |
| <b>Adjustments for:</b>   | 0.91                        | 0.12                        |
| Impact of capital gains   | -                           | -                           |
| Income tax earlier years'   | -                           | 0.02                        |
| Tax impact of permanent difference  | 0.00                        | 0.02                        |
| Reversal of MAT credit entitlement  | 0.21                        | -                           |
| Other miscellaneous items   | -                           | 0.01                        |
| <b>Expected tax after adjustments</b>   | <b>1.12</b>                 | <b>0.16</b>                 |
| <b>As per statement of profit and loss</b>  |                             |                             |
| <b>Tax charged to statement of profit and loss:</b>   |                             |                             |
| - Current tax for the year  | 0.91                        | 0.14                        |
| - Income tax earlier years'   | -                           | 0.02                        |
| - deferred tax expense / (credit)   | 0.21                        | -                           |
|   | <b>1.12</b>                 | <b>0.16</b>                 |
| <b>17 Earnings per equity share (Basic and Diluted)</b>   |                             |                             |
| <b>Net profit after tax attributable to equity shareholders</b>                                 | 2.36                        | 0.30                        |
| <b>Total equity shares outstanding during the year</b>  | 52,746                      | 52,746                      |
| <b>Weighted average number of equity shares outstanding during the year</b>                     | 52,746                      | 52,746                      |
| <b>Face value per equity share</b>  | 100                         | 100                         |
| <b>Basic and diluted earnings per share (in ₹)</b>  | 4.48                        | 0.57                        |



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**[All amounts are in rupees lakh, except share data and earnings per share]**

**18 Related party disclosures**

- a) **The holding entity**  
 Algoquant Financials LLP
- b) **Subsidiary company**  
 Algoquant Fintech Limited [formerly Hindustan Everest tools Limited]
- c) **Key management personnel**  
 Dhruv Gupta (Director) [W.e.f. 09-Feb-21]  
 Devansh Gupta (Director) [W.e.f. 09-Feb-21]

| Transactions with related parties during the year | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|---|-----------------------------|-----------------------------|
|   | ₹                           | ₹                           |
| <b>Algoquant Fintech Limited</b>                  |                             |                             |
| Loan given  | 130.00                      | 383.92                      |
| Interest on loan                                  | 6.55                        | 7.79                        |
|   | <u>136.55</u>               | <u>391.71</u>               |
| <b>Algoquant Fintech Limited</b>                  |                             |                             |
| Repayment received                                | -                           | 383.89                      |
| Interest on loan [received]                       | 6.58                        | 7.76                        |
|   | <u>6.58</u>                 | <u>391.65</u>               |

| Balances outstanding at the year end | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--------------------------------------|------------------------|------------------------|
|                                      | ₹                      | ₹                      |
| <b>Algoquant Fintech Limited</b>     |                        |                        |
| Loan receivable                      | 130.00                 | -                      |
| Interest receivable                  | -                      | 0.03                   |
| Re-imbursment payable                | 0.85                   |                        |
| <b>Devansh Gupta</b>                 |                        |                        |
| Re-imbursment payable                | 2.78                   | 2.05                   |



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**Algoquant Investments Private Limited**  
**[Formerly Mandella Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**

705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

Summary of significant accounting policies and other explanatory information forming part of the standalone financial statements of the Company for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

**19 Fair value hierarchy**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

**20 Financial instruments by category**

| Particulars                        | Level | 31-March-2023 |                | 31-March-2022 |                |
|------------------------------------|-------|---------------|----------------|---------------|----------------|
|                                    |       | FVTPL         | Amortised cost | FVTPL         | Amortised cost |
| <b>Financial assets</b>            |       |               |                |               |                |
| Investments (non-current)          | 1     | -             | 206.79         | -             | 206.79         |
| -at cost in Subsidiary             |       |               |                |               |                |
| Loans                              | 3     | -             | 130.00         | -             | -              |
| Other financial assets             | 3     | -             | -              | -             | 0.03           |
| Cash and cash equivalents          |       | -             | 7.03           | -             | 131.43         |
| <b>Total financial assets</b>      |       | -             | <b>343.82</b>  | -             | <b>338.26</b>  |
| <b>Financial liabilities</b>       |       |               |                |               |                |
| Other financial liabilities        |       | -             | 4.55           | -             | 2.56           |
| <b>Total financial liabilities</b> |       | -             | <b>4.55</b>    | -             | <b>2.56</b>    |

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

**21 Financial risk management**

**(A) Credit risk**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

**(a) Credit risk management**

**Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: High credit risk



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**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**

705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

Summary of significant accounting policies and other explanatory information forming part of the standalone financial statements of the Company for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

| Asset group         | Basis of categorisation                | Provision for expenses credit loss |
|---------------------|--|------------------------------------|
| A: Low credit risk  | Investments, cash and cash equivalents | 12 month expected credit loss      |
| B: High credit risk | No such asset                          | -                                  |

**Assets under credit risk -**

| Credit rating       | Particulars               | 31-Mar-2023 | 31-Mar-2022 |
|---------------------|---------------------------|-------------|-------------|
| A: Low credit risk  | Cash and cash equivalents | 7.03        | 131.43      |
|                     | Investments               | 206.79      | 206.79      |
| B: High credit risk | No such asset             | -           | -           |

**(B) Liquidity Risk**

The Company's current assets aggregate to Rs.137.03 lakh (2022- Rs.132.22 lakh) including loans given, cash and cash equivalents against an aggregate current liability of Rs.4.83 lakh (2022- Rs.2.59 lakh).

Further, while the Company's total equity stands at Rs.338.99 lakh (2022- Rs. 336.33 lakh), liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets (current) and liabilities as at March 31, 2023.

**As at 31-March-2023**

| Particulars                  | Less than 6 months | 6 to 12 months | 1 to 5 years | More than 5 years | Total Carrying Amount |
|------------------------------|--------------------|----------------|--------------|-------------------|-----------------------|
| <b>Financial assets</b>      |                    |                |              |                   |                       |
| Loans                        | 130.00             | -              | -            | -                 | 130.00                |
| Cash & cash equivalents      | 7.03               | -              | -            | -                 | 7.03                  |
| Other financial assets       | -                  | -              | -            | -                 | -                     |
| <b>Total</b>                 | <b>137.03</b>      | <b>-</b>       | <b>-</b>     | <b>-</b>          | <b>137.03</b>         |
| <b>Financial Liabilities</b> |                    |                |              |                   |                       |
| Other financial liabilities  | 4.55               | -              | -            | -                 | 4.55                  |
| <b>Total</b>                 | <b>4.55</b>        | <b>-</b>       | <b>-</b>     | <b>-</b>          | <b>4.55</b>           |

**As at 31-March-2022**

| Particulars                  | Less than 6 months | 6 to 12 months | 1 to 5 years | More than 5 years | Total Carrying Amount |
|------------------------------|--------------------|----------------|--------------|-------------------|-----------------------|
| <b>Financial assets</b>      |                    |                |              |                   |                       |
| Loans                        | -                  | -              | -            | -                 | -                     |
| Cash & cash equivalents      | 131.43             | -              | -            | -                 | 131.43                |
| Other financial assets       | 0.03               | -              | -            | -                 | 0.03                  |
| <b>Total</b>                 | <b>131.46</b>      | <b>-</b>       | <b>-</b>     | <b>-</b>          | <b>131.46</b>         |
| <b>Financial Liabilities</b> |                    |                |              |                   |                       |
| Other financial liabilities  | 2.56               | -              | -            | -                 | 2.56                  |
| <b>Total</b>                 | <b>2.56</b>        | <b>-</b>       | <b>-</b>     | <b>-</b>          | <b>2.56</b>           |



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**Algoquant Investments Private Limited**  
**[Formerly Mandella Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**  
**705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat**  
**Summary of significant accounting policies and other explanatory information forming part of the standalone financial statements of the**  
**Company for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

**Market Risks**

The Company is not an active investor in equity markets; it continues to hold certain investments in its subsidiary company which are accordingly measured at Cost. The value of investments in such equity instruments as at 31-March-23 is Rs. 206.79 (2022- Rs. 206.79).

As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing investments in debt/equity mutual funds instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

**Foreign currency risk**

The Company does not have any foreign currency risk as it does not have any exposure in foreign currency as at the year end. Therefore, the sensitivity to foreign currency fluctuation is not relevant.

**Capital management policies and procedures**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31-March-2023, the Company has only one class of equity shares and has no debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for the re-investment into business based on its long-term financial plans.

**22. Financial instruments and cash deposits**

**31-March-2023**

| Particulars                                   | Estimated gross carrying amount |
|---|---------------------------------|
|   | ₹                               |
| Investments (non-current) [at amortised cost] | 206.79                          |
| Loans   | 130.00                          |
| Other financial asset [current]               | -                               |
| Cash and cash equivalents                     | 7.03                            |

**31-March-2022**

| Particulars                     | Estimated gross carrying amount |
|---------------------------------|---------------------------------|
|                                 | ₹                               |
| Investments (non-current)       | 206.79                          |
| Loans                           | -                               |
| Other financial asset [current] | 0.03                            |
| Cash and cash equivalents       | 131.43                          |

**23** In accordance with IND AS- 108, the Company had only one segment i.e. business of Investments.

**24 Detail of dues to micro and small enterprises defined under the MSMED Act 2006**

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue Principal amounts/Interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.



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**Algoquant Investments Private Limited**  
**[Formerly Mandella Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**

705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

Summary of significant accounting policies and other explanatory information forming part of the standalone financial statements of the Company for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

**25 Other Statutory Information for the current and preceding financial year**

- (i) The Company does not have any immovable property whose title deeds are not held in the name of the Company.
- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (iii) The Company has not been declared as wilful defaulter by any bank, financial institution or other lender.
- (iv) The Company does not have any transactions with companies struck off under section 248 of Companies Act, 2013.
- (v) The Company does not have borrowings from any bank or financial institution.
- (vi) The Company does not have any investment in any downstream subsidiary, joint venture, associate. Therefore, compliance with number of layers of subsidiary is not applicable on the Company.
- (vii) The Company did not enter into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013 except as specified at note 27
- (viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**26 Financial Ratios<sup>#</sup>**

A financial ratio are the tool used by investors to analyse and gain information about the finance of a company's history or the entire business sector. Accordingly for the purpose of calculation of the following financial ratios, numbers are taken from the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement.

| Ratio                                 | 31-March-23 | 31-March-22 | % change | Reason for variance |
|---------------------------------------|-------------|-------------|----------|---------------------|
| Current ratio <sup>(1)</sup>          | 28.35       | 51.27       | (22.92)  | Not required        |
| Return on Equity ratio <sup>(2)</sup> | 0.70%       | 0.00%       | 0.01     | Not required        |

Formula for calculating ratios

|                            | Numerator                                     | Denominator                  |
|----------------------------|---|------------------------------|
| (1) Current Ratio          | Current Assets                                | Current Liabilities          |
| (2) Return on Equity ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity |

Other ratios are not considered relevant in view of the nature of business of the Company.

- 27** The Board of Directors of the Company in their meeting held on 10 March 2023, approved a draft Composite Scheme of Arrangement ("the Scheme") between the Company, Growth Securities Private Limited and Algoquant Fintech Limited (Formerly Hindustan Everest tools Limited), whereby the stock broking business of Growth Securities shall be demerged into Algoquant Fintech Limited on a going concern basis and also the Company shall merge into Algoquant Fintech Limited. The Company is in the process of undertaking necessary regulatory steps as enunciated under various applicable laws and regulations including filing the Scheme with the National Company Law Tribunal for approval. The Scheme is subject to requisite approvals and therefore, no adjustments have been made to the standalone financial statements of the Company as of and for the year ended 31-March-2023 with respect to the Scheme.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date.

For O P Bagla & Co. LLP

Chartered Accountants

Firm Registration No : 000018N/N500091

For and on the behalf of the Board of Directors of  
 Algoquant Investments Private Limited

*Deepanshu Saini*  
 Deepanshu Saini  
 Partner  
 Membership No : 510573  
 Place: New Delhi  
 Date: 21-August-23

*Dhruv Gupta*  
 Dhruv Gupta  
 Director  
 DPIN: 06920431

*Devansh Gupta*  
 Devansh Gupta  
 Director  
 DPIN: 06920376



**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**  
**CIN: U67120GJ1983PTC136550**

Registered Office: 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -  
380015, Gujarat

Unaudited (provisional) Condensed Balance Sheet as at 31-December-2023  
[All amounts are in rupees lakh, except share data and earnings per share]

|   | Note  | As at<br>31-December-2023<br>₹ | As at<br>31-March-2023<br>₹ |
|---|-------|--------------------------------|-----------------------------|
| <b>ASSETS</b>   |       |                                |                             |
| <b>Non-current assets</b>   |       |                                |                             |
| Financial assets  |       |                                |                             |
| - Investments   | 3     | 206.79                         | 206.79                      |
| <b>Total non-current assets</b>                                   |       | <b>206.79</b>                  | <b>206.79</b>               |
| <b>Current assets</b>   |       |                                |                             |
| Financial assets  |       |                                |                             |
| - Cash and cash equivalents                                       | 4 (i) | 1.47                           | 7.03                        |
| - loans   | (ii)  | 51.00                          | 130.00                      |
| - Other financial assets  | (iii) | 459.15                         | -                           |
| Other current assets  | 5     | -                              | 0.01                        |
| <b>Total current assets</b>                                       |       | <b>511.62</b>                  | <b>137.04</b>               |
|   |       | <b>718.42</b>                  | <b>343.83</b>               |
| <b>EQUITY AND LIABILITIES</b>                                     |       |                                |                             |
| <b>Equity</b>   |       |                                |                             |
| Equity share capital  | 6     | 52.75                          | 52.75                       |
| Other equity  | 7     | 317.73                         | 286.25                      |
| <b>Total equity</b>   |       | <b>370.47</b>                  | <b>339.00</b>               |
| <b>Liabilities</b>  |       |                                |                             |
| <b>Current liabilities</b>  |       |                                |                             |
| Financial liabilities   |       |                                |                             |
| - Borrowings  | 8 (i) | 331.97                         | -                           |
| - Trade payables  | (ii)  | -                              | -                           |
| - total outstanding dues to micro and small enterprises           |       | -                              | -                           |
| - total outstanding dues to other than micro and small enterprise |       | 4.55                           | 4.55                        |
| - Other financial liabilities                                     | (iii) | 0.60                           | -                           |
| Other current liabilities   | 9     | 1.80                           | -                           |
| Current tax liabilities (net)                                     | 10    | 9.02                           | 0.28                        |
| <b>Total current liabilities</b>                                  |       | <b>347.94</b>                  | <b>4.83</b>                 |
|   |       | <b>718.42</b>                  | <b>343.83</b>               |

-0.00                      0.00

The accompanying notes are an integral part of these financial statements.

For and on the behalf of the Board of Directors of  
Algoquant Investments Private Limited



**Dhruv Gupta**  
Director  
DIN: 06920431



**Devansh Gupta**  
Director  
DIN: 06920376



**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**

CIN: U67120GJ1983PTC136550

Registered Office: 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -  
 Unaudited (provisional) Condensed Statement of profit and loss  
 for the period ended 31-December-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|   | Note | Period ended<br>31-December-2023 | Year ended<br>31-March-2023 |
|---|------|----------------------------------|-----------------------------|
|   |      | ₹                                | ₹                           |
| <b>Revenue</b>                                      |      |                                  |                             |
| Revenue from operations                             | 11   | 113.69                           | -                           |
| Other income  | 12   | 15.08                            | 6.55                        |
| <b>Total revenue</b>                                |      | <b>128.78</b>                    | <b>6.55</b>                 |
| <b>Expenses</b>                                     |      |                                  |                             |
| Finance cost  | 13   | 57.56                            | 0.00                        |
| Other expenses                                      | 14   | 29.24                            | 3.07                        |
| <b>Total expenses</b>                               |      | <b>86.81</b>                     | <b>3.07</b>                 |
| <b>Profit before tax</b>                            |      | <b>41.97</b>                     | <b>3.48</b>                 |
| Tax expense   |      |                                  |                             |
| - current tax                                       |      | 10.49                            | 0.91                        |
| - deferred tax charge /(credit)                     |      |                                  | 0.21                        |
| - income tax earlier years'                         |      |                                  | -                           |
|   |      | <b>10.49</b>                     | <b>1.12</b>                 |
| <b>Profit after tax</b>                             |      | <b>31.48</b>                     | <b>2.36</b>                 |
| Other comprehensive income for the year, net of tax |      |                                  | -                           |
| <b>Total comprehensive income for the year</b>      |      | <b>31.48</b>                     | <b>2.36</b>                 |
| <b>Earnings per equity share</b>                    | 15   | <b>6.00</b>                      | <b>4.48</b>                 |
| [Face value Rs. 100 per share]                      |      |                                  |                             |

The accompanying notes are an integral part of these financial statements.

For and on the behalf of the Board of Directors of  
**Algoquant Investments Private Limited**

  
**Dhruv Gupta**  
 Director  
 DIN: 06920431

  
**Devansh Gupta**  
 Director  
 DIN: 06920376



Algoquant Investments Private Limited  
[Formerly Mandella Investments Private Limited]  
CIN: U67120GJ1983PTC136550

Registered Office: 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad - 380015, Gujarat  
Unaudited (provisional) Condensed cash flow statement for the period ended 31-December-2023  
[All amounts are in rupees lakh, except share data and earnings per share]

|  | Period ended<br>31-December-2023 | Period ended<br>30-September-2022 |
|--|----------------------------------|-----------------------------------|
|  | ₹                                | ₹                                 |
| <b>(A) Cash flow from operating activities</b>                   |                                  |                                   |
| Profit before income tax   | 41.97                            | (0.09)                            |
| Adjustments for:   |                                  |                                   |
| Finance costs  | 57.56                            | 0.00                              |
| Interest income  | (15.08)                          | (0.14)                            |
| Operating profit / (loss) before Working Capital Changes         | 84.45                            | (0.23)                            |
| Change in operating assets and liabilities                       |                                  |                                   |
| Trade receivables, advances and other assets                     |                                  |                                   |
| in other financial assets  | (459.15)                         | (0.11)                            |
| in other current assets  | 0.01                             | (0.00)                            |
| in current tax assets  | -                                | (0.01)                            |
| Trade payables, other liabilities and provisions                 |                                  |                                   |
| in other financial liabilities                                   | 5.16                             | (0.41)                            |
| in other current liabilities                                     | 1.80                             | (0.02)                            |
| Cash used in operations  | (367.73)                         | (0.77)                            |
| - Income taxes paid (net of refunds)                             | (1.75)                           |                                   |
| Net cash flow used in operating activities                       | (369.48)                         | (0.77)                            |
| <b>(B) Cash flows from investing activities</b>                  |                                  |                                   |
| Interest received  | 15.09                            | 0.14                              |
| Proceeds from / loan given to subsidiary                         | 79.00                            | (130.03)                          |
| Proceeds from short term borrowings                              | 331.97                           | -                                 |
| Net cash flow (used in) / generated from investing activities    | 426.06                           | (129.89)                          |
| <b>(C) Cash flows from financing activities</b>                  |                                  |                                   |
| Finance cost   | (57.56)                          | (0.00)                            |
| Net cash flow used in financing activities                       | (57.56)                          | (0.00)                            |
| Net increase/(decrease) in cash and cash equivalents (A+B+C)     | (0.98)                           | (130.66)                          |
| Cash and cash equivalents at the beginning of the financial year | 0.77                             | 131.43                            |
| Cash and cash equivalents at end of the period                   | (0.22)                           | 0.77                              |
| <b>Components of cash and cash equivalents</b>                   |                                  |                                   |
| Balance with banks   |                                  |                                   |
| - in current accounts  | 1.47                             | 0.77                              |
| Cheques in Hand  |                                  | 0.00                              |
| Total cash and cash equivalents                                  | 1.47                             | 0.77                              |

The accompanying notes are an integral part of these financial statements.

For and on the behalf of the Board of Directors of  
Algoquant Investments Private Limited

  
Dhruv Gupta  
Director  
DIN: 06920431

  
Devansh Gupta  
Director  
DIN: 06920376



**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**

CIN: U67120GJ1983PTC136550

Registered Office: 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

Statement of changes in equity for the period ended 31-December-2023

[All amounts are in rupees lakh, except share data and earnings per share]

**(A) Equity share capital**

|   | Amount<br>₹ |
|---|-------------|
| Balance as at 01-April-2022                       | 52.75       |
| Changes in equity share capital during the year   | -           |
| Balance as at 31-March-2023                       | 52.75       |
| Changes in equity share capital during the period | -           |
| Balance as at 31-December-2023                    | 52.75       |

**(B) Other Equity**

For the period ended 31-December-2023

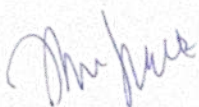
| Particulars                                | Reserves and Surplus | Total equity |
|--|----------------------|--------------|
|  | Retained earnings    |              |
|  | ₹                    | ₹            |
| As at 01-April-2023                        | 285.95               | 286.25       |
| -Profit for the period                     | 31.48                | 2.36         |
| -Other comprehensive income for the period | -                    | -            |
| Total comprehensive income for the period  | 31.48                | 31.48        |
| As at 31-December-2023                     | 317.43               | 317.73       |

For the year ended 31-March-2023

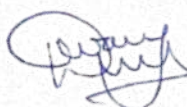
| Particulars                              | Reserves and Surplus | Total equity |
|--|----------------------|--------------|
|  | Retained earnings    |              |
|  | ₹                    | ₹            |
| As at 01-April-2022                      | 283.58               | 283.88       |
| -Profit for the year                     | 2.36                 | 2.36         |
| -Other comprehensive income for the year | -                    | -            |
| Total comprehensive income for the year  | 2.36                 | 2.36         |
| As at 31-March-2023                      | 285.95               | 286.25       |

The accompanying notes are an integral part of these financial statements.

For and on the behalf of the Board of Directors of  
 Algoquant Investments Private Limited



**Dhruv Gupta**  
 Director  
 DIN: 06920431



**Devansh Gupta**  
 Director  
 DIN: 06920376



**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**

CIN: U67120GJ1983PTC136550

Registered Office: 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat  
Summary of significant accounting policies and other explanatory information forming part of the unaudited special purpose financial statements of the Company for the period ended 31-December-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|  | As at<br>31-December-2023 | As at<br>31-March-2023 |
|--|---------------------------|------------------------|
|  | ₹                         | ₹                      |
| <b>NON-CURRENT ASSETS</b>  |                           |                        |
| <b>3 Financial assets</b>  |                           |                        |
| Investment in subsidiary* [Quoted, at cost]  |                           |                        |
| Algoquant Fintech Limited [Formerly Hindustan Everest Tools Limited]   | 206.79                    | 206.79                 |
| 41,72,350 equity shares (previous year 41,72,350) of face value Rs.2 (previous year Rs.2)  |                           |                        |
|  | <u>206.79</u>             | <u>206.79</u>          |
| Aggregate value of quoted investments  |                           | 21,625.29              |
| * The Company makes an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present these at cost.  |                           |                        |
| <b>CURRENT ASSETS</b>  |                           |                        |
| <b>4 Financial assets</b>  |                           |                        |
| <b>(i) Cash and cash equivalents</b>   |                           |                        |
| Balances with banks  |                           |                        |
| - in current accounts  | 1.47                      | 1.10                   |
| Cheques in hand  |                           | 5.93                   |
| Cash on hand   |                           | -                      |
|  | <u>1.47</u>               | <u>7.03</u>            |
| <b>(ii) Loans</b>  |                           |                        |
| At amortized cost  |                           |                        |
| (Unsecured, considered good)   |                           |                        |
| Loan given to related party  | 51.00                     | 130.00                 |
|  | <u>51.00</u>              | <u>130.00</u>          |
| Terms and conditions of loan given :   |                           |                        |
| - the loan (and interest thereon) is unsecured and repayable by borrower with in 15 days from the end of last day of 11 calendar months from disbursement. The loan carries an interest of 10% per annum. There borrower can pre-pay principal and/or interest without any charges or penalties. |                           |                        |
| <b>(iii) Other financial assets</b>  |                           |                        |
| At amortized cost  |                           |                        |
| (Unsecured, considered good)   |                           |                        |
| Accrued interest receivable from subsidiary (refer note 18)  | 9.67                      | -                      |
| Accrued interest   |                           | -                      |
| Balance with brokers   |                           | -                      |
| - Others   | 449.48                    | -                      |
|  | <u>459.15</u>             | <u>-</u>               |
| <b>5 Other current assets</b>  |                           |                        |
| (Unsecured, considered good)   |                           |                        |
| Balance with government authorities  | 0.00                      | 0.01                   |
|  | <u>-</u>                  | <u>0.01</u>            |



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Summary of significant accounting policies and other explanatory information forming part of the unaudited special purpose financial statements of the Company for the period ended 31-December-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|  | Note | As at<br>31-December-2023 | As at<br>31-March-2023 |
|--|------|---------------------------|------------------------|
|  |      | ₹                         | ₹                      |
| <b>6 Equity share capital</b>  |      |                           |                        |
| Authorised share capital   |      |                           |                        |
| 1,00,000 (previous year 1,00,000) equity share of Rs. 100/- each             |      | 100.00                    | 100.00                 |
|  |      | 100.00                    | 100.00                 |
| Issued, subscribed and Paid up capital                                       |      |                           |                        |
| 52,746 (previous year 52,746) equity share of Rs. 100/- each, fully paid up. |      | 52.75                     | 52.75                  |
|  |      | 52.75                     | 52.75                  |

(i) Reconciliation of equity shares outstanding at the beginning and as at the end of the year :

|  | As at<br>31-December-2023 |       |
|--|---------------------------|-------|
|  | Numbers                   | ₹     |
| Opening balance of equity shares                   | 52,746                    | 52.75 |
| Add: Equity shares issued during the period        | -                         | -     |
| Equity shares outstanding at the end of the period | 52,746                    | 52.75 |

|  | As at<br>31-March-2023 |       |
|--|------------------------|-------|
|  | Numbers                | ₹     |
| Opening balance of equity shares                 | 52,746                 | 52.75 |
| Add: Equity shares issued during the year        | -                      | -     |
| Equity shares outstanding at the end of the year | 52,746                 | 52.75 |

(ii) Terms/Rights attached to equity shares :

The Company has one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The shareholders have all other rights as available to equity shareholders as per provisions of the Companies Act, 2013 read together with the Memorandum and Articles of Association of the Company, as applicable.

(iii) Details of shareholders holding more than 5% equity shares in the Company

|  | As at<br>31-December-2023 |           | As at<br>31-March-2023 |
|--|---------------------------|-----------|------------------------|
|  | No. of shares             | % holding | % holding              |
| Algoquant Financials LLP* (the holding entity) | 52,746                    | 100%      | 100%                   |
|  | 52,746                    | 100%      | 100%                   |

(As per the records of the Company, including register of members)

As at 31-December-2023

| S. No. | Promoters' Name  | No. of Shares at<br>beginning of<br>the period | % of total shares |
|--------|--|--|-------------------|
| 1      | Algoquant Financials LLP ("the holding entity")<br>(One Share is held by Devansh Gupta as Nominee of Algoquant Financials LLP) | 52,746   | 100%              |



**Algoquant Investments Private Limited**  
**[Formerly Mandelia Investments Private Limited]**

CIN: U67120GJ1983PTC136550

Registered Office: 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad -380015, Gujarat

Summary of significant accounting policies and other explanatory information forming part of the unaudited special purpose financial statements of the Company for the period ended 31-December-2023

[All amounts are in rupees lakh, except share data and earnings per share]

As at 31-March-2023

| S. No. | Promoters' Name  | No. of Shares at beginning of the year | % of total shares |
|--------|--|--|-------------------|
| 1      | Algoquant Financials LLP ("the holding entity")<br>(One Share is held by Devansh Gupta as Nominee of Algoquant Financials LLP) | 52,746                                 | 100%              |

(iv) The Company has not issued/allotted any class of shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of bonus shares during the period of five year immediately preceding the reporting date. Further, no shares of any class were bought back during the period of five year immediately preceding the reporting date.

**7 Other equity**

**Retained earnings**

Balance as at the beginning of the period

Add: Total comprehensive income for the period/year

**Balance as at the end of the period/year**

**Total reserves and surplus**

| As at<br>31-December-2023 | As at<br>31-March-2023 |
|---------------------------|------------------------|
| ₹                         | ₹                      |
| 286.25                    | 283.88                 |
| 31.48                     | 2.36                   |
| 317.73                    | 286.25                 |
| 317.73                    | 286.25                 |

Retained earnings: This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.



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**[Formerly Mandelia Investments Private Limited]**  
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**Summary of significant accounting policies and other explanatory information forming part of the unaudited special purpose financial statements of the Company for the period ended 31-December-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

|   | As at<br>31-December-2023<br>₹                             | As at<br>31-March-2023<br>₹ |
|---|--|-----------------------------|
| <b>8 Financial liabilities</b>  |  |                             |
| <b>(i) Borrowings</b>   |  |                             |
| (Measured at amortised cost)  |  |                             |
| Unsecured   |  |                             |
| - from NBFC   | 312.97   | -                           |
| - from related party  | 19.00  | -                           |
|   | <u>331.97</u>  | <u>-</u>                    |
| <b>(ii) Trade payables</b>  |  |                             |
| - total outstanding dues to micro and small enterprises   |  | -                           |
| - total outstanding dues to other than micro and small enterprises  | 4.55   | 4.55                        |
|   | <u>4.55</u>  | <u>4.55</u>                 |
| <b>Ageing for trade payables from the due date of payment for each of the category as at 31-December-2023</b> |  |                             |
|   | Outstanding for following periods from due date of payment |                             |
|   | Unbilled dues  | More than 1 year            |
| Undisputed dues - MSME  | -  | -                           |
| Undisputed dues - Others  | 0.92   | -                           |
| <b>Ageing for trade payables from the due date of payment for each of the category as at 31-March-2023</b>    |  |                             |
|   | Outstanding for following periods from due date of payment |                             |
|   | Unbilled dues  | More than 1 year            |
| Undisputed dues - MSME  | -  | -                           |
| Undisputed dues - Others  | 0.92   | -                           |
| <b>(iii) Other financial liabilities</b>  |  |                             |
| Balance with brokers  |  |                             |
| - payable to related party  | 0.49   | -                           |
| Interest accrued and due  | 0.11   | -                           |
|   | <u>0.60</u>  | <u>-</u>                    |
| <b>9 Other current liabilities</b>  |  |                             |
| Statutory dues payable  |  |                             |
| - tax deducted at source  | 1.80   | -                           |
|   | <u>1.80</u>  | <u>-</u>                    |
| <b>10 Current tax liabilities</b>   |  |                             |
| Provision for income tax*   | 9.02   | 0.28                        |
|   | <u>9.02</u>  | <u>0.28</u>                 |

\* [net of advance tax and tax deducted at source]



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Registered Office: 705, Iscon Elegance, S.G Highway, Satelite Prahlad Nagar, Ahmedabad -380015,  
Summary of significant accounting policies and other explanatory information forming part of the  
unaudited special purpose financial statements of the Company for the period ended 31-December-  
2023

[All amounts are in rupees lakh, except share data and earnings per share]

|   | Period ended<br>31-December-2023 | Year ended<br>31-March-2023 |
|---|----------------------------------|-----------------------------|
|   | ₹                                | ₹                           |
| <b>11 Revenue from operations</b>   |                                  |                             |
| - Trading income  | 113.69                           | -                           |
|   | <u>113.69</u>                    | <u>-</u>                    |
| <b>12 Other income</b>  |                                  |                             |
| Interest income on:   |                                  |                             |
| - inter-corporate deposits [financial asset, at amortised cost]           | 15.08                            | 6.55                        |
|   | <u>15.08</u>                     | <u>6.55</u>                 |
| <b>13 Finance cost</b>  |                                  |                             |
| Interest on delayed payment of:   |                                  |                             |
| - on advance income tax and tax deducted at source                        | 0.00                             | 0.00                        |
| - on loan   | 57.56                            | -                           |
|   | <u>57.56</u>                     | <u>0.00</u>                 |
| <b>14 Other expenses</b>  |                                  |                             |
| Legal and professional fees   | 1.11                             | 0.67                        |
| Clearing charges  | 0.25                             | -                           |
| DP charges  | 0.05                             | -                           |
| Bank charges  | 0.00                             | 0.00                        |
| Pledge charges  | 0.00                             | -                           |
| Trade charges with GST  | 17.24                            | -                           |
| Security transaction tax  | 8.70                             | -                           |
| Rates, fees and taxes   | 0.00                             | 1.19                        |
| Penalty charges   | 1.90                             | -                           |
| Advertisement expenses  |                                  | 0.04                        |
|   | <u>29.24</u>                     | <u>3.07</u>                 |
| *Includes GST.  |                                  |                             |
| <b>15 Earnings per equity share (Basic and Diluted)</b>                   |                                  |                             |
| Net profit/(loss) after tax attributable to equity shareholders           | 3.16                             | 2.36                        |
| Total equity shares outstanding during the period                         | 52,746                           | 52,746                      |
| Weighted average number of equity shares<br>outstanding during the period | 52,746                           | 52,746                      |
| Face value per equity share   | 100                              | 100                         |
| Basic and diluted earnings per share (in ₹)                               | 6.00                             | 4.48                        |



**O P BAGLA & CO LLP**  
CHARTERED ACCOUNTANTS

Regd. Office :  
B-225, 5th Floor, Okhla Indl. Area  
Phase - 1, New Delhi - 110020  
Ph.: 011-47011850, 51, 52, 53  
E-Mail : admin@opbco.in  
Website : www.opbco.in

## **Independent Auditor's Report**

**To the Members of Algoquant Fintech Limited**  
**[formerly known as Hindustan Everest Tools Limited]**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Algoquant Fintech Limited [formerly known as Hindustan Everest Tools Limited] ("the Company"), which comprise the Balance Sheet as at 31-March-2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and the Cash Flow Statement for the year then ended, notes to the financial statements, and a summary of the significant accounting policies and other explanatory information ("here in after referred to as the financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with (the Companies (Indian Accounting Standards) Rules, 2015) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31-March-2023, its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statement.

#### **Key Audit Matter(s)**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter   | How our audit addressed the key audit matter  |
|--|---|
| <p><b>Revenue recognition</b></p> <p>The Company has majority of its income from trading in financial instruments through brokers, custodian, and stock exchanges.</p> | <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of internal controls put in place to execute, record, measure, present and disclose revenue transactions in accordance with the underlying contract notes and accounting standards.</li> <li>• Tested the operating effectiveness of those controls.</li> <li>• Obtained an understanding of the Company's IT environment and conducted risk assessment and identified IT applications, databases and operating systems that are relevant to our audit.</li> <li>• Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above.</li> <li>• Tested the access and application controls pertaining to recording which prevents unauthorized changes to recording of transactions incurred.</li> <li>• Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the substantive occurrence of revenue transactions during the year. .</li> <li>• Performed analytical procedures and test of details for reasonableness.</li> </ul> |





### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there's a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a





reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended 31-March-2023 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. Further to our comments in Annexure 1, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;



- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31-March-2023 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31-March-2023 and operating effectiveness of such controls, refer to our separate Report in "Annexure 2" wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company, as detailed in note 26(iii) to the financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31-March-2023;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31-March-2023;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31-March-2023;
  - iv. a) The management has represented that, to the best of its knowledge and belief, on the date of this audit report, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31-March-2023.

For O P Bagla & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 000018N/N500091

  
Deepanshu Saini  
Partner  
Membership No.: 510573  
UDIN: 23510573BQXPLP7559



Place: New Delhi  
Date: 30-May-2023



Annexure 1 referred to in Paragraph 2 under Report on Other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of Algoquant Fintech Limited ("the Company") (Formerly Hindustan Everest Tools Limited) on the financial statements of the Company for the year ended 31-March-2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i.
  - a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
  - b) The Company has a regular program of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
  - c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
  - d) The Company has not revalued its Property, Plant and Equipment during the year. Further, the Company does not hold any intangible assets.
  - e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(f) of the Order is not applicable to the Company.
- ii.
  - a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
  - b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii.
  - a) The Company has not provided any guarantee or given security to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. However, the Company has given unsecured loans of Rs.4,383.00 lakh during the year (year-end balance is Rs. 564.00 lakh) to two LLPs where Directors are Partners. The detail of the same are given below:

| Particulars                            | Loans         |
|--|---------------|
| Aggregate amount given during the year |               |
| the ultimate holding entity (LLP)      | 2,323.00 lakh |
| LLP where Directors are Partners       | 2,060.00 lakh |
| Balance outstanding as at the year end |               |
| the ultimate holding entity (LLP)      | 564.00 lakh   |
| LLP where Directors are Partners       | -             |



Annexure 1 referred to in Paragraph 2 under Report on Other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of Algoquant Fintech Limited ("the Company") (Formerly Hindustan Everest Tools Limited) on the financial statements of the Company for the year ended 31-March-2023

- b) The terms and conditions of the loans given and investments made by the Company are, prima facie, not prejudicial to the interest of the Company. The Company has not, provided any guarantee or given security to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year and hence, not commented upon.
- c) In respect of unsecured loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The principal and interest amount was not due for repayment during the year.
- d) There is no overdue amount in respect of unsecured loan granted by the Company.
- e) The Company has granted unsecured loans which had not fallen due during the year. Accordingly, reporting under clauses 3(iii)(e) of the Order is not applicable to the Company.
- f) The Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of unsecured loans granted by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- vii. a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though advance income-tax has not generally been regularly deposited with the appropriate authorities and there have been significant delays. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable except as disclosed below:

Statement of arrears of statutory dues outstanding for more than six months:

| Name of the statute  | Nature of the dues | Amount<br>(₹ in lakh) | Period to the amount relates | Due Date     | Date of Payment |
|----------------------|--------------------|-----------------------|------------------------------|--------------|-----------------|
| Income Tax Act, 1961 | Advance tax        | 17.13                 | Financial year 2022-23       | 15-June-2022 | Not paid        |
|                      |                    | 34.26                 |                              | 15-Sep-2022  | Not paid        |





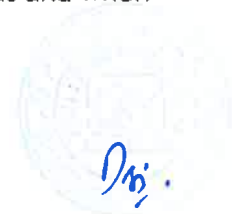
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- b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of account.
- ix. a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us including confirmations received from other lenders and representation received from the Management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lenders.
- c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short-term basis have not been utilised for long-term purposes.
- e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- x. a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.



Annexure 1 referred to in Paragraph 2 under Report on Other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of Algoquant Fintech Limited ("the Company") (Formerly Hindustan Everest Tools Limited) on the financial statements of the Company for the year ended 31-March-2023

- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.  
b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, provisions of section 192 of the Act are not applicable to the Company.
- xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) to (c) of the Order is not applicable to the Company.  
d) Based on the information and explanations given to us and as represented by the management of the Company, the Company (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- xvii. The Company has incurred cash losses of Rs. 446.67 lakh in the current year but had not incurred cash losses in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and the Management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



Annexure 1 referred to in Paragraph 2 under Report on Other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of Algoquant Fintech Limited ("the Company") (Formerly Hindustan Everest Tools Limited) on the financial statements of the Company for the year ended 31-March-2023

- xx. According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For O P Bagla & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 000018N/N500091

  
Deepanshu Saini  
Partner

Membership No.: 510573

UDIN: 2351057384XPLP7559

Place: New Delhi  
Date: 30-May-2023

## Annexure 2

### **Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of **Algoquant Fintech Limited** ('the Company') [formerly known as Hindustan Everest Tools Limited] as at and for the year ended 31-March-2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31-March-2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For O P Bagla & Co. LLP**

**Chartered Accountants**

Firm's Registration No.: 000018N/N500091

*Deepanshu Saini*  
**Deepanshu Saini**  
**Partner**  
 Membership No.: 510573  
 UDIN: 23510573 B9 XPLP7559



Place: New Delhi

Date: 30-May-2023



CIN: L74110GJ1962PLC136701

Registered office: Unit No. 705, 7th Floor of ISCON Elegance, developed at Plot No. 24,  
Pralhadnagar, Ahmedabad, Gujarat-380015, India

Balance Sheet as at 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|  | Notes | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--|-------|------------------------|------------------------|
|  |       | ₹                      | ₹                      |
| <b>ASSETS</b>  |       |                        |                        |
| <b>Non-current assets</b>  |       |                        |                        |
| Property, plant and equipment                                      | 3     | 173.26                 | 114.09                 |
| <b>Financial assets</b>  |       |                        |                        |
| - Investments  | 4     | 549.40                 | 3,067.20               |
| Income tax assets  | 5     | 19.13                  | 19.13                  |
| Deferred tax assets  | 6     | 391.97                 | 66.87                  |
| <b>Total non-current assets</b>                                    |       | <b>1,133.77</b>        | <b>3,267.29</b>        |
| <b>Current assets</b>  |       |                        |                        |
| <b>Financial assets</b>  | 7     |                        |                        |
| - Investments  | (i)   | 1,266.88               | 270.55                 |
| - Cash and cash equivalents  | (ii)  | 289.34                 | 156.88                 |
| - Bank balance other than cash and cash equivalents                | (iii) | 30.52                  | 29.86                  |
| - Loans  | (iv)  | 564.00                 | -                      |
| - Other financial assets   | (v)   | 3,803.73               | 584.11                 |
| Other current assets   | 8     | 0.45                   | 7.58                   |
| Current assets pertaining to discontinued operations               | 26    | 95.11                  | 9.65                   |
| <b>Total current assets</b>  |       | <b>6,050.03</b>        | <b>1,058.63</b>        |
| <b>TOTAL ASSETS</b>  |       | <b>7,183.80</b>        | <b>4,325.92</b>        |
| <b>EQUITY AND LIABILITIES</b>                                      |       |                        |                        |
| <b>Equity</b>  |       |                        |                        |
| Equity share capital   | 9     | 160.72                 | 160.72                 |
| Other equity   | 10    | 3,267.98               | 3,193.45               |
| <b>Total equity</b>  |       | <b>3,428.70</b>        | <b>3,354.17</b>        |
| <b>Non-current liabilities</b>                                     |       |                        |                        |
| Long-term provisions   | 11    | 8.14                   | 5.64                   |
| Deferred tax liabilities   | 12    | -                      | 131.41                 |
| <b>Total non-current liabilities</b>                               |       | <b>8.14</b>            | <b>137.05</b>          |
| <b>Current liabilities</b>   |       |                        |                        |
| <b>Financial liabilities</b>                                       | 13    |                        |                        |
| - Borrowings   | (i)   | 3,046.56               | -                      |
| - Trade payables   | (ii)  | -                      | -                      |
| - total outstanding dues to micro and small enterprises            |       | -                      | -                      |
| - total outstanding dues to other than micro and small enterprises |       | 88.35                  | 140.27                 |
| - Other financial liabilities                                      | (iii) | 75.94                  | 399.01                 |
| Other current liabilities  | 14    | 67.69                  | 21.23                  |
| Short-term provisions  | 15    | 3.02                   | 0.02                   |
| Current tax liabilities (net)                                      | 16    | 143.20                 | 87.47                  |
| Current liabilities pertaining to discontinued operations          | 26    | 322.20                 | 186.70                 |
| <b>Total current liabilities</b>                                   |       | <b>3,746.96</b>        | <b>834.70</b>          |
| <b>Total liabilities</b>   |       | <b>3,755.10</b>        | <b>971.75</b>          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                |       | <b>7,183.80</b>        | <b>4,325.92</b>        |

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For Q P Bagla & Co. LLP

Chartered Accountants

Firm Registration No : 000018N/N500091

Deepanshu Saini

Partner

Membership No : 510573

Place: New Delhi

Date: 30-May-2023

For and on the behalf of the Board of Directors

Dhruv Gupta

Director

DIN: 06920431

Devansh Gupta

Managing Director

DIN: 06920376

Yogesh Gusain

Chief Financial Officer

BGGPG8044R

Atul Kaushal

Company Secretary

DKIPK4559K

**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**CIN: L74110GJ1962PLC136701**

Registered office: Unit No. 705, 7th Floor of ISCON Elegance, developed at Plot No. 24,  
Prahaldnagar, Ahmedabad, Gujarat-380015, India

**Statement of profit and loss for the year ended 31-March-2023**

[All amounts are in rupees lakh, except share data and earnings per share]

|  | Notes | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|--|-------|-----------------------------|-----------------------------|
|  |       | ₹                           | ₹                           |
| <b>(A) Continuing operations</b>   |       |                             |                             |
| Revenue from continuing operations   |       |                             |                             |
| Revenue from operations  | 17    | 1,284.17                    | 1,639.17                    |
| Other income   | 18    | 86.84                       | 71.16                       |
| <b>Total income from continuing operations</b>                                 |       | <b>1,371.01</b>             | <b>1,710.33</b>             |
| <b>Expenses from continuing operations</b>                                     |       |                             |                             |
| Trading and other charges  | 19    | 792.12                      | 835.90                      |
| Employee benefits expense  | 20    | 928.18                      | 385.83                      |
| Finance costs  | 21    | 158.93                      | 63.85                       |
| Depreciation   | 22    | 22.40                       | 4.35                        |
| Other expenses   | 23    | 118.27                      | 104.00                      |
| <b>Total expenses from continuing operations</b>                               |       | <b>2,019.90</b>             | <b>1,393.94</b>             |
| <b>(Loss)/Profit before tax from continuing operations</b>                     |       | <b>(648.89)</b>             | <b>316.39</b>               |
| <b>(Loss)/Profit before tax</b>  |       | <b>(648.89)</b>             | <b>316.39</b>               |
| <b>Tax expense:</b>  | 24    |                             |                             |
| - Current tax  |       | -                           | 58.47                       |
| - Deferred tax charge/(credit)   |       | (355.80)                    | (66.87)                     |
| - Tax expense for earlier years  |       | -                           | 1.00                        |
|  |       | <b>(355.80)</b>             | <b>(7.40)</b>               |
| <b>(Loss)/Profit after tax for the year from continuing operations</b>         |       | <b>(293.09)</b>             | <b>323.79</b>               |
| <b>(B) Discontinued operations</b>   |       |                             |                             |
| <b>(Loss)/Profit before tax from discontinued operations</b>                   | 26    |                             |                             |
| (including exceptional items)  |       | (134.26)                    | 19.08                       |
| Tax expense pertaining to discontinued operations                              |       | 85.47                       | -                           |
| <b>(Loss)/Profit after tax for the period from discontinued operations</b>     |       | <b>(48.79)</b>              | <b>19.08</b>                |
| <b>(Loss)/Profit for the year</b>  |       | <b>(341.88)</b>             | <b>342.87</b>               |
| <b>Other comprehensive Income for the year (net of tax)</b>                    |       |                             |                             |
| - Items that will not be reclassified to profit or loss                        |       | 429.82                      | 1,131.89                    |
| - Income tax relating to items that will not be reclassified to profit or loss |       | (13.39)                     | (132.03)                    |
|  |       | <b>416.43</b>               | <b>999.86</b>               |
| <b>Total comprehensive income for the year</b>                                 |       | <b>74.55</b>                | <b>1,342.73</b>             |
| <b>Earnings per equity share [restated for previous year]</b>                  | 25    |                             |                             |
| - from continuing operations (basic and diluted) (in ₹)                        |       | (3.65)                      | 4.03                        |
| - from discontinued operations (basic and diluted) (in ₹)                      |       | (1.67)                      | 0.24                        |
| - from continuing and discontinued operations (basic and diluted) (in ₹)       |       | (5.32)                      | 4.27                        |

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

This is the Statement of Profit & Loss referred to in our report of even date.

For O P Bagla & Co. LLP

Chartered Accountants

Firm Registration No : 000018N/N500091

Deepanshu Saini

Partner

Membership No : 510573

Place: New Delhi

Date: 30-May-2023

For and on the behalf of the Board of Directors

Bhruv Gupta

Director

DIN: 06920431

Yogesh Gusain

Chief Financial Officer

BGGPG8044R

Devansh Gupta

Managing Director

DIN: 06920376

Atul Kaushal

Company Secretary

DKIPK4559K

**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**CIN: L74110GJ1962PLC136701**

Registered office: Unit No. 705, 7th Floor of ISCON Elegance, developed at Plot No. 24,  
Prahaldnagar, Ahmedabad, Gujarat-380015, India

Cash flow statement for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|  | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|--|-----------------------------|-----------------------------|
|  | ₹                           | ₹                           |
| <b>(A) Cash flow from operating activities</b>   |                             |                             |
| (Loss)/Profit before Income tax from   |                             |                             |
| - Continuing operations  | (648.89)                    | 316.42                      |
| - Discontinued operations  | (48.79)                     | 19.08                       |
| (Loss)/Profit before Income tax  | (697.68)                    | 335.50                      |
| <b>Adjustments for:</b>  |                             |                             |
| <b>Continuing operations</b>   |                             |                             |
| Depreciation   | 22.40                       | 4.35                        |
| Finance costs  | 158.93                      | 63.85                       |
| Interest income  | (59.92)                     | (1.36)                      |
| Dividend received  | (0.15)                      | (3.40)                      |
| Provision of defined benefit plans   | -                           | 5.66                        |
| Provisions no longer required written-back   | (24.56)                     | (51.46)                     |
| Changes on fair valuation of investments (measured at FVTOCI)                                | 416.43                      | -                           |
| Operating profit/(loss) before Working Capital Changes                                       | (135.76)                    | 334.06                      |
| <b>Change in operating assets and liabilities</b>  |                             |                             |
| <b>Trade receivables, advances and other assets</b>  |                             |                             |
| in trade and other receivables   | -                           | 83.07                       |
| in other financial assets  | (3,219.63)                  | 1,280.73                    |
| in other current assets  | 7.14                        | (7.36)                      |
| <b>Trade payables, other liabilities and provisions</b>                                      |                             |                             |
| in trade payables  | (27.37)                     | 119.83                      |
| in other current liabilities   | 46.46                       | 13.61                       |
| in other financial liabilities   | (351.95)                    | 252.92                      |
| in current tax liabilities   | 55.73                       | 18.12                       |
| in restricted cash   | (0.65)                      | (1.87)                      |
| in provisions  | 5.50                        | -                           |
| Cash generated (used in)/from operations   | (3,620.54)                  | 2,093.11                    |
| - Income taxes paid  | (100.72)                    | (74.61)                     |
|  | (3,721.26)                  | 2,018.51                    |
| <b>Net cash flow (used in)/generated from operating activities [Discontinued operations]</b> | 1.25                        | -                           |
| <b>Total Net cash flow (used in)/generated from operating activities</b>                     | (3,720.01)                  | 2,018.51                    |
| <b>(B) Cash flows from investing activities</b>  |                             |                             |
| (Purchase)/Sale of property, plant and equipment   | (81.57)                     | (118.44)                    |
| (Purchase)/Sale of financial assets [investments at FVTPL]                                   | (996.33)                    | 248.94                      |
| Sale/(Purchase) of financial assets [investments at FVOCI]                                   | 2,517.80                    | (1,935.31)                  |
| Loans given  | (564.00)                    | -                           |
| Dividend received  | 0.15                        | 3.40                        |
| Interest received  | 59.92                       | 1.36                        |
|  | 935.96                      | (1,800.05)                  |
| <b>Net cash flow generated from/(used in) investing activities [Discontinued operations]</b> | -                           | (5.44)                      |
| <b>Total net cash flow generated from/(used in) investing activities</b>                     | 935.96                      | (1,805.49)                  |
| <b>(C) Cash flows from financing activities</b>  |                             |                             |
| Proceeds from short-term borrowings  | 3,046.56                    | 1,728.50                    |
| Repayment of short-term borrowings   | -                           | (1,728.50)                  |
| Finance cost   | (130.05)                    | (63.82)                     |
|  | 2,916.51                    | (63.82)                     |
| <b>Net cash flow generated from/(used in) financing activities [Discontinued operations]</b> | -                           | -                           |
| <b>Total Net cash flow generated/(used in) from financing activities</b>                     | 2,916.51                    | (63.82)                     |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>                          | 132.47                      | 149.17                      |
| <b>Cash and cash equivalents at the beginning of the financial year</b>                      | 156.88                      | 7.71                        |
| <b>Cash and cash equivalents at the end of the year</b>                                      | 289.34                      | 156.88                      |



B



**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**CIN: L74110GJ1962PLC136701**

Registered office: Unit No. 705, 7th Floor of ISCON Elegance, developed at Plot No. 24,  
Pralhadnagar, Ahmedabad, Gujarat-380015, India

**Cash flow statement for the year ended 31-March-2023**

[All amounts are in rupees lakh, except share data and earnings per share]

|   | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|---|-----------------------------|-----------------------------|
|   | ₹                           | ₹                           |
| Components of cash and cash equivalents |                             |                             |
| Balance with banks                      |                             |                             |
| - in current accounts                   | 287.59                      | 137.59                      |
| - in deposit accounts                   | 0.32                        | 13.84                       |
| Cash on hand                            | 1.43                        | 5.45                        |
| <b>Total cash and cash equivalents</b>  | <b>289.34</b>               | <b>156.88</b>               |

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date,  
For O P Bagla & Co. LLP  
Chartered Accountants  
Firm Registration No : 000018N/N500091

For and on the behalf of the Board of Directors

*Deepanshu Saini*  
  
**Deepanshu Saini**  
Partner  
Membership No : 510573  
Place: New Delhi  
Date: 30-May-2023

*Dhruv Gupta*  
**Dhruv Gupta**  
Director  
DIN: 06920431  
  
*Yogesh Gusein*  
**Yogesh Gusein**  
Chief Financial Officer  
BGGPG8044R

*Devansh Gupta*  
**Devansh Gupta**  
Managing Director  
DIN: 06920376  
  
  
*Atul Kaushal*  
**Atul Kaushal**  
Company Secretary  
DKIPK4559K

**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**CIN: L74110GJ1962PLC136701**

Registered office: Unit No. 705, 7th Floor of ISCON Elegance, developed at Plot No. 24,  
Praladnagar, Ahmedabad, Gujarat-380015, India

**Statement of changes in equity for the year ended 31-March-2023**

[All amounts are in rupees lakh, except share data and earnings per share]

**(A) Equity Share Capital**

| Particulars                                     | Amount<br>₹ |
|---|-------------|
| Balance as on 01-April-2021                     | 160.72      |
| Changes in equity share capital during the year | -           |
| Balance as at 31-March-2022                     | 160.72      |
| Balance as on 01-April-2022                     | 160.72      |
| Changes in equity share capital during the year | -           |
| Balance as at 31-March-2023                     | 160.72      |

**(B) Other equity**

**For the year ended 31-March-2023**

| Particulars                             | Reserves and surplus |                            |                            |                   | Total equity |
|---|----------------------|----------------------------|----------------------------|-------------------|--------------|
|   | Capital reserves     | Securities premium reserve | Other comprehensive income | Retained earnings |              |
|   | ₹                    | ₹                          | ₹                          | ₹                 | ₹            |
| As at 01-April-2022                     | 7.52                 | 73.28                      | 999.86                     | 2,112.78          | 3,193.44     |
| Loss for the year                       | -                    | -                          | -                          | (341.89)          | (341.89)     |
| Other comprehensive income for the year | -                    | -                          | 416.43                     | -                 | 416.43       |
| Total comprehensive income for the year | -                    | -                          | 416.43                     | (341.89)          | 74.54        |
| As at 31-March-2023                     | 7.52                 | 73.28                      | 1,416.28                   | 1,770.89          | 3,267.98     |

**For the year ended 31-March-2022**

| Particulars                             | Reserves and surplus |                            |                            |                   | Total equity |
|---|----------------------|----------------------------|----------------------------|-------------------|--------------|
|   | Capital reserves     | Securities premium reserve | Other comprehensive income | Retained earnings |              |
|   | ₹                    | ₹                          | ₹                          | ₹                 | ₹            |
| As at 01-April-2021                     | 7.52                 | 73.28                      | -                          | 1,769.89          | 1,850.69     |
| Profit for the year                     | -                    | -                          | -                          | 342.89            | 342.89       |
| Other comprehensive income for the year | -                    | -                          | 999.86                     | -                 | 999.86       |
| Total comprehensive income for the year | -                    | -                          | 999.86                     | 342.89            | 1,342.75     |
| As at 31-March-2022                     | 7.52                 | 73.28                      | 999.86                     | 2,112.78          | 3,193.44     |

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

This is the Statement of changes in equity referred to in our report of even date.

For O P Bagla & Co. LLP

Chartered Accountants

Firm Registration No : 000018N/N500091

*Deepanshu Saini*  
**Deepanshu Saini**  
Partner

Membership No : 510573  
Place: New Delhi  
Date: 30-May-2023



For and on the behalf of the Board of Directors

*Dhruv Gupta*  
**Dhruv Gupta**  
Director  
DIN: 06920431

*Yogesh Gusain*  
**Yogesh Gusain**  
Chief Financial Officer  
BGGPG8044R

*Devansh Gupta*  
**Devansh Gupta**  
Managing Director  
DIN: 06920376



*Atul Kaushal*  
**Atul Kaushal**  
Company Secretary  
DKIPK4559K



**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
**financial statement for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

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**1. Corporate Information**

Algoquant Fintech Limited [Formerly Hindustan Everest Tools Limited] ("Algoquant" or the 'Company') was incorporated on 25-January-1962 and is engaged in the business of trading in financial instruments[w.e.f. 10-Feb-2021].

The Company was formerly engaged in the business of trading in metals, which was discontinued w.e.f.01-April-2021.

The Company is domiciled in India and the address of its registered office of the Company is at Unit No. 705, 7th Floor of ISCON Elegance, developed at Plot No. 24, Prahaladnagar, Ahmedabad, Gujarat-380015, India. The equity shares of the Company are listed on BSE Limited ("BSE" or "the Stock exchange").

The Company is a wholly owned subsidiary of Algoquant Investment Private Limited [Formerly MandeliaInvestment Private Limited] and during the year ended 31-March-2021, there was a change in the management of the Company.

**2. Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistent with those of the previous year unless otherwise stated.

**A) Basis of preparation**

**i) Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The Company has prepared these financial statements which comprise the Balance Sheet as at 31-March-2023, the Statement of Profit and Loss (including other comprehensive income), and the Statement of Changes in Equity for the year ended 31-March-2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

The financial statements have been prepared on going concern basis using a historical cost convention, except certain financial assets and financial liabilities which are measured at fair value as explained in relevant accounting policies.

The Company does not have any investment that is required to be consolidated. Therefore, the Company has presented these standalone financials only. Accordingly, there are no consolidated financial statements.

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company. All amounts disclosed in the financial statements which also include the



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
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accompanying notes have been rounded off to the nearest lakh as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

**ii) Discontinued operations**

The Company had closed the only manufacturing facility in the year 2017. Results of the manufacturing operations that were discontinued, are disclosed as discontinued operations. Further, during the quarter ended 31-Dec-2018, the Company had substantially completed the settlement of liabilities and realization of assets, pertaining to its discontinued operations. The adjustments in the current period pertain to changes in the settlement of those liabilities.

**iii) Presentation of financial statements**

**Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of Financial Statements".

**An asset is treated as current when it is:**

- Expected to be realized or intended to be sold or consumed in normal operating cycle of the Company
- Held primarily for the purposes of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is treated as current when:**

- It is expected to be settled in normal operating cycle of the Company
- It is held primarily for the purposes of trading
- It is due to be settled within twelve months from the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
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**iv) Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant judgements and areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed below:

**Significant management judgements**

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements are as follows:

- **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets** - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Classification of leases** - The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.
- **Defined benefit plans** - The liabilities and costs for defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.



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**Algoquant Fintech Limited**  
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**Summary of significant accounting policies and other explanatory information forming part of**  
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- **Provisions**

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

- **Contingencies**

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A tax provision is recognized when the Company has a present obligation as a result of a past event; it is probable that the Company will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements. When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved.

This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

Although, there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

- **Going concern**

The management has made an assessment of the Company's ability to continue as going concern and is satisfied that the Company has resources to continue in business for the foreseeable future. Further, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as going concern.

- **Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

- **Recoverability of advances/ receivables** - At each balance sheet date, based on discussions with the respective counterparties and internal assessment of their credit worthiness, the Management assesses the recoverability and expected credit loss of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
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- **Classification of assets and liabilities into current and non-current** - The management classifies the assets and liabilities into current and non-current categories based on management's expectation of the timing of realization of the assets or timing of contractual settlement of liabilities.
- **Impairment of non-financial assets** - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Impairment of financial assets** - The Company estimates the recoverable amount of trade receivables and other financial assets where collection of the full amount is expected to be no longer probable. For individually significant amounts, this estimation is performed on an individual basis considering the length of time past due, financial condition of the counterparty, impending legal disputes, if any and other relevant factors.
- **Fair value measurements** - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available.
- **Useful lives of Property, Plant and Equipment** - The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unmortised depreciable amount is charged over the remaining useful life of the asset.

**B) Financial instruments**

**Recognition and initial measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

**Classification and subsequent measurement**

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories: -

- Amortized cost
- Fair value through other comprehensive income (FVOCI)



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
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**[All amounts are in rupees lakh, except share data and earnings per share]**

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- Fair value through profit or loss (FVTPL)

**a) Financial assets carried at amortized cost**

The Company classifies the financial assets at amortized cost, if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognized for financial assets classified in amortized cost measurement category.

Financial asset is measured at the amortized cost, if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**b) Financial assets measured at FVOCI.**

The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognized in other comprehensive income.

Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as other income in the Statement of Profit and Loss.

In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognized through other comprehensive income. Further, cumulative gains or losses previously recognized in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

**c) Financial assets measured at FVTPL**

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortized cost or FVOCI. The Company makes such election on an instrument-by-instrument basis. Such financial assets are subsequently measured at fair value at each reporting date. In case of financial assets measured at FVTPL, changes in fair value are recognized in profit or loss.



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**Algoquant Fintech Limited**  
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**Summary of significant accounting policies and other explanatory information forming part of**  
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#### **De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (1) the Company has transferred substantially all the risks and rewards of the asset, or (2) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Financial liabilities Subsequent measurement**

Subsequent to recognition, all non-derivative financial liabilities are measured at amortized cost using the effective interest method.

#### **De-recognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

#### **Offsetting**

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### **Fair Value**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
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**[All amounts are in rupees lakh, except share data and earnings per share]**

---

- In the principal market for the asset or liability
- In absence of principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – inputs that are unobservable for the asset or liability

**C) Property, plant and equipment**

**Recognition and measurement**

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on retirement from active use or disposal of an item of property, plant and equipment is recognized in statement of profit and loss.

All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

**Subsequent expenditure**

All items of property, plant and equipment are stated at historical cost less depreciation.



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of**  
**financial statement for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced.

#### **De-recognition**

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

#### **Depreciation method and estimated useful lives**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognized in the statement of profit and loss.

Depreciation on fixed assets is provided as per the guidance set out in the schedule II to the Companies Act, 2013. Depreciation is charged on straight-line method based on estimated useful life of the asset after considering residual value as set out in schedule II to the Companies Act, 2013. Depreciation on additions (disposals) is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

#### **Useful life of depreciable assets**

| S.No. | Asset class            | Useful life of asset |
|-------|------------------------|----------------------|
| 1     | Buildings              | 3 - 60 years         |
| 2     | Plant and equipment    | 8 - 30 years         |
| 3     | Computers              | 3 - 6 years          |
| 4     | Furniture & fixtures   | 3 - 10 years         |
| 5     | Leasehold improvements | 5 - 10 years         |

The Management believes that the useful lives as given above represents the period over which the assets are likely to be used. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **D) Employee benefits**

##### **(i) Short-term employee benefit**



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**Algoquant Fintech Limited**  
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**Summary of significant accounting policies and other explanatory information forming part of**  
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**[All amounts are in rupees lakh, except share data and earnings per share]**

Short-term employee benefit includes salaries/short-term cash bonus and such obligations are measured at an undiscounted amount and are expensed as the related service is provided. A liability is under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably. These costs are recognized as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

**(H) Long-term employee benefits**

**a) Defined contribution plan**

Defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes monthly contributions to statutory provident fund (Government administered provident fund scheme) in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in statement of profit or loss in the period(s) during which the related services are rendered by employees.

**b) Defined benefit plan**

Defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate with reference to the market yield on government bonds at the end of reporting period. The Gratuity plan of the Company is un-funded.

Defined benefit costs are categorised as follows:

- i) The current service cost of the defined benefit plan, recognised in the Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current period, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of benefits are recognised immediately in the Statement of Profit and Loss when they occur.
- ii) The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in finance cost in the Statement of Profit and Loss.
- iii) Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are



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recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

For discontinued operations, in view of closure of its operations in earlier years, the Company's net obligation in respect of defined benefit plans had been considered as current liability and has been calculated on actual basis as per the provisions of Payment of Gratuity Act, 1972. The same was discharged during the previous year.

**E) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**F) Leases**

For any new contracts entered into on or after 01-April-2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company recognizes right of use assets, measured at an amount equal to lease liability (adjusted for related prepayments/ accruals) and discounts lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the



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right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

**Short-term leases and leases of low-value assets**

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in Statement of profit and loss on a straight-line basis over the lease term.

**G) Revenue Recognition**

**Trading in financial instruments**

Revenue from trading, primarily consists of trading in marketable financial instruments earned by the Company. Net Trading income represents trading gain net of losses. The profit or loss arising from all transactions entered into on account and risk of the Company are recorded on completion of trade date. The revenue is recorded at the gross value after net trading revenue.

Market Value for exchange traded derivatives, principally, futures and options, are based on quoted market prices. The gains or losses on derivatives used for trading purposes are included in revenue from trading. Purchase & Sales of derivatives financial instruments are recorded on trade date. The transactions are recorded on a net basis.

As per Ind AS 109 Financial Instruments, in respect of options contracts open as on the reporting date, the net premium paid or received is carried forward to the balance sheet as financial assets or financial liabilities. The unrealized gain or loss measured on fair valuation is shown as financial assets or financial liabilities.

**Consulting and advisory Income**

Advisory income or service income is accounted for on an accrual basis in accordance with the terms of the respective agreements entered into between the Company and the counter party.

**Interest income**

Revenue is recognized on accrual basis using effective interest rate method.

**Dividend income**

Dividend on equity shares, preference shares and on mutual fund units is recognized as income when the right to receive the dividend is established as at the reporting date.



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**H) Income tax**

Income tax comprises current and deferred tax incurred by the Company. It is recognised in statement of profit or loss except to the extent that it relates to items recognised directly in equity or OCI, in which case the tax effect is recognised in equity or OCI.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted by the reporting period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

**ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is recognised for:

-deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Minimum Alternative Tax ('MAT') credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the



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specified period.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in

equity and in this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset

current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

**I) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**J) Earnings per share**

The basic earning/loss per share is computed by dividing the net profit/(loss) before other comprehensive income attributable to owners of the Company for the period by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/(loss) per share comprises the weighted average shares considered for deriving basic earnings/(loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

While computing basic and diluted earnings/loss per share the Company takes into account issue of ordinary shares during the period which can be in the form of fresh issue at fair value, bonus issue without any consideration, stock split, issue of shares to the existing holders in lieu of dividends, right issue to the existing holders of ordinary shares at a price which is equal to or less than the fair value and so on. Accordingly, restated comparative figures of earning/loss per share is presented in the financial statements.



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**K) Provisions and contingent liabilities**

Provisions are recognized only when there is a present obligation (legal or constructive), as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material. Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

**L) Impairment**

**Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:



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All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets; and;

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Other financial assets**

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

**M) Operating Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segment of the company.

In accordance with IND AS-108, prior to 10-Feb-2021 the Company had only one business segment i.e., business of trading in metals. However, due to unfavorable business environment and to safeguard against losses the Management did not engage into trading in metals during financial years ended 31-March-2020 and 31-Mar-2021. Further, w.e.f. 01-April-2021, the Company has discontinued the business of trading in metals.

The new Management has engaged in the business of trading in financial instruments w.e.f 10-Feb-2021. Accordingly, revenue from operations for the year ended 31-March-2023 represents revenue from trading in financial instruments.

**N) Dividends**

Being appropriately authorized and no longer at the discretion of the entity, provision is made for the amount of any dividend declared, on or before the end of the reporting period but not distributed at the end of the reporting period.

Final Dividend is recorded as liability on the date of approval by shareholders in their General Meeting. Interim Dividend is declared as liability on the date of declaration by Board of Directors.

**O) Events after Reporting Date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.



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Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023

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**3 Property, plant and equipment**  
**Year ended 31-March-2023**

|                          | Tangible assets         |                      |                        |       | (Amount in ₹) |
|--------------------------|-------------------------|----------------------|------------------------|-------|---------------|
|                          | Computers & Peripherals | Furniture & Fixtures | Leasehold improvements | Car   | Total         |
| Gross carrying amount    |                         |                      |                        |       |               |
| As at 01-April-2022      | 93.15                   | 17.39                | 7.90                   | -     | 118.44        |
| Additions                | 62.37                   | 3.86                 | -                      | 15.34 | 81.57         |
| Disposals                | -                       | -                    | -                      | -     | -             |
| As at 31-March-2023      | 155.52                  | 21.26                | 7.90                   | 15.34 | 200.02        |
| Accumulated depreciation |                         |                      |                        |       |               |
| As at 01-April-2022      | 3.84                    | 0.14                 | 0.37                   | -     | 4.35          |
| Depreciation charge      | 19.14                   | 2.11                 | 0.75                   | 0.39  | 22.40         |
| Disposals                | -                       | -                    | -                      | -     | -             |
| As at 31-March-2023      | 22.98                   | 2.25                 | 1.12                   | 0.39  | 26.75         |
| Net carrying amount      |                         |                      |                        |       |               |
| As at 31-March-2023      | 132.54                  | 19.00                | 6.78                   | 14.95 | 173.26        |
| As at 31-March-2022      | 89.31                   | 17.25                | 7.53                   | -     | 114.09        |

**Year ended 31-March-2022**

|                               | Tangible assets         |                      |                        |     | (Amount in ₹) |
|-------------------------------|-------------------------|----------------------|------------------------|-----|---------------|
|                               | Computers & Peripherals | Furniture & Fixtures | Leasehold improvements | Car | Total         |
| Gross carrying amount         |                         |                      |                        |     |               |
| As at 01-April-2021           | -                       | -                    | -                      | -   | -             |
| Opening gross carrying amount | 93.15                   | 17.39                | 7.90                   | -   | 118.44        |
| Additions                     | -                       | -                    | -                      | -   | -             |
| Disposals                     | -                       | -                    | -                      | -   | -             |
| As at 31-March-2022           | 93.15                   | 17.39                | 7.90                   | -   | 118.44        |
| Accumulated depreciation      |                         |                      |                        |     |               |
| As at 01-April-2021           | -                       | -                    | -                      | -   | -             |
| Depreciation charge           | 3.84                    | 0.14                 | 0.37                   | -   | 4.35          |
| Disposals                     | -                       | -                    | -                      | -   | -             |
| As at 31-March-2022           | 3.84                    | 0.14                 | 0.37                   | -   | 4.35          |
| Net carrying amount           |                         |                      |                        |     |               |
| As at 31-March-2022           | 89.31                   | 17.25                | 7.53                   | -   | 114.09        |
| As at 31-March-2021           | -                       | -                    | -                      | -   | -             |



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**Algoquant Fintech Limited**  
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**Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023**

[All amounts are in rupees lakh, except share data and earnings per share]

|  | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--|------------------------|------------------------|
|  | ₹                      | ₹                      |
| <b>NON-CURRENT ASSETS</b>  |                        |                        |
| <b>4 Financial assets</b>  |                        |                        |
| (a) Investments at fair value through other comprehensive income*  |                        |                        |
| Quoted equity shares   |                        |                        |
| Easy Trip Planners Limited   | 549.40                 | 3,067.20               |
| [12,65,031 (Previous year 9,00,000) equity shares of Rs. 1 each/- (Previous year Rs. 2 each/-) fully paid up]  |                        |                        |
|  | <b>549.40</b>          | <b>3,067.20</b>        |
| Aggregate value of quoted investments  | <b>549.40</b>          | <b>3,067.20</b>        |
| * The Company makes an Irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. |                        |                        |
| (i) Refer note 30 - Financial risk management for information about credit risk and market risk of other financial assets.   |                        |                        |
| (ii) The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.  |                        |                        |
| <b>5 Income tax assets</b>   |                        |                        |
| Income tax deposited [against matter under appeal]   | 19.13                  | 19.13                  |
|  | <b>19.13</b>           | <b>19.13</b>           |
| <b>6 Deferred tax assets^</b>  |                        |                        |
| arising on account of:   |                        |                        |
| - Minimum alternate tax credit entitlement   | 56.07                  | 56.15                  |
| - Revaluation loss (FVTPL)   | 50.03                  | -                      |
| - Revaluation loss (FVTOCI)  | 53.14                  | -                      |
| - Depreciation on property, plant and equipment  | -                      | 9.14                   |
| - Unabsorbed business losses and unabsorbed depreciation   | 240.38                 | -                      |
| - Employee benefit plan (Gratuity)   | 3.45                   | 1.57                   |
|  | <b>403.07</b>          | <b>66.87</b>           |
| Deferred tax liabilities   |                        |                        |
| arising on account of  |                        |                        |
| - Depreciation on property, plant and equipment  | (11.10)                | -                      |
|  | <b>(11.10)</b>         | <b>-</b>               |
| <b>Total</b>   | <b>391.97</b>          | <b>66.87</b>           |
| ^ Refer note 24  |                        |                        |

| Movement in deferred tax assets during the year ended 31-March-2023 | Opening balance as at<br>1-April-2022 | Utilisation of<br>MAT credit | Recognised during the year through profit and loss | Closing balance as at<br>31-March-2023 |
|---|---------------------------------------|------------------------------|--|--|
| - Minimum alternate tax credit entitlement                          | 56.15                                 | 0.08                         | -  | 56.07                                  |
| - Depreciation on property, plant and equipment                     | 9.14                                  | 9.14                         | -  | -                                      |
| - Employee benefit plan (Gratuity)                                  | 1.58                                  | -                            | 1.87   | 3.45                                   |
| - Revaluation loss (FVTPL)  | -                                     | -                            | 50.03  | 50.03                                  |
| - Revaluation loss (FVTOCI)   | -                                     | -                            | 53.14  | 53.14                                  |
| - Unabsorbed business losses and unabsorbed depreciation            | -                                     | -                            | 240.38   | 240.38                                 |
|   | <b>66.87</b>                          | <b>9.22</b>                  | <b>345.42</b>                                      | <b>403.07</b>                          |

| Movement in deferred tax liability during the year ended 31-March-2023 | Opening balance as at<br>1-April-2022 | Utilisation of<br>MAT credit | Recognised during the year through profit and loss | Closing balance as at<br>31-March-2023 |
|--|---------------------------------------|------------------------------|--|--|
| - Depreciation on property, plant and equipment                        | -                                     | -                            | 11.10  | 11.10                                  |
|  | <b>-</b>                              | <b>-</b>                     | <b>11.10</b>                                       | <b>11.10</b>                           |

The Company has unused minimum alternate tax credit amounting to Rs. 56.07 lakh as on 31-March-2023 (previous year: Rs. 56.15 lakh). Such tax credit have been recognised on the basis that recovery is probable in foreseeable future.

| Assessment year(A.Y.) to which MAT credit pertains | Expiry date | 31-March-2023 | 31-March-2022 |
|--|-------------|---------------|---------------|
| 2021-22  | 2036-37     | 56.07         | 56.15         |

There are unused minimum alternate tax credits as mentioned below which have not been recognized as an asset in the books of account on a prudent basis

| Assessment year(A.Y.) to which MAT credit pertains | Expiry date | 31-March-2023 | 31-March-2022 |
|--|-------------|---------------|---------------|
| 2018-19  | 2033-34     | 938.66        | 1,044.78      |



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**CURRENT ASSETS**

**7 Financial assets**

**(i) Investments**

[Measured at fair value through profit and loss (FVTPL), unless otherwise stated]

**(a) in equity instruments\***

| Particulars   | Face value | As at                   | As at                   | As at              | As at              |
|---|------------|-------------------------|-------------------------|--------------------|--------------------|
|   | ₹          | 31-March-2023<br>Number | 31-March-2022<br>Number | 31-March-2023<br>₹ | 31-March-2022<br>₹ |
| - in equity shares (quoted) of                      |            |                         |                         |                    |                    |
| GP Petroleum Limited                                | 5.00       | -                       | 10,000                  | -                  | 4.54               |
| Hemisphere Properties (I) Limited                   | 10.00      | -                       | 3,000                   | -                  | 3.43               |
| McLeod Russel Limited                               | 5.00       | -                       | 10,00,000               | -                  | 228.00             |
| Oriental Hotels Limited                             | 1.00       | -                       | 62                      | -                  | 0.04               |
| Coffee Day Enterprises Limited                      | 10.00      | 60,000                  | -                       | 17.15              | -                  |
| D C M Limited                                       | 10.00      | 9,322                   | -                       | 6.54               | -                  |
| Droneacharya Aerial Innovations Limited             | 10.00      | 10,000                  | -                       | 12.26              | -                  |
| Indiabulls Enterprises Limited                      | 2.00       | 1,50,000                | -                       | 12.08              | -                  |
| Servotech Power Systems Limited                     | 1.00       | 90,000                  | -                       | 32.38              | -                  |
| Sumit Woods Limited                                 | 10.00      | 1,894                   | -                       | 0.58               | -                  |
| Tejnaksh Healthcare Limited                         | 5.00       | 13,221                  | 20,500                  | 9.11               | 34.54              |
| Vip Clothing Limited                                | 2.00       | 3,26,836                | -                       | 131.36             | -                  |
| Orient Green Power Company Limited                  | 10.00      | 50,000                  | -                       | 4.54               | -                  |
| 3I Infotech Limited                                 | 10.00      | 10,000                  | -                       | 2.75               | -                  |
| Adant Green Energy Limited                          | 10.00      | 5,000                   | -                       | 44.09              | -                  |
| Alok Industries Limited                             | 1.00       | 1,00,000                | -                       | 11.59              | -                  |
| Ansal Housing & Constructions                       | 10.00      | 3,50,000                | -                       | 11.38              | -                  |
| Apis India Limited                                  | 10.00      | 25                      | -                       | 0.02               | -                  |
| Brightcom Group Limited                             | 2.00       | 50,000                  | -                       | 7.32               | -                  |
| Dhani Services Limited                              | 2.00       | 10,000                  | -                       | 2.66               | -                  |
| Euro Panel Products Limited                         | 10.00      | 10,000                  | -                       | 10.75              | -                  |
| Future Consumer Limited                             | 6.00       | 51,00,000               | -                       | 25.50              | -                  |
| GTL Infrastructure Limited                          | 10.00      | 25,00,000               | -                       | 17.75              | -                  |
| GTL Limited   | 10.00      | 9,00,000                | -                       | 44.10              | -                  |
| Hazoor Multi Projects Limited - Rights issue        | -          | 51,500                  | -                       | 11.65              | -                  |
| Hazoor Multi Projects Limited                       | 10.00      | 1,03,000                | -                       | 189.11             | -                  |
| Hi-Tech Pipes Limited.                              | 1.00       | 62,400                  | -                       | 50.14              | -                  |
| Intellivate Capital Ventures Limited                | 1.00       | 89                      | -                       | 0.01               | -                  |
| Lloyds Steel Industries                             | 1.00       | 25,000                  | -                       | 4.49               | -                  |
| Motherson Sumi Systems                              | 1.00       | 10,000                  | -                       | 6.71               | -                  |
| Patron Exim Limited                                 | 10.00      | 40,000                  | -                       | 3.03               | -                  |
| PC Jeweller Limited                                 | 10.00      | 10,17,000               | -                       | 271.74             | -                  |
| Rail Vikas Nigam Limited                            | 10.00      | 10,000                  | -                       | 6.86               | -                  |
| Rattanindia Power Limited                           | 10.00      | 5,00,000                | -                       | 14.75              | -                  |
| Sadbhav Infrastructure Project Limited              | 10.00      | 1,70,000                | -                       | 5.13               | -                  |
| Sml Isuzu Limited                                   | 10.00      | 6,134                   | -                       | 45.21              | -                  |
| South Indian Bank Limited                           | 1.00       | 50,000                  | -                       | 7.31               | -                  |
| S.S. Organics Limited                               | 10.00      | 3,250                   | -                       | 1.19               | -                  |
| Subex Limited                                       | 5.00       | 10,000                  | -                       | 2.84               | -                  |
| Tata Teleservices (Maharashtra) Limited             | 10.00      | 10,000                  | -                       | 5.55               | -                  |
| Trident Limited                                     | 1.00       | 10,000                  | -                       | 2.79               | -                  |
| Tulsiyan NEC Limited                                | 10.00      | 6,000                   | -                       | 3.43               | -                  |
| Visagar Polytex Limited                             | 1.00       | 1,97,746                | -                       | 1.50               | -                  |
| Vodafone Idea Limited                               | 10.00      | 1                       | -                       | -                  | -                  |
| WS Industries India Limited                         | 10.00      | 3,020                   | -                       | 1.01               | -                  |
| Visesh Infotechnics Limited                         | 1.00       | 2                       | -                       | -                  | -                  |
| IRB Infrastructure Developers Limited               | 1.00       | 8,50,000                | -                       | 213.52             | -                  |
| Investments at fair value through profit and loss   |            |                         |                         | 1,251.88           | 270.55             |
| - in share warrants of (un-quoted) (refer note iii) |            |                         |                         |                    |                    |
| JTL Industries Limited (partly paid up)             | -          | 20,000                  | -                       | 15.00              | -                  |
|   |            |                         |                         | 1,266.88           | 270.55             |
| Aggregate value of un-quoted investments            |            |                         |                         | 15.00              | -                  |
| Aggregate value of quoted investments               |            |                         |                         | 1,251.88           | 270.55             |

(i) Refer note 30 - Financial risk management for information about credit risk and market risk of other financial assets.

(ii) The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.

(iii) represents investments in fully convertible share warrants which are convertible into equity shares in ratio of 1:1 with in 18 months from allotment. The Company has a capital commitment of Rs. 225 per share warrant aggregating to Rs. 45.00 lakh.

\* held for trading



**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**

**Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023**

[All amounts are in rupees lakh, except share data and earnings per share]

|  | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--|------------------------|------------------------|
|  | ₹                      | ₹                      |
| (II) <b>Cash and cash equivalent</b>           |                        |                        |
| Balances with banks                            |                        |                        |
| - in current accounts                          | 287.59                 | 137.59                 |
| - deposits with maturity of less than 3 months | 0.32                   | 13.83                  |
| Cash on hand                                   | 1.43                   | 5.45                   |
|  | <b>289.34</b>          | <b>156.88</b>          |

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

(i) Refer note 30 - Financial risk management for information about credit risk and market risk of other financial assets.

(ii) The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.

|  |              |              |
|--|--------------|--------------|
| (III) <b>Bank balance other than cash and cash equivalents</b>           |              |              |
| - Deposits with maturity for more than 3 months but less than 12 months* | 30.52        | 29.86        |
|  | <b>30.52</b> | <b>29.86</b> |

\* The amount was pledged against bank guarantees issued by HDFC Bank Limited in favor of Haryana VAT department (refer note 26). However, the assessments under VAT have been closed. As at 31-March-2023, the Company is in the process of encashing these Fixed Deposits (FD).

(i) Refer note 30 - Financial risk management for information about credit risk and market risk of other financial assets.

(ii) The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.

|                                    | As at<br>31-March-2023 | As at<br>31-March-2022 |
|------------------------------------|------------------------|------------------------|
|                                    | ₹                      | ₹                      |
| (iv) <b>Loans</b>                  |                        |                        |
| Unsecured, considered good         |                        |                        |
| - To related party (Refer note 28) | 564.00                 | -                      |
|                                    | <b>564.00</b>          | <b>-</b>               |

The Company has given unsecured loan to its Holding entity (refer note 28) at an interest rate of 10% and the loan is repayable in full by the borrower with in 15 days from the end of last day of 11 calendar months from disbursement. There borrower can pre-pay principal and/or interest without any charges or penalties. The borrower has utilised the loans for its principal business activities only.

(i) Refer note 30 - Financial risk management for information about credit risk and market risk of other financial assets.

(ii) The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.

|   | As at<br>31-March-2023 | As at<br>31-March-2022 |
|---|------------------------|------------------------|
|   | ₹                      | ₹                      |
| (v) <b>Other financial assets</b>                     |                        |                        |
| At amortised cost                                     |                        |                        |
| (Unsecured, considered good unless otherwise stated)  |                        |                        |
| Stamp duty refund receivable                          | 24.52                  | 31.85                  |
| Balance with brokers                                  |                        |                        |
| - related party (refer note 28)                       | 76.93                  | -                      |
| - clearing agent                                      | 2,187.93               | 552.14                 |
| Deposit with  |                        |                        |
| - Broker  | 1,500.00               | -                      |
| - Others  | 2.00                   | -                      |
| Other recoverables from related party (refer note 28) | 0.85                   | -                      |
| Accrued interest on deposits                          | 11.50                  | 0.12                   |
|   | <b>3,803.73</b>        | <b>584.11</b>          |

(i) Refer note 30 - Financial risk management for information about credit risk and market risk of other financial assets.

(ii) The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.





**Algoquant Fintech Limited**  
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Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|   | As at<br>31-March-2023 | As at<br>31-March-2022                   |
|---|------------------------|--|
|   | ₹                      | ₹  |
| <b>8 Other current assets</b><br>(Unsecured, considered good unless otherwise stated)   |                        |  |
| Advances other than capital advances:   |                        |  |
| - Prepaid expenses  | -                      | 7.58                                     |
| - Other recoverable   | 0.45                   | -  |
|   | <u>0.45</u>            | <u>7.58</u>                              |
| <b>9 Equity share capital</b>   |                        |  |
| Authorised share capital  |                        |  |
| 1,15,00,000 (Previous year 1,15,00,000) Equity Share of Rs. 2/- each fully paid up.     | 230.00                 | 230.00                                   |
| 20,000 (Previous Year 20,000) Redeemable Cumulative Preference Shares of Rs. 100/- each | 20.00                  | 20.00                                    |
|   | <u>250.00</u>          | <u>250.00</u>                            |
| Issued, subscribed and paid up capital  |                        |  |
| 80,36,000 (Previous year 80,36,000) Equity Share of Rs. 2/- each fully paid up.         | 160.72                 | 160.72                                   |
|   | <u>160.72</u>          | <u>160.72</u>                            |
| (i) Movement in equity share capital  |                        |  |
|   | Number<br>of shares    | Equity share capital<br>(par value)<br>₹ |
| As at 01-April-2022   | 80,36,000              | 803.60                                   |
| Add: Issued during the year   | -                      | -  |
| As at 31-March-2023   | <u>80,36,000</u>       | <u>803.60</u>                            |
| As at 01-April-2021   | 16,07,200              | 160.72                                   |
| Add: Issued during the year   | -                      | -  |
| Adjustment : Sub division of equity shares  | 64,28,800              | 642.88                                   |
| As at 31-March-2022   | <u>80,36,000</u>       | <u>803.60</u>                            |

There are no securities which are convertible into equity shares.

**(ii) Terms/Rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs.2 each [previous year Rs.2]. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The shareholders have all other rights as available to equity shareholders as per provisions of the Companies Act, 2013 read together with the Memorandum and Articles of Association of the Company, as applicable.

**(iii) Details of shareholders holding more than 5% equity shares in the Company**

Algoquant Financials LLP [Entity holding AIPL]\*  
 Algoquant Investments Private Limited (AIPL)  
 [Formerly Mandelia Investments Private Limited] ("AIPL" or the "holding Company")

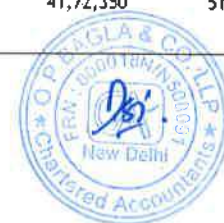
(As per the records of the Company, including register of members)

|  | As at<br>31-March-2023 |
|--|------------------------|
|  | Number of<br>shares    |
|  | % holding              |
|  | 10,08,100              |
|  | 12.54%                 |
|  | 41,72,350              |
|  | 51.92%                 |

Algoquant Financials LLP [Entity holding AIPL]\*  
 Algoquant Investments Private Limited  
 [Formerly Mandelia Investments Private Limited] ("AIPL" or the "holding Company")

(As per the records of the Company, including register of members)

|  | As at<br>31-March-2022 |
|--|------------------------|
|  | Number of<br>shares    |
|  | % holding              |
|  | 10,04,045              |
|  | 12.49%                 |
|  | 41,72,350              |
|  | 51.92%                 |



**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**

**Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023**

**[All amounts are in rupees lakh, except share data and earnings per share]**

(iv) Details of equity shares held by promoter

As at 31-March-2023

| S. No. | Promoter's Name  | No. of Shares at beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|--------|--|--|------------------------|--------------------------------------|-------------------|--------------------------|
| 1      | Algoquant Financials LLP   | 10,04,045                              | 4,055.00               | 10,08,100                            | 12.54%            | 0.4%                     |
| 2      | Algoquant Investments Private Limited<br>[Formerly Mandelia Investments Private Limited] | 41,72,350                              | -                      | 41,72,350                            | 51.92%            | -                        |
| 3      | Dhruv Gupta  | 54,500                                 | -                      | 54,500                               | 0.68%             | -                        |
| 4      | Devansh Gupta  | 61,125                                 | -                      | 61,125                               | 0.76%             | -                        |

As at 31-March-2022

| S. No. | Promoter's Name  | No. of Shares at beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|--------|--|--|------------------------|--------------------------------------|-------------------|--------------------------|
| 1      | Algoquant Financials LLP   | 10,04,045                              | -                      | 10,04,045                            | 12.49%            | -                        |
| 2      | Algoquant Investments Private Limited<br>[Formerly Mandelia Investments Private Limited] | 41,72,350                              | -                      | 41,72,350                            | 51.92%            | -                        |
| 3      | Dhruv Gupta  | 54,500                                 | -                      | 54,500                               | 0.68%             | -                        |
| 4      | Devansh Gupta  | 61,125                                 | -                      | 61,125                               | 0.76%             | -                        |

(vi) The Company has not issued/allotted any class of shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of bonus shares during the period of five year immediately preceding the reporting date. Further, no shares of any class were bought back during the period of five year immediately preceding the reporting date. Further, no shares have been reserved to be issued against stock options.

**10 Other equity**

**(i) Reserves**

Capital reserve

Securities premium

Balance as at the end of the year

**(ii) Retained earnings**

Balance as at the beginning of the year

Add: Profit/(loss) for the year

Add: Other comprehensive income

Balance as at the end of the year

**Total reserves and surplus**

|   | As at<br>31-March-2023 | As at<br>31-March-2022 |
|---|------------------------|------------------------|
|   | ₹                      | ₹                      |
| Capital reserve                         | 7.52                   | 7.52                   |
| Securities premium                      | 73.28                  | 73.28                  |
| Balance as at the end of the year       | 80.80                  | 80.80                  |
| Balance as at the beginning of the year | 3,112.65               | 1,769.89               |
| Add: Profit/(loss) for the year         | -341.89                | 342.89                 |
| Add: Other comprehensive income         | 416.43                 | 999.86                 |
| Balance as at the end of the year       | 3,187.19               | 3,112.65               |
| <b>Total reserves and surplus</b>       | <b>3,267.99</b>        | <b>3,193.45</b>        |

a) Capital Reserve: This Reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

b) Securities Premium Reserve: The security premium is the amount paid by shareholder over and above the face value of equity share. Security premium can be utilised as per the provisions of the Companies Act, 2013.

c) Retained Earnings: Retained Earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

**NON-CURRENT LIABILITIES**

**11 Long-term provisions**

Provision for defined benefit obligations (Gratuity)

- non-current portion (refer note 36)

**12 Deferred tax liabilities**

arising on account of:

- fair valuation of financial assets measured at FVOCI

|  | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--|------------------------|------------------------|
|  | ₹                      | ₹                      |
| Provision for defined benefit obligations (Gratuity) | 8.14                   | 5.64                   |
| Deferred tax liabilities                             | 8.14                   | 5.64                   |
| Deferred tax assets                                  | -                      | 131.41                 |
| <b>Deferred tax liabilities</b>                      | <b>-</b>               | <b>131.41</b>          |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities.



**Algoquant Fintech Limited**  
[Formerly Hindustan Everest Tools Limited]

Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

**CURRENT LIABILITIES**

**13 Financial liabilities**

**(f) Borrowings**

(Measured at amortised cost)

Secured

Margin trade funding

- from NBFC

416.56

Unsecured

- from the holding company

130.00

- from NBFC

2,500.00

3,046.56

**Terms and condition attached**

**(a) SEBI Margin trade funding facility (SEBI MTF)**

The Company has SEBI MTF facilities from two stock-brokers. The rate of interest ranges between 10.00% - 12.00%. The facilities are secured by the pledge of underlying investments acquired under such facilities. The borrowing facility is for a short-term and are repayable on demand. Margin requirement are as per SEBI norms.

**(b) Revolving loan facility**

**Nature of facility:-** Revolving loan facility- Loan amount of Rs. 2,500 lakh

**Rate of interest:-** Interest @ 12%-16% per annum, charged on calendar monthly basis on daily outstanding basis & payable within next calendar month.

**Security:-**

1. Equitable Mortgage of Office Space in the name of Nirmal Buildwell Real Estate LLP, a related party.
2. Equitable Mortgage of Property owned by Dhruv Devansh Investment & Finance LLP, a related party.

**(c) From related parties**

- the loan (and interest thereon) is unsecured and repayable within 15 days from the end of last day of 11 calendar months from disbursement. The loan carries an interest of 10% per annum. The Company can pre-pay principal and/or interest without any charges or penalties.

| As at<br>31-March-2023 | As at<br>31-March-2022 |
|------------------------|------------------------|
| ₹                      | ₹                      |

**(II) Trade payables (refer note 27)**

- total outstanding dues to micro and small enterprises
- total outstanding dues to other than micro and small enterprises

| As at<br>31-March-2023 | As at<br>31-March-2022 |
|------------------------|------------------------|
| ₹                      | ₹                      |

**Trade payables aging schedule**

| Trade payables ageing schedule | As at<br>31-March-2023                                     |                  | As at<br>31-March-2022 |                  |
|--------------------------------|--|------------------|------------------------|------------------|
|                                | Outstanding for following periods from due date of payment |                  |                        |                  |
|                                | Less than 1 year   | More than 1 year | Less than 1 year       | More than 1 year |
| Undisputed dues - MSME         | -  | -                | -                      | -                |
| Undisputed dues - Others       | 51.59  | 9.87             | 140.27                 | -                |
| Disputed dues - MSME           | -  | -                | -                      | -                |
| Disputed dues - Others         | -  | -                | -                      | -                |
| Unbilled dues                  | 26.89  | -                | -                      | -                |
|                                | 78.48  | 9.87             | 140.27                 | -                |

There are no overdue amounts to Micro, Small and Medium Enterprises as at 31-March-2023



**Algoquant Fintech Limited**  
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Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|  | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--|------------------------|------------------------|
|  | ₹                      | ₹                      |
| <b>(III) Other financial liabilities</b>             |                        |                        |
| Balance with brokers                                 |                        |                        |
| - payable to related party (refer note 28)           | -                      | 354.89                 |
| Interest accrued and due                             |                        |                        |
| - to related parties (refer note 28)                 | -                      | 0.03                   |
| - to others  | 28.8700                | -                      |
| Other payables                                       | -                      | 8.45                   |
| Employee emoluments                                  | 47.0650                | 35.64                  |
|  | <b>75.94</b>           | <b>399.01</b>          |
| <b>14 Other current liabilities</b>                  |                        |                        |
| Statutory dues (including interest thereon)          | 67.69                  | 21.23                  |
|  | <b>67.69</b>           | <b>21.23</b>           |
| <b>15 Short-term provisions</b>                      |                        |                        |
| Provision for defined benefit obligations (Gratuity) |                        |                        |
| - current portion (Refer note 36)                    | 3.02                   | 0.02                   |
|  | <b>3.02</b>            | <b>0.02</b>            |
| <b>16 Current tax liabilities (net)</b>              |                        |                        |
| Provision for income tax                             | 143.20                 | 87.47                  |
|  | <b>143.20</b>          | <b>87.47</b>           |



**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**

**Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023**

**[All amounts are in rupees lakh, except share data and earnings per share]**

|   | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|---|-----------------------------|-----------------------------|
|   | ₹                           | ₹                           |
| <b>17 Revenue from operations</b>                           |                             |                             |
| Trading in financial instruments                            | 1,439.79                    | 1,587.44                    |
| Loss on fair valuation of financial assets                  | (179.83)                    | (3.14)                      |
| <b>Other operating income</b>                               |                             |                             |
| Interest income   |                             |                             |
| - on margin money   | 24.21                       | 54.87                       |
|   | <b>1,284.17</b>             | <b>1,639.17</b>             |
| <b>18 Other income</b>                                      |                             |                             |
| Interest income   |                             |                             |
| - on fixed deposits [carried at amortized cost]             | 37.18                       | 1.36                        |
| - on loan [carried at amortized cost]                       | 22.73                       | -                           |
| Gain on sale of financial assets [measured at FVTPL]        | 2.17                        | 14.94                       |
| Dividend received [on equity instruments measured at FVTPL] | 0.15                        | 3.40                        |
| Provisions no longer required written-back                  | 24.56                       | 51.46                       |
| Miscellaneous income  | 0.05                        | -                           |
|   | <b>86.84</b>                | <b>71.16</b>                |
| <b>19 Trading and other charges</b>                         |                             |                             |
| Trade charges   | 240.37                      | 449.38                      |
| Securities transaction tax                                  | 127.20                      | 285.07                      |
| Software and strategy charges                               | 420.56                      | 61.30                       |
| Connectivity charges  | -                           | 32.75                       |
| Clearing charges to custodian                               | 3.66                        | 6.01                        |
| Depository charges  | 0.33                        | 1.39                        |
|   | <b>792.12</b>               | <b>835.90</b>               |
| <b>20 Employee benefits expense</b>                         |                             |                             |
| Salaries, wages and bonus                                   | 851.52                      | 348.13                      |
| Director remuneration                                       | 64.54                       | 24.00                       |
| Gratuity expense (refer note 36)                            | 6.75                        | 5.66                        |
| Staff welfare   | 5.37                        | 8.05                        |
|   | <b>928.18</b>               | <b>385.83</b>               |
| <b>21 Finance cost</b>                                      |                             |                             |
| Interest  |                             |                             |
| - on delayed payment of statutory dues                      | 9.22                        | 18.46                       |
| - borrowings  | 149.71                      | 45.39                       |
|   | <b>158.93</b>               | <b>63.85</b>                |
| <b>22 Depreciation</b>                                      |                             |                             |
| Depreciation on property, plant and equipment               | 22.40                       | 4.35                        |
|   | <b>22.40</b>                | <b>4.35</b>                 |





**Algoquant Fintech Limited**  
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Summary of significant accounting policies and other explanatory information forming part of the  
financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

|                                | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|--------------------------------|-----------------------------|-----------------------------|
|                                | ₹                           | ₹                           |
| <b>23 Other expenses</b>       |                             |                             |
| Rent                           | 42.01                       | 43.74                       |
| Annual listing fee             | 3.65                        | 6.02                        |
| Power and fuel                 | 2.79                        | 3.47                        |
| Legal and professional fees    | 55.71                       | 34.14                       |
| Bank charges                   | 0.65                        | 0.57                        |
| Rates and taxes                | 2.13                        | 0.29                        |
| Advertisement charges          | 0.69                        | 0.57                        |
| Issuers fee                    | 0.16                        | 0.11                        |
| Repairs and maintenance        |                             |                             |
| - electrical                   | 0.72                        | 1.92                        |
| - building                     | 0.28                        | 3.00                        |
| Printing and stationery        | 0.86                        | 2.78                        |
| Balances written-off           | -                           | 1.02                        |
| Auditors' remuneration         |                             |                             |
| - as statutory auditors        | 5.90                        | 5.19                        |
| - as out of pocket expenses    | -                           | 0.07                        |
| Miscellaneous expenses         | 2.72                        | 1.09                        |
|                                | <b>118.27</b>               | <b>103.98</b>               |
| <b>24 Tax expense</b>          |                             |                             |
| from continuing operations     |                             |                             |
| Current tax                    |                             |                             |
| Current tax for the year       | -                           | 58.47                       |
|                                | -                           | 58.47                       |
| Deferred tax                   |                             |                             |
| Deferred tax for the year      | (355.80)                    | (66.87)                     |
|                                | <b>(355.80)</b>             | <b>(66.87)</b>              |
| Tax expense for previous year  |                             |                             |
| - Income tax for previous year | -                           | 1.00                        |
|                                | -                           | 1.00                        |
|                                | <b>(355.80)</b>             | <b>(7.40)</b>               |

**24.1 Deferred tax on brought forward business loss and MAT credit**

The Company, in line with the requirements of Ind AS 12 has reviewed the un-recognised deferred tax assets on brought forward losses and MAT credits and has recognised deferred tax assets to the extent it is prudent.



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**

**Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023**

**[All amounts are in rupees lakh, except share data and earnings per share]**

|   | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|---|-----------------------------|-----------------------------|
|   | ₹                           | ₹                           |
| <b>24.2 Effective tax reconciliation</b>  |                             |                             |
| Profit before tax   | (648.90)                    | 335.49                      |
| Tax rate  | 27.82%                      | 27.82%                      |
| Tax on accounting profit  | (180.52)                    | 93.3343                     |
| Tax impact of   |                             |                             |
| a) permanent differences  | 2.56                        | -12.9135                    |
| b) items taxed at preferential rate   | 79.89                       | -4.1840                     |
| c) losses set-off against income taxed at preferential rate                       | 49.66                       | -15.2600                    |
| d) brought forward losses on which DTA was not recognised earlier                 | (240.38)                    | -69.3728                    |
| e) change in rate of tax used for deferred tax recognition*                       | 75.64                       | 1.0015                      |
| g) utilisation of unrecognised MAT credit   | (106.12)                    | -                           |
| h) Other miscellaneous differences  | (36.54)                     | -                           |
| Expected tax after adjustments  | (355.80)                    | (7.39)                      |
| *Items expected to be taxed at LTCG were taxed as STCG                            |                             |                             |
| <b>As per statement of profit and loss</b>  |                             |                             |
| Tax/(credit) charged to profit and loss   |                             |                             |
| - Current tax   | -                           | 58.47                       |
| - Deferred tax [including MAT credit entitlement]                                 | (355.80)                    | (66.87)                     |
| - Tax expense for earlier years'  | -                           | 1.00                        |
|   | (355.80)                    | (7.40)                      |
| <b>25 Earnings per equity share</b>   |                             |                             |
| <b>from continuing operations</b>   |                             |                             |
| (Loss)/profit before OCI attributable to equity shareholders'                     | (293.08)                    | 323.81                      |
| Number of equity shares outstanding at the end of the year <sup>#</sup>           | 80,36,000                   | 80,36,000                   |
| Weighted average number of equity shares outstanding during the year <sup>#</sup> | 80,36,000                   | 80,36,000                   |
| Basic and diluted earning per share (in ₹)  | (3.65)                      | 4.03                        |
| <b>from discontinued operations</b>   |                             |                             |
| Profit/(loss) before OCI attributable to equity shareholders'                     | (48.79)                     | 19.08                       |
| Number of equity shares outstanding at the end of the year <sup>#</sup>           | 80,36,000                   | 80,36,000                   |
| Weighted average number of equity shares outstanding during the year <sup>#</sup> | 80,36,000                   | 80,36,000                   |
| Basic and diluted earning per share (in ₹)  | (1.67)                      | 0.24                        |
| <b>from continuing and discontinued operations (basic and diluted)</b>            | (5.32)                      | 4.27                        |



**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**

**Summary of significant accounting policies and other explanatory information forming part of the financial statements**  
**for the year ended 31-March-2023**

**[All amounts are in rupees lakh, except share data and earnings per share]**

**26 Discontinued operations**

**i) Discontinued operations**

The Company had closed the only manufacturing facility in the year 2017. Results of the manufacturing operations that were discontinued are disclosed as discontinued operations. Further, during the quarter ended 31-Dec-2018, the Company had substantially completed the settlement of liabilities and realisation of assets, pertaining to its discontinued operations. The adjustments in the current period pertain to changes in the settlement of those liabilities.

**ii) Financial position and financial performance**

The financial position presented for the year ended 31-March-2023

|  | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--|------------------------|------------------------|
|  | ₹                      | ₹                      |
| <b>(A) Current assets pertaining to discontinued operations</b>                      |                        |                        |
| - Financial assets   |                        |                        |
| (Unsecured, considered good unless otherwise stated)                                 |                        |                        |
| Deposit with Government Department   | 9.48                   | 9.48                   |
| Deposit with others  | 0.17                   | 0.17                   |
| - Deferred tax assets  |                        |                        |
| On account of gratuity   | 85.46                  | -                      |
| <b>Total current assets pertaining to discontinued operations</b>                    | <b>95.11</b>           | <b>9.65</b>            |
| <b>(B) Current liabilities pertaining to discontinued operations</b>                 |                        |                        |
| - Other current liabilities  |                        |                        |
| - Statutory dues   | 15.00                  | 15.00                  |
|  | <b>15.00</b>           | <b>15.00</b>           |
| - Provisions   |                        |                        |
| Provision for employee benefits:   |                        |                        |
| - for gratuity (defined benefit obligation and interest thereon) [refer note iii(a)] | 307.20                 | 147.52                 |
| - for liability under Haryana VAT / CST [refer note iii(b)]                          | -                      | 24.18                  |
|  | <b>307.20</b>          | <b>171.70</b>          |
| <b>Total current liabilities pertaining to discontinued operations</b>               | <b>322.20</b>          | <b>186.70</b>          |

**(iii) Contingent liabilities:**

**(a) Provision for gratuity (defined benefit obligation)**

The labour union had submitted a demand notice to the Management of the Company for revision of wages and other amenities. This notice was under negotiation when without any prior notice, the workers staged a walk out on 22-May-2020 bringing the production and all aligned activities to a complete standstill. All efforts by the management as well as the labour department to find a resolution to the strike were unsuccessful.

The Hon'ble Governor of Haryana issued orders declaring the strike to be illegal and directed the workers to join duty within 3 days of the order and refer the dispute to the labour court panipat. This too had no effect on the labour union and the workers resorted to unrest and production shut down on 3 separate occasions causing heavy losses to the Company. The strike continued, forcing the management to issue notice of forfeiture of Gratuity and all other dues include lien on service of all workers on payrolls.

The notice regarding the forfeiture of gratuity and other dues was challenged by some of the workers through Labour office, Sonipat where the matter was dismissed in favour of the Company. Thereafter, the workers appealed before the Dy. Labour Commissioner, Rohtak where DLC ruled the matter in favour of the workers i.e. against the Company. The learned DLC chose to pass this order without giving due consideration to the actual facts of the case and therefore, the Management then had no option but to approach the High Court, Chandigarh vide writ petition no. 18716/2018 and the case was decided against the Company on 06-Mar-2020. Management has filed a revision petition on a larger bench on 05-July-2020 and the petition has been admitted for hearing on merit 22-Mar-2022.

Pursuant to the judgement of the double bench of the Hon'ble High Court of Punjab and Haryana at Chandigarh relating to the gratuity claims of certain employees, the Company has received additional claims during the year ended 31-March-2023 and subsequently. Consequently, the Company has re-assessed the potential claims and recorded appropriate accruals in the financial statements for the year ended 31-March-2023 on a prudent basis.

The Company is carrying a total provision of Rs.307.21 lakh (previous year Rs. 147.52 lakh) in the books of account. Based on the opinion of legal counsels, the management believes that the provision recorded is sufficient to cover for the eligible claims.



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**

**Summary of significant accounting policies and other explanatory information forming part of the financial statements**  
**for the year ended 31-March-2023**

[All amounts are in rupees lakh, except share data and earnings per share]

- (b) **Provision for liabilities under indirect taxes**  
The Company had received orders from assessing officers of Haryana and Telangana VAT departments demanding tax as explained below:

|   | As at<br>31-March-2023 | As at<br>31-March-2022 |
|---|------------------------|------------------------|
|   | ₹                      | ₹                      |
| CST matters                                   |                        | 10.13                  |
| Demand under CST for Assessment Year 2014-15* | -                      | 14.05                  |
| Demand under CST for Assessment Year 2015-16* | -                      | 24.18                  |

\* During the financial year 2020-21 the Company has received rectification order dated 16-July-2020 reducing the VAT/CST for the Assessment year 2014-15 from Rs. 41.83 lakh to Rs. 10.13 lakh and for the assessment year 2015-16 from Rs. 21.49 lakh to Rs. 14.05 lakh. Consequent to the aforesaid reduction, the amounts had been reversed through statement of profit and loss. As at the year ended 31-March-2022 the Management was contesting the residual demand before the respective authorities. However, the Company had recorded a provision for the demand outstanding. These demands were settled during the year. Therefore, the entire provision has been reversed during the current financial year through statement of profit & loss.

- (c) **Summary of profit and loss of discontinued operations**

|   | Year ended<br>31-March-2023 | Year ended<br>31-March-2022 |
|---|-----------------------------|-----------------------------|
|   | ₹                           | ₹                           |
| Income  | 24.18                       | 30.35                       |
| - Other Income                                      | (8.44)                      | (11.27)                     |
| Expenses  | (150.00)                    | -                           |
| - Finance cost                                      | (134.26)                    | 19.08                       |
| - Employee benefits expense                         |                             |                             |
| Profit/(loss) before income tax                     | 85.47                       | -                           |
| Tax expense (deferred tax)                          | (48.79)                     | 19.08                       |
| Loss after tax                                      | -                           | -                           |
| Other comprehensive income for the year, net of tax | (48.79)                     | 19.08                       |
| Total comprehensive income for the year             |                             |                             |

- a) **Income from discontinued operations**  
i) **Other income**  
Provisions no longer required written-back

|       |       |
|-------|-------|
| 24.18 | 30.34 |
| 24.18 | 30.34 |

- b) **Expenses from discontinued operations**  
i) **Finance cost**  
Interest on gratuity

|      |       |
|------|-------|
| 8.44 | 11.27 |
| 8.44 | 11.27 |

- ii) **Employee benefit expenses**  
Gratuity

|        |   |
|--------|---|
| 150.00 | - |
| 150.00 | - |



**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**

**Summary of significant accounting policies and other explanatory information forming part of the financial statements**  
**for the year ended 31-March-2023**

**[All amounts are in rupees lakh, except share data and earnings per share]**

**27 Detail of dues to micro and small enterprises defined under the MSMED Act 2006**

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue Principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.





**Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023**

**[All amounts are in rupees lakh, except share data and earnings per share]**

**28 Related party disclosures**

**a) Ultimate holding entity**

Algoquant Financials LLP [w.e.f. 09-Feb-2021]

**b) Holding Company**

Algoquant Investments Private Limited  
(Formerly known as Mandelia Investments Private Limited)

**c) Key Management Personnel**

Dhruv Gupta (Director) [w.e.f. 09-Feb-2021]  
Devansh Gupta (Director) [w.e.f. 09-Feb-2021]  
Amit Gupta (Independent Director) (w.e.f. 09-Feb-2021)  
Preeti Arora (Independent Director) (up to 10-Jan-2022)  
Ayushi Jain (Company Secretary) [up to 08-Sept-2022]  
Yogesh Gusain (Chief Financial Officer) [w.e.f. 30-June-2021]  
Atul Kaushal (Company Secretary) [w.e.f. 09-Sep-2022]  
Himanjal Jagdishchandra Brahmbhatt (Independent Director) [w.e.f. 30-Jul-2022]  
Gyaneshwar Sahai (Independent Director) [w.e.f. 30-Jul-2022]  
Shubhangi Agarwal (Independent Director) [w.e.f. 30-Jul-2022]

**d) Entities under control of Key management personnel**

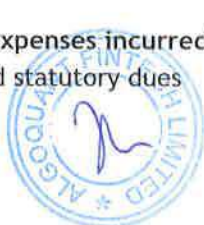
Dhruv Devansh Investment & Finance LLP [w.e.f. 09-Feb-2021]  
Growth Securities Private Limited [w.e.f. 09-Feb-2021]  
Algoquant LLP [w.e.f. 09-Feb-2021]  
Ogha Research LLP [w.e.f. 09-Feb-2021]

**e) Entities under control of relatives of Key management personnel**

[where transaction has taken place during the year]  
Sigmaquant Technologies Private Limited [w.e.f. 09-Feb-2021]

**Transactions with related parties during the year**

|   | As at<br>31-March-2023 | As at<br>31-March-2022 |
|---|------------------------|------------------------|
|   | ₹                      | ₹                      |
| <b>Remuneration</b>                                   |                        |                        |
| Devansh Gupta   | 60.00                  | 24.00                  |
| Yogesh Gusain   | 7.80                   | 4.50                   |
| Ayushi Jain   | 1.55                   | 2.61                   |
| Atul Kaushal  | 3.37                   | -                      |
|   | <b>72.72</b>           | <b>31.11</b>           |
| <b>Rent (excluding GST)</b>                           |                        |                        |
| Algoquant Financials LLP                              | 3.00                   | 3.00                   |
| Dhruv Devansh Investment & Finance LLP                | 30.00                  | 27.00                  |
|   | <b>33.00</b>           | <b>30.00</b>           |
| <b>Brokerage (excluding GST)</b>                      |                        |                        |
| Growth Securities Private Limited                     | 268.54                 | 53.26                  |
|   | <b>268.54</b>          | <b>53.26</b>           |
| <b>Reimbursement of expenses incurred by Director</b> |                        |                        |
| Payment of taxes and statutory dues                   | 14.61                  | 17.28                  |
| Other expenses  | 1.30                   | 4.40                   |
|   | <b>15.91</b>           | <b>21.68</b>           |



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Summary of significant accounting policies and other explanatory information forming part of the  
financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

| Transactions with related parties during the year                     | As at<br>31-March-2023 | As at<br>31-March-2022 |
|---|------------------------|------------------------|
|   | ₹                      | ₹                      |
| <b>Reimbursement of electricity expenses</b>                          |                        |                        |
| Algoquant Financials LLP  | 2.79                   | 0.22                   |
| Dhruv Devansh Investment & Finance LLP                                | -                      | 3.25                   |
|   | <u>2.79</u>            | <u>3.47</u>            |
| <b>Advisory fees (excluding GST)</b>                                  |                        |                        |
| Algoquant Financials LLP  | -                      | 75.18                  |
|   | -                      | <u>75.18</u>           |
| <b>Software &amp; technology consultancy services [Excluding GST]</b> |                        |                        |
| Ogha Research LLP   | -                      | 38.25                  |
| Sigmaquant Technologies Private Limited                               | -                      | 13.70                  |
|   | -                      | <u>51.95</u>           |
| <b>Hardware rent [Excluding GST]</b>                                  |                        |                        |
| Sigmaquant Technologies Private Limited                               | -                      | 6.75                   |
|   | -                      | <u>6.75</u>            |
| <b>Director's sitting fee</b>   |                        |                        |
| Amit Gupta  | 1.25                   | 1.25                   |
| Preeti Arora  | -                      | 1.25                   |
| Purnima Sharma  | -                      | 0.21                   |
| Gyaneshwar Sahai  | 0.94                   | -                      |
| Shubhangi Agarwal   | 0.94                   | -                      |
|   | <u>3.13</u>            | <u>2.71</u>            |
| <b>Interest income</b>  |                        |                        |
| Algoquant Financials LLP  | 17.40                  | -                      |
| Algoquant LLP   | 5.33                   | -                      |
|   | <u>22.73</u>           | <u>-</u>               |
| <b>Interest expense</b>   |                        |                        |
| Algoquant Investments Private Limited                                 | 6.55                   | -                      |
| Devansh Gupta   | 0.68                   | -                      |
|   | <u>7.23</u>            | <u>-</u>               |
| <b>Loans and advances (given)</b>                                     |                        |                        |
| Loans given during the year   |                        |                        |
| - Algoquant Financials LLP  | 2,323.00               | -                      |
| - Algoquant LLP   | 2,060.00               | -                      |
|   | <u>4,383.00</u>        | <u>-</u>               |
| <b>Repayments received during the year</b>                            |                        |                        |
| - Algoquant Financials LLP  | 1,759.00               | -                      |
| - Algoquant LLP   | 2,060.00               | -                      |
|   | <u>3,819.00</u>        | <u>-</u>               |



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Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

Transactions with related parties during the year

|   | As at<br>31-March-2023 | As at<br>31-March-2022 |
|---|------------------------|------------------------|
|   | ₹                      | ₹                      |
| <b>Short-term borrowings</b>              |                        |                        |
| Algoquant Financials LLP                  | -                      | 310.00                 |
| Algoquant LLP                             | -                      | 850.00                 |
| Algoquant Investments Private Limited     | 130.00                 | 371.50                 |
| Devansh Gupta                             | 83.05                  | 197.00                 |
|   | <b>213.05</b>          | <b>1,728.50</b>        |
| <b>Repayment of short-term borrowings</b> |                        |                        |
| Algoquant Financials LLP                  | -                      | 0.25                   |
| Algoquant LLP                             | -                      | 8.96                   |
| Algoquant Investments Private Limited     | -                      | 7.75                   |
| Devansh Gupta                             | 83.05                  | 10.53                  |
|   | <b>83.05</b>           | <b>27.49</b>           |

Balances outstanding at the year end

|  | As at<br>31-March-2023 | As at<br>31-March-2022 |
|--|------------------------|------------------------|
|  | ₹                      | ₹                      |
| <b>Remuneration payable</b>                          |                        |                        |
| Yogesh Gusain  | -                      | 0.50                   |
| Ayushi Jain  | -                      | 0.29                   |
|  | -                      | <b>0.79</b>            |
| <b>Rent payable</b>                                  |                        |                        |
| Algoquant Financials LLP                             | -                      | 0.81                   |
|  | -                      | <b>0.81</b>            |
| <b>Balance receivable from/(payable) to broker</b>   |                        |                        |
| Growth securities Private limited                    | 76.93                  | -                      |
|  | <b>76.93</b>           | -                      |
| <b>Director's sitting fee payable</b>                |                        |                        |
| Amit Gupta   | -                      | 0.40                   |
| Preeti Arora   | -                      | 0.40                   |
| Purnima Sharma                                       | -                      | 0.21                   |
|  | -                      | <b>1.01</b>            |
| <b>Reimbursement of electricity expenses payable</b> |                        |                        |
| Algoquant Financials LLP                             | 3.01                   | 0.22                   |
| Dhruv Devansh Investment & Finance LLP               | 3.25                   | 3.25                   |
|  | <b>6.26</b>            | <b>3.47</b>            |
| <b>Hardware rent payable</b>                         |                        |                        |
| Sigmaquant Technologies Private Limited              | -                      | 7.72                   |
|  | -                      | <b>7.72</b>            |



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**

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**Summary of significant accounting policies and other explanatory information forming part of the financial statements for the year ended 31-March-2023**

**[All amounts are in rupees lakh, except share data and earnings per share]**

| Balances outstanding at the year end       | As at<br>31-March-2023<br>₹ | As at<br>31-March-2022<br>₹ |
|--|-----------------------------|-----------------------------|
| <b>Software charges payable</b>            |                             |                             |
| Ogha Research LLP                          | -                           | 45.14                       |
|  | -                           | 45.14                       |
| <b>Short-term borrowings</b>               |                             |                             |
| Algoquant Investments Private Limited      | 130.00                      | -                           |
|  | 130.00                      | -                           |
| <b>Loans and advances (given)</b>          |                             |                             |
| Algoquant Financials LLP                   | 564.00                      | -                           |
|  | 564.00                      | -                           |
| <b>Reimbursement of expenses (payable)</b> |                             |                             |
| Devansh Gupta                              | 24.26                       | 21.68                       |
|  | 24.26                       | 21.68                       |



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of the financial statements**  
**for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

**29 Financial Instruments****(A) Fair value hierarchy**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three levels of a fair value hierarchy under Ind AS categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates; and

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

**(B) Financial assets and liabilities measured at fair value**

| Particulars                           | Carrying value as at |                 |                 |                 |               |                |
|---------------------------------------|----------------------|-----------------|-----------------|-----------------|---------------|----------------|
|                                       | 31-March-2023        |                 |                 | 31-March-2022   |               |                |
|                                       | FVOCI                | FVTPL           | Amortised cost  | FVOCI           | FVTPL         | Amortised cost |
|                                       | ₹                    | ₹               | ₹               | ₹               | ₹             | ₹              |
| <b>Financial assets (non-current)</b> |                      |                 |                 |                 |               |                |
| Investments [Level 1]                 |                      |                 |                 |                 |               |                |
| - Quoted equity shares                | 549.40               | -               | -               | 3,067.20        | -             | -              |
| <b>Financial assets (current)</b>     |                      |                 |                 |                 |               |                |
| Investments [Level 1]                 |                      |                 |                 |                 |               |                |
| - Quoted equity shares                | -                    | 1,266.88        | -               | -               | 270.55        | -              |
| Cash and cash equivalents             | -                    | -               | 289.35          | -               | -             | 156.88         |
| Bank balance other than above         | -                    | -               | 30.52           | -               | -             | 29.87          |
| Loans (Unsecured)                     | -                    | -               | 564.00          | -               | -             | -              |
| Other financial assets                | -                    | -               | 3,803.73        | -               | -             | 584.11         |
| <b>Total financial assets</b>         | <b>549.40</b>        | <b>1,266.88</b> | <b>4,687.59</b> | <b>3,067.20</b> | <b>270.55</b> | <b>770.86</b>  |
| <b>Financial liabilities</b>          |                      |                 |                 |                 |               |                |
| Borrowings                            | -                    | -               | 3,046.56        | -               | -             | -              |
| Trade payables                        | -                    | -               | 88.35           | -               | -             | 140.28         |
| Other financial liabilities           | -                    | -               | 75.94           | -               | -             | 399.01         |
| <b>Total financial liabilities</b>    | <b>-</b>             | <b>-</b>        | <b>3,210.85</b> | <b>-</b>        | <b>-</b>      | <b>539.29</b>  |

During the year, there were no transfers between level 1 and level 2, and no transfers into and out of level 3 fair value measurements.

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

Other financial assets and liabilities. The Management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

**30 Financial risk management****(A) Financial Instruments by category****(i) From continued operations**

| Particulars                           | 31-March-2023 |                 |                 | 31-March-2022   |               |                |
|---------------------------------------|---------------|-----------------|-----------------|-----------------|---------------|----------------|
|                                       | FVOCI         | FVTPL           | Amortised cost  | FVOCI           | FVTPL         | Amortised cost |
|                                       | ₹             | ₹               | ₹               | ₹               | ₹             | ₹              |
| <b>Financial assets (non-current)</b> |               |                 |                 |                 |               |                |
| Investments (non-current) [Level 1]   |               |                 |                 |                 |               |                |
| - Quoted equity shares                | 549.40        | -               | -               | 3,067.20        | -             | -              |
| <b>Financial assets (current)</b>     |               |                 |                 |                 |               |                |
| Investments [Level 1]                 |               |                 |                 |                 |               |                |
| - Quoted equity shares                | -             | 1,266.88        | -               | -               | 270.55        | -              |
| Trade receivables                     | -             | -               | -               | -               | -             | -              |
| Cash and cash equivalents             | -             | -               | 289.35          | -               | -             | 156.88         |
| Bank balance other than above         | -             | -               | 30.52           | -               | -             | 29.87          |
| Loans (Unsecured)                     | -             | -               | 564.00          | -               | -             | -              |
| Other financial assets                | -             | -               | 3,803.73        | -               | -             | 584.11         |
| <b>Total financial assets</b>         | <b>549.40</b> | <b>1,266.88</b> | <b>4,687.59</b> | <b>3,067.20</b> | <b>270.55</b> | <b>770.86</b>  |
| <b>Financial liabilities</b>          |               |                 |                 |                 |               |                |
| Borrowings                            | -             | -               | 3,046.56        | -               | -             | -              |
| Trade payables                        | -             | -               | 88.35           | -               | -             | 140.28         |
| Other financial liabilities           | -             | -               | 75.94           | -               | -             | 399.01         |
| <b>Total financial liabilities</b>    | <b>-</b>      | <b>-</b>        | <b>3,210.85</b> | <b>-</b>        | <b>-</b>      | <b>539.29</b>  |



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**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**  
**Summary of significant accounting policies and other explanatory information forming part of the financial statements**  
**for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

**II) From discontinued operations**

| Particulars                      | 31-March-2023 |       |                | 31-March-2022 |       |                |
|----------------------------------|---------------|-------|----------------|---------------|-------|----------------|
|                                  | FVOCI         | FVTPL | Amortised cost | FVOCI         | FVTPL | Amortised cost |
|                                  |               | ₹     | ₹              | ₹             | ₹     | ₹              |
| Financial assets                 |               |       |                |               |       |                |
| Other financial assets (current) | -             | -     | 9.65           | -             | -     | 9.65           |
| Total financial assets           | -             | -     | 9.65           | -             | -     | 9.65           |
| Financial liabilities            |               |       |                |               |       |                |
| Other financial liabilities      | -             | -     | 15.00          | -             | -     | 15.00          |
| Total financial liabilities      | -             | -     | 15.00          | -             | -     | 15.00          |

**(B) Risk Management**

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

**Financial risk management**

Financial Risk Evaluation and Management is an ongoing process within the Company. The Company has a system based risk management framework to identify, monitor, mitigate and minimise risks arising from financial instruments. The Company is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Policy. The Company's Risk Management Policy has been formulated and approved by the Board. The Policy articulates on the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimise potential adverse effects on the Company's financial performance. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

**(I) Credit risk**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements. The Company's risk management is carried out as per the policies approved by the board of directors.

**(a) Credit risk management**

**(i) Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- A: Low credit risk  
 B: Moderate credit risk  
 C: High credit risk

| Asset group             | Basis of categorisation   | Provision for expenses credit loss |
|-------------------------|---|------------------------------------|
| A: Low credit risk      | Cash and cash equivalents, other bank balances and financial assets | 12 month expected credit loss      |
| B: Moderate credit risk | Investment in equity shares   | 12 month expected credit loss      |
| C: High credit risk     | No such assets  |                                    |

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy, advance not recoverable or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**Assets under credit risk -**

| Credit rating           | Particulars   | 31-March-2023 | 31-March-2022 |
|-------------------------|---|---------------|---------------|
|                         |   | ₹             | ₹             |
| A: Low credit risk      | Cash and cash equivalents, other bank balances and financial assets | 319.87        | 186.75        |
| B: Moderate credit risk | Investment in equity shares   | 1,816.28      | 3,337.75      |
| C: High credit risk     | Investment in mutual funds  |               |               |



*[Handwritten signature]*



**Algoquant Fintech Limited**  
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**(b) Liquidity Risk****(i) Continued operations**

The Company's current assets aggregate to Rs.5,954.93 lakh (previous year- Rs.1,048.99 lakh) including current investments, cash and cash equivalents and other bank balances of Rs.30.52 lakh (previous year- Rs.29.87 lakh) against an aggregate current liabilities of Rs.3,424.75 lakh (previous year- Rs. 6.48 lakh); Non-current deferred tax liabilities amounting to Rs.Nil (previous year- Rs. 131.41 lakh).

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31-March-2023

| Particulars  | Less than 6 months | 6 to 12 months | 1 to 5 years | More than 5 years | Total Carrying Amount |
|--|--------------------|----------------|--------------|-------------------|-----------------------|
| <b>Financial assets</b>                              |                    |                |              |                   |                       |
| (a) Investments                                      | 1,266.88           | -              | -            | -                 | 1,266.88              |
| (b) Cash & cash equivalents                          | 289.34             | -              | -            | -                 | 289.34                |
| (c) Bank balance other than cash and cash equivalent | -                  | 30.53          | -            | -                 | 30.53                 |
| (d) Loans (Unsecured)                                | 564.00             | -              | -            | -                 | 564.00                |
| (e) Other financial assets                           | -                  | -              | -            | -                 | -                     |
| (i) Accrued interest on deposits                     | 11.50              | -              | -            | -                 | 11.50                 |
| (ii) Balance with brokers                            | 2,264.86           | -              | -            | -                 | 2,264.86              |
| (iii) Incentive receivable from govt authorities     | 24.52              | -              | -            | -                 | 24.52                 |
| (iv) Deposit with brokers                            | 1,500.00           | -              | -            | -                 | 1,500.00              |
| (v) Deposit with others                              | 2.00               | -              | -            | -                 | 2.00                  |
| <b>Total</b>   | <b>5,923.11</b>    | <b>30.53</b>   | <b>-</b>     | <b>-</b>          | <b>5,953.64</b>       |
| <b>Financial liabilities</b>                         |                    |                |              |                   |                       |
| (a) Borrowings                                       |                    |                |              |                   |                       |
| (i) Secured  | 416.56             | -              | -            | -                 | 416.56                |
| (ii) Unsecured                                       | 2,630.00           | -              | -            | -                 | 2,630.00              |
| (b) Trade payables                                   | 88.34              | -              | -            | -                 | 88.34                 |
| (c) Other financial liabilities                      | -                  | -              | -            | -                 | -                     |
| (i) Balance with brokers                             | -                  | -              | -            | -                 | -                     |
| (ii) Interest accrued and due                        | 28.87              | -              | -            | -                 | 28.87                 |
| (iii) Employee emoluments                            | 47.07              | -              | -            | -                 | 47.07                 |
| <b>Total</b>   | <b>3,210.84</b>    | <b>-</b>       | <b>-</b>     | <b>-</b>          | <b>3,210.84</b>       |

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31-March-2022

| Particulars  | Less than 6 months | 6 to 12 months | 1 to 5 years | More than 5 years | Total Carrying Amount |
|--|--------------------|----------------|--------------|-------------------|-----------------------|
| <b>Financial Assets</b>                              |                    |                |              |                   |                       |
| (a) Investments                                      | 270.55             | -              | -            | -                 | 270.55                |
| (b) Cash & cash equivalents                          | 156.88             | -              | -            | -                 | 156.88                |
| (c) Bank balance other than cash and cash equivalent | -                  | 29.87          | -            | -                 | 29.87                 |
| (d) Other financial assets                           | -                  | -              | -            | -                 | -                     |
| (i) Accrued interest on deposits                     | 0.12               | -              | -            | -                 | 0.12                  |
| (ii) Balance with brokers                            | 552.14             | -              | -            | -                 | 552.14                |
| (iii) Mark to market asset                           | -                  | -              | -            | -                 | -                     |
| (iv) Incentive receivable from govt authorities      | 31.84              | -              | -            | -                 | 31.84                 |
| <b>Total</b>   | <b>1,011.53</b>    | <b>29.87</b>   | <b>-</b>     | <b>-</b>          | <b>1,041.40</b>       |
| <b>Financial Liabilities</b>                         |                    |                |              |                   |                       |
| (a) Trade payables                                   | 140.28             | -              | -            | -                 | 140.28                |
| (b) Other financial liabilities                      | -                  | -              | -            | -                 | -                     |
| (i) Balance with brokers                             | 354.89             | -              | -            | -                 | 354.89                |
| (ii) Interest accrued and due                        | 0.03               | -              | -            | -                 | 0.03                  |
| (iii) Employee emoluments                            | 35.64              | -              | -            | -                 | 35.64                 |
| (iv) Other payable                                   | 8.45               | -              | -            | -                 | 8.45                  |
| <b>Total</b>   | <b>539.29</b>      | <b>-</b>       | <b>-</b>     | <b>-</b>          | <b>539.29</b>         |

**(ii) Discontinued operations**

The Company's current assets aggregate to Rs. 95.11 lakh (Previous year- Rs.9.65 lakh) against an aggregate current liability of Rs.322.21 lakh (Previous year- Rs. 186.70 lakh);

Further, while the Company's total equity stands at Rs. 3,428.71 lakh (Previous year- Rs. 3,354.17 lakh). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due, is low.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and evaluation of debt financing plans, if any required.



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**(c) Market risk**

Market risk has been further classified into Foreign currency risk, Interest rate risk and price risk

**(i) Foreign currency risk**

The Company does not have a significant foreign currency risk as it does not have any exposure in foreign currency as at the year end. The Company has no-hedge policy for its foreign currency items as these are insignificant. Therefore, the sensitivity to foreign currency fluctuation is not relevant.

**(ii) Price risk**

The Company holds investments and measures them at fair value through Profit and Loss/other comprehensive income. The fair value of investments of such equity instruments (FVTPL) as at 31-March-2023 is Rs. 1,266.88 lakh (previous year - Rs.270.55 lakh) and FVOCI is Rs. 549.40 lakh (previous year - Rs. 3,067.20 lakh). Accordingly, fair value fluctuations arising from market volatility is recognised in statement of Profit and Loss/other comprehensive income.

**(iii) Interest rate risk**

The unsecured loans taken during the year were all fixed interest rate borrowings. Further, treasury activities, focused on managing investments in equity/debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

**31 Capital management policies and procedures**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31-March-2023, the Company has only one class of equity shares. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for the re-investment into business based on its long-term financial plans.

As stated in the below table, as of 31-March-2023 the Company has short term borrowings of Rs. 3,046.56 lakh with no long-term borrowings.

|                                | 31-March-2023 | 31-March-2022  |
|--------------------------------|---------------|----------------|
| Total debt                     | ₹ 3,046.56    | ₹ -            |
| Less: cash and cash equivalent | (289.34)      | (156.88)       |
| Total equity                   | 3,428.70      | 3,354.17       |
| Debt to equity ratio           | 0.80          | Not meaningful |

**32 Financial instruments and cash deposits****(i) Continuing operations****31-March-2023**

|                               | Estimated gross carrying amount | Expected credit losses | Carrying amount |
|-------------------------------|---------------------------------|------------------------|-----------------|
|                               | ₹                               | ₹                      | ₹               |
| Investment in equity shares   | 1816.28                         | -                      | 1816.28         |
| Cash and cash equivalents     | 289.34                          | -                      | 289.34          |
| Bank balance other than above | 30.52                           | -                      | 30.52           |
| Other financial assets        | 3803.73                         | -                      | 3803.73         |

**31-March-2022**

|                               | Estimated gross carrying amount | Expected credit losses | Carrying amount |
|-------------------------------|---------------------------------|------------------------|-----------------|
|                               | ₹                               | ₹                      | ₹               |
| Investment in equity shares   | 3337.75                         | -                      | 3337.75         |
| Cash and cash equivalents     | 156.88                          | -                      | 156.88          |
| Bank balance other than above | 29.87                           | -                      | 29.87           |
| Other financial assets        | 584.11                          | -                      | 584.11          |

**(ii) Discontinued operations****31-March-2023**

|                                  | Estimated gross carrying amount | Expected credit losses | Carrying amount |
|----------------------------------|---------------------------------|------------------------|-----------------|
|                                  | ₹                               | ₹                      | ₹               |
| Other financial assets (current) | 9.65                            | -                      | 9.65            |

**31-March-2022**

|                                  | Estimated gross carrying amount | Expected credit losses | Carrying amount |
|----------------------------------|---------------------------------|------------------------|-----------------|
|                                  | ₹                               | ₹                      | ₹               |
| Other financial assets (current) | 9.65                            | -                      | 9.65            |



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- 33 Leases:**  
All the leases of the Company have been identified either as low-value or having a lease term of less than 12 months. Accordingly, there is no impact of provisions of Ind AS 116 on the Company. The relevant disclosures have been given below:

**(i) Lease payments not recognised as a liability**

| Particulars                           | As at<br>31-March-2023 | As at<br>31-March-2022 |
|---------------------------------------|------------------------|------------------------|
| Expense relating to short-term leases | 42.01                  | 43.74                  |
| Total                                 | 42.01                  | 43.74                  |

- (ii)** The total cash outflow for leases for the year ended 31-March-2023: Rs. 42.01 lakh and 31-March-2022: Rs. 43.74 lakh

**34 Financial Ratios<sup>\*</sup>**

A financial ratio are the tool used by investors to analyse and gain information about the finance of a company's history or the entire business sector. Accordingly for the purpose of calculation of the following financial ratios, numbers are taken from the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement.

| Ratio                                     | 31-March-23 | 31-March-22 | % change | Reason for variance   |
|---|-------------|-------------|----------|---|
| Current ratio <sup>(1)</sup>              | 1.61 times  | 1.27 times  | 27.31%   | Increase in current ratio is due to increase in investments & other financial assets due to which current assets increased by higher margin as compared to previous financial year. |
| Return on Equity ratio <sup>(2)</sup>     | -10.08%     | 12.78%      | -178.87% | There is loss reported in current year which results in negative return on equity ratio as compare to previous year where the Company made profit.                                  |
| Net Capital Turnover Ratio <sup>(3)</sup> | .56 times   | 7.32 times  | -92.38%  | Revenue from operations decreased as compared to previous year which led to decrease in ratio from previous year.   |
| Net Profit ratio <sup>(4)</sup>           | -26.62%     | 20.92%      | -227.27% | There is loss reported in current year which results in decrease in net profit ratio as compared to previous year where the Company made profits.                                   |
| Return on Capital Employed <sup>(5)</sup> | -14.29%     | 10.91%      | -230.99% | There is loss reported in current year which results in negative return on capital employed as compared to previous year where the Company made profits.                            |
| Return on investment <sup>(6)</sup>       | 14.01%      | 55.27%      | -74.65%  | There is more than two times decrease in income from investments due to which Company has reported lower return as compared from previous year.                                     |

**Formula for calculating ratios**

|                                | Numerator                                     | Denominator   |
|--------------------------------|---|---|
| (1) Current Ratio              | Current Assets                                | Current Liabilities   |
| (2) Return on Equity ratio     | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity  |
| (3) Net Capital Turnover Ratio | Net sales = Total sales - sales return        | Working capital = Current assets - Current liabilities                      |
| (4) Net Profit ratio           | Net Profit                                    | Net sales = Total sales - sales return                                      |
| (5) Return on Capital Employed | Earnings before interest and taxes            | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability |
| (6) Return on Investment       | Income from investments                       | Opening Investments   |

\* Average = (Opening+Closing)/2

# The discontinued operations of the Company are not material in nature. Therefore, the above stated financial ratios are calculated in totality and ratios of discontinuing operations are not separately presented.

Note: -

- a) The Company does not have any inventory. Therefore, inventory turnover ratio has not been given.  
b) The Company does trading on exchange traded instruments. The trades are on cash basis only. Therefore, trade payable turnover ratio has not been given.  
c) The Company does not have any trade receivables as at the year end. Therefore, debtor turnover ratio has not been given.



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Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

**35 Other Statutory Information for the current and preceding financial year**

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck-off except as disclosed below:

| Name of struck-off Company      | Nature of transactions with struck-off Company | Balance outstanding   | Relationship with the struck-off company, if any |
|---------------------------------|--|---|--|
| Secure Traders Private Limited  | Shares held by struck-off company              | 150,000 equity shares of Rs. 2/- each are held by the share holder. | None   |
| The Dhampur Sugar Mills Limited | Shares held by struck-off company              | 3,935 equity shares of Rs. 2/- each are held by the share holder.   | None   |

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency.

(iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vi) The Company does not have any such transactions which are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Company has borrowings from bank or financial institution. However, there is no charge on any assets of the Company that is required to be registered with ROC. Accordingly, no disclosure is required with reference to wilful defaulter and registration/satisfaction of charges with registrar of companies.

(viii) The Company does not have any investment in any downstream subsidiary, joint venture, associate. Therefore, compliance with number of layers of subsidiary is not applicable on the Company.

(ix) The Company did not enter into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013 except as explained at note 37.

**36 Employee benefit plan**

**Defined Benefit Plans - As per actuarial valuation on 31-March-2023**

i. The Company operates a Gratuity Plan which is un-funded. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972.

| A Expense recognised in the Statement of Profit and Loss    | Gratuity amount<br>[Un-funded]<br>For the year ended<br>31-March-2023 | Gratuity amount<br>[Un-funded]<br>For the year ended<br>31-March-2022 |
|---|---|---|
|   |   |   |
| 1 Components recognised in the Statement of Profit and Loss |   |   |
| Interest cost   | 0.41  |   |
| Current service cost  | 3.57  | 5.66  |
| Expenses to be recognized in P&L                            | 3.98  | 5.66  |



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|   |                             |  |
|---|-----------------------------|--|
| <b>2 Components recognised in other comprehensive income (OCI)</b>  |                             |  |
| <b>Other comprehensive (income) / expenses (Remeasurement)</b>  |                             |  |
| Cumulative unrecognized actuarial (gain)/loss opening balancing figure                                    | -                           | -  |
| Actuarial (gain)/loss - obligation  | (3.82)                      | -  |
| Total Actuarial (gain)/loss   | (3.82)                      | -  |
| Cumulative total actuarial (gain)/loss carried forward  | (3.82)                      | -  |
| <b>B Amount recognised in Balance Sheet</b>   |                             |  |
|   | As at<br>31-March-2023      | As at<br>31-March-2022                           |
| Present value of the obligation at the beginning of the year  | 5.66                        | -  |
| Interest cost   | 0.41                        | -  |
| Current service cost  | 3.57                        | 5.66   |
| Past Service Cost   | -                           | -  |
| Benefits paid (if any)  | -                           | -  |
| Actuarial (gain)/loss   | (3.82)                      | -  |
| Present value of the obligation at the end of the year  | 5.82                        | 5.66   |
| <b>C Summary of membership data at the date of valuation and statistics based thereon</b>                 |                             |  |
| Number of employees   | 74.00                       | 75.00  |
| Total monthly salary  | 12.48                       | 26.40  |
| Average past service(years)   | 0.80                        | 0.60   |
| Average future service (years)  | 22.50                       | 23.30  |
| Average age(years)  | 37.50                       | 36.70  |
| Weighted average duration (based on discounted cash flows) in years                                       | 25                          | 21   |
| Average monthly salary  | 0.17                        | 0.35   |
| Expected future service taking into account decrements (years)  | 14                          | 14   |
| <b>D Actuarial assumptions provided by the company and employed for the calculations are tabulated</b>    |                             |  |
| Discount rate   | 7.5 % per annum             | 7.25 % per annum                                 |
| Salary Growth Rate  | 5.00 % per annum            | 5.00 % per annum                                 |
| Mortality   | IALM 2012-14                | IALM 2012-14                                     |
| Withdrawal rate (Per Annum)   | 5.00% p.a.                  | 5.00% p.a.                                       |
| <b>E Benefits valued</b>  |                             |  |
| Normal Retirement Age   |                             | 60 Years   |
| Salary  |                             | Last drawn qualifying salary                     |
| Vesting Period  |                             | 5 Years of service                               |
| Benefits on Normal Retirement   |                             | 15/26 * Salary * Past Service (yr)               |
| Benefit on early exit due to death and disability   |                             | As above except that no vesting conditions apply |
| Limit   |                             | 20   |
| <b>F Current liability (*Expected payout in next year as per schedule III of the Companies Act, 2013)</b> |                             |  |
| Period  | Year ended<br>31-March-2023 | Year ended<br>31-March-2022                      |
| Current liability (Current portion)   | 0.02                        | 0.02   |
| Non-current liability (Non-current portion)   | 5.80                        | 5.64   |
| Total liability   | 5.82                        | 5.66   |
| Funding arrangements and funding policy   | Not applicable              | Not applicable                                   |
| <b>Expected contribution during the next annual reporting period</b>                                      |                             |  |
| The Company's best estimate of Contribution during the next year  | 5.06                        | 10.35  |
| <b>Maturity profile of defined benefit obligation: Weighted Average</b>                                   |                             |  |
| Weighted average duration (based on discounted cash flows) in years                                       | 25                          | 21   |



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**Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations**

|   |      |       |
|---|------|-------|
| 01 Apr 2022 to 31 Mar 2023                      | 0    | 0.02  |
| 01 Apr 2023 to 31 Mar 2024                      | 0.02 | 0.00  |
| 01 Apr 2024 to 31 Mar 2025                      | 0.00 | 0.15  |
| 01 Apr 2025 to 31 Mar 2026                      | 0.02 | 0.01  |
| 01 Apr 2026 to 31 Mar 2027                      | 0.08 | 0.11  |
| 01 Apr 2027 to 31 Mar 2028                      | 0.11 | 5.35  |
| 01 Apr 2028 onwards                             | 5.58 | -     |
| <b>Projection for next year</b>                 |      |       |
| Best estimate for contribution during next year | 5.06 | 10.35 |

**Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below

| Period   | 31-March-2023  |
|--|--|
| Defined Benefit Obligation (Base)                | 5.82 lakh @ Salary Increase Rate : 5%, and discount rate :7.5% |
| Liability with x% increase in Discount Rate      | 5,23,885; x=1.00% [Change (10)%]                               |
| Liability with x% decrease in Discount Rate      | 6,51,874; x=1.00% [Change 12%]                                 |
| Liability with x% increase in Salary Growth Rate | 6,52,940; x=1.00% [Change 12%]                                 |
| Liability with x% decrease in Salary Growth Rate | 5,22,090; x=1.00% [Change (10)%]                               |
| Liability with x% increase in Withdrawal Rate    | 5,78,267; x=1.00% [Change (1)%]                                |
| Liability with x% decrease in Withdrawal Rate    | 5,82,564; x=1.00% [Change 0%]                                  |

| Period   | 31-March-2022   |
|--|---|
| Defined Benefit Obligation (Base)                | 5.65 lakh @ Salary Increase Rate : 5%, and discount rate :7.25% |
| Liability with x% increase in Discount Rate      | 5,11,979; x=1.00% [Change (9)%]                                 |
| Liability with x% decrease in Discount Rate      | 6,28,611; x=1.00% [Change 11%]                                  |
| Liability with x% increase in Salary Growth Rate | 6,29,412; x=1.00% [Change 11%]                                  |
| Liability with x% decrease in Salary Growth Rate | 5,10,451; x=1.00% [Change (10)%]                                |
| Liability with x% increase in Withdrawal Rate    | 5,52,006; x=1.00% [Change (2)%]                                 |
| Liability with x% decrease in Withdrawal Rate    | 5,77,117; x=1.00% [Change (2)%]                                 |



**Algoquant Fintech Limited**  
**[Formerly Hindustan Everest Tools Limited]**

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31-March-2023

[All amounts are in rupees lakh, except share data and earnings per share]

- 37 The Board of Directors of the Company in their meeting held on 10 March 2023, approved a draft Composite Scheme of Arrangement ("The Scheme") between the Company i.e. Algoquant Fintech Limited (resulting company), Growth Securities Private Limited (demerged company) and Algoquant Investments Private Limited (Formerly Mandelia Investments Private Limited), whereby the stock broking business of Growth Securities shall be demerged into the resulting company on a going concern basis and also Algoquant Investments Private Limited shall merge in to the resulting company. The Company is in the process of undertaking necessary regulatory steps as enunciated under various applicable laws and regulations including filing the Scheme with the National Company Law Tribunal for approval. The Scheme is subject to requisite approvals and therefore, no adjustments have been made to the financial statement of the Company as of and for the year ended 31-March-2023 with respect to the Scheme.
- 38 The financial statements for the year ended 31-March-2023 were authorized and approved for issuance by the Board of Directors on 30-May-2023

As per our report of even date.

For O P Bagla & Co. LLP

Chartered Accountants

Firm Registration No : 000018N/N500091

*Deepanshu Safni*  
 Deepanshu Safni

Partner

Membership No : 510573

Place: New Delhi

Date: 30-May-2023



For and on the behalf of the Board of Directors

*Dhruv Gupta*  
 Dhruv Gupta  
 Director  
 DIN: 06920431

*Yogesh Gusain*  
 Yogesh Gusain  
 Chief Financial Officer  
 BGGPG8044R

*Devansh Gupta*  
 Devansh Gupta  
 Managing Director  
 DIN: 06920376

*Atul Kaushal*  
 Atul Kaushal  
 Company Secretary  
 DKIPK4559K



**Algoquant Fintech Limited**  
**CIN: L74110GJ1962PLC136701**  
**Registered office: Unit No. 705,07th Floor of ISCON Elegance, developed at Plot No. 24,**  
**Prahaladnagar, Ahmedabad GJ 380015 IN**  
**Balance Sheet as at 31-December-2023**  
**[All amounts are in rupees lakh, except share data and earnings per share]**

|  | Notes | As at<br>31-December-2023 | As at<br>31-March-2023 |
|--|-------|---------------------------|------------------------|
|  |       | ₹                         | ₹                      |
| <b>ASSETS</b>  |       |                           |                        |
| <b>Non-current assets</b>  |       |                           |                        |
| Property, plant and equipment and Intangible assets                | 3     |                           |                        |
| - Property, plant and equipment                                    | (i)   | 460.46                    | 173.26                 |
| - Intangible assets  | (ii)  | 1.36                      | -                      |
| Financial assets   |       |                           |                        |
| - Investments  | 4     | -                         | 549.40                 |
| Income tax assets  | 5     | 19.13                     | 19.13                  |
| Deferred tax assets  | 6     | 277.73                    | 391.97                 |
| <b>Total non-current assets</b>                                    |       | <b>758.68</b>             | <b>1,133.77</b>        |
| <b>Current assets</b>  |       |                           |                        |
| Financial assets   | 7     |                           |                        |
| - Investments  | (i)   | 820.28                    | 1,266.88               |
| - Cash and cash equivalents  | (ii)  | 9.03                      | 289.34                 |
| - Bank balance other than cash and cash equivalents                | (iii) | 31.03                     | 30.52                  |
| - Loans  | (iv)  | 217.18                    | 564.00                 |
| - Other financial assets   | (v)   | 5,192.48                  | 3,803.73               |
| Other current assets   | 8     | 272.84                    | 0.45                   |
| Current assets pertaining to discontinued operations               | 26    | 95.11                     | 95.11                  |
| <b>Total current assets</b>  |       | <b>6,637.95</b>           | <b>6,050.03</b>        |
| <b>Total assets</b>  |       | <b>7,396.63</b>           | <b>7,183.80</b>        |
| <b>EQUITY AND LIABILITIES</b>                                      |       |                           |                        |
| <b>Equity</b>  |       |                           |                        |
| Equity share capital   | 9     | 160.72                    | 160.72                 |
| Other equity   | 10    | 3,768.90                  | 3,267.98               |
| <b>Total equity</b>  |       | <b>3,929.62</b>           | <b>3,428.70</b>        |
| <b>Non-current liabilities</b>                                     |       |                           |                        |
| Financial liabilities  | 11    |                           |                        |
| - Borrowings   | (i)   | 54.15                     | -                      |
| Long-term provisions   | 12    | 8.14                      | 8.14                   |
| Deferred tax liabilities   | 13    | -                         | -                      |
|  |       | <b>62.29</b>              | <b>8.14</b>            |
| <b>Liabilities</b>   |       |                           |                        |
| <b>Current liabilities</b>   |       |                           |                        |
| Financial liabilities  | 14    |                           |                        |
| - Borrowings   | (i)   | 2,745.10                  | 3,046.56               |
| - Trade payables   | (ii)  | -                         | -                      |
| - total outstanding dues to micro and small enterprises            |       | -                         | -                      |
| - total outstanding dues to other than micro and small enterprises |       | 104.70                    | 88.35                  |
| - Other financial liabilities                                      | (iii) | 208.49                    | 75.94                  |
| Other current liabilities  | 15    | 40.37                     | 67.69                  |
| Short-term provisions  | 16    | 3.02                      | 3.02                   |
| Current tax liabilities (net)                                      | 17    | 21.12                     | 143.20                 |
| Current liabilities pertaining to discontinued operations          | 26    | 281.92                    | 322.20                 |
| <b>Total current liabilities</b>                                   |       | <b>3,404.72</b>           | <b>3,746.96</b>        |
| <b>Total liabilities</b>   |       | <b>3,467.00</b>           | <b>3,755.10</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                |       | <b>7,396.63</b>           | <b>7,183.80</b>        |

The accompanying notes 1 to 40 are an integral part of these financial statements.  
As per our report of even date.

For and on the behalf of the Board of Directors

  
**Deyansh Gupta**  
Managing Director  
DIN: 06920376

Place: New Delhi  
Date: 12.02.2024

**Algoquant Fintech Limited**  
CIN: L74110GJ1962PLC136701

Registered office: Unit No. 705, 07th Floor of ISCON Elegance, developed at Plot No. 24,  
Pralhadnagar, Ahmedabad GJ 380015 IN

**Statement of Profit and Loss for the Period ended 31-December-2023**  
[All amounts are in rupees lakh, except share data and earnings per share]

|  | Notes | Period ended<br>31-December-2023 | Year ended<br>31-March-2023 |
|--|-------|----------------------------------|-----------------------------|
|  |       | ₹<br>9 months YTD                | ₹<br>Full Year              |
| (A) Continuing operations  |       |                                  |                             |
| Revenue from continuing operations   |       |                                  |                             |
| Revenue from operations  | 18    | 4,525.53                         | 1,321.35                    |
| Other income   | 19    | 43.34                            | 49.66                       |
| Total income from continuing operations  |       | 4,568.87                         | 1,371.01                    |
| Expenses from continuing operations  |       |                                  |                             |
| Trading and other charges  | 20    | 1,779.46                         | 792.12                      |
| Employee benefits expense  | 21    | 1,546.59                         | 928.18                      |
| Finance costs  | 22    | 324.05                           | 158.93                      |
| Depreciation   | 23    | 48.75                            | 22.40                       |
| Other expenses   | 24    | 262.11                           | 118.27                      |
| Total expenses from continuing operations  |       | 3,960.97                         | 2,019.90                    |
| (Loss)/Profit before tax from continuing operations                                    |       | 607.90                           | (648.89)                    |
| (Loss)/Profit before tax   |       | 607.90                           | (648.89)                    |
| Tax expense:   | 25    |                                  |                             |
| - Current tax  |       | 10.33                            | -                           |
| - Deferred tax charge/(credit)   |       | 112.60                           | (355.80)                    |
| - Tax expense for earlier years  |       |                                  | -                           |
|  |       | 122.93                           | (355.80)                    |
| (Loss)/Profit after tax for the year from continuing operations                        |       | 484.97                           | (293.09)                    |
| (B) Discontinued operations  |       |                                  |                             |
| (Loss)/Profit before tax from discontinued operations<br>(including exceptional items) | 28    | 15.00                            | (134.26)                    |
| Tax expense pertaining to discontinued operations                                      |       |                                  | 85.47                       |
| Profit/(loss) after tax for the period from discontinued operations                    |       | 15.00                            | (48.79)                     |
| (Loss)/Profit for the year   |       | 499.97                           | (341.88)                    |
| Other comprehensive income for the year (net of tax)                                   |       |                                  |                             |
| - Items that will not be reclassified to profit or loss                                |       | 0.94                             | 429.82                      |
| - Income tax relating to items that will not be reclassified to profit or loss         |       |                                  | (13.39)                     |
|  |       | 0.94                             | 416.43                      |
| Total comprehensive income for the year  |       | 500.91                           | 74.55                       |
| Earnings per equity share [restated for previous year]                                 | 27    |                                  |                             |
| - from continuing operations (basic and diluted) (in ₹)                                |       | 6.03                             | (3.65)                      |
| - from discontinued operations (basic and diluted) (in ₹)                              |       | 0.19                             | (1.67)                      |
| - from continuing and discontinued operations (basic and diluted) (in ₹)               |       | 6.22                             | (5.32)                      |

The accompanying notes 1 to 40 are an integral part of these financial statements.  
As per our report of even date.

For and on the behalf of the Board of Directors

  
Devansh Gupta  
Managing Director  
DIN: 06920376

Place: New Delhi  
Date: 12.02.2024





**REPORT ADOPTED BY THE BOARD OF DIRECTORS ("BOARD") OF GROWTH SECURITIES PRIVATE LIMITED ("COMPANY") IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD THROUGH VIDEO CONFERENCING ON FRIDAY, MARCH 10, 2023 AT 08:00 P.M. AND VENUE OF THE MEETING SHALL BE DEEMED AT 4/10, SECOND FLOOR, ASAF ALI ROAD, NEW DELHI-110 002 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS AND CREDITORS, AMONGST OTHERS**

1. The Scheme of Arrangement amongst Growth Securities Private Limited ("**Demerged Company**"), Algoquant Investments Private Limited ("**Amalgamating Company**") and Algoquant Fintech Limited ("**Resulting Company**" / "**Amalgamated Company**") (together referred to as the "**Companies**") and their respective shareholders and creditors ("**Scheme**"), pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules made thereunder including but not limited to Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, read with Section 2(1B), Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961, the Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("**SEBI Circular**"), issued by the Securities Exchange and Board of India ("**SEBI**"), and any other applicable laws, rules and regulations (including in each case any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum of Association and Articles of Association of the Company, provides for :
  - (i) Demerger of Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) of the Demerged Company into the Resulting Company, in the manner set out in the Scheme (**Part B**); and
  - (ii) Amalgamation of Amalgamating Company into and with the Amalgamated Company; in the manner set out in the Scheme (**Part C**); and
  - (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company, in the manner set out in the Scheme (**Part D**) i.e., issue of bonus equity shares
  - (iv) Various other matters consequential or otherwise integrally connected herewith.
2. The Board at its meeting held on March 10, 2023 has approved the draft Scheme, after considering the documents which were duly placed before the Board as referred hereinafter.
3. The effectiveness of the Scheme is conditional upon and subject to:
  - (a) receipt of an 'observation letter' or a 'no-objection letter' from BSE Limited ("**Stock Exchange**"), on the draft Scheme, as required under applicable laws, are in form and substance acceptable to the Company, Amalgamating Company and Resulting Company/Amalgamated Company (Company, Amalgamating Company and Resulting Company/Amalgamated Company are collectively referred to as "**Companies**");
  - (b) approval from requisite majority of such classes of shareholders, secured creditors and unsecured creditors of each of the Companies which are part of the Scheme and such other persons/ authorities, as may be required under applicable laws or as may be directed by the National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" / "**Tribunal**");



**GROWTH SECURITIES PVT. LTD.** (Corporate Identity Number: U74899GJ1996PTC119714)

Regd. Office: Unit No. 503A-B, 504 A-B, 5<sup>th</sup> Floor, Tower A WTC Block No. 51, Road SE, Zone-5, GIFT City Gandhinagar, Gujarat-382355  
Corporate Office: 2<sup>nd</sup> Floor, 4/10 Asaf Ali Road, New Delhi-110002 | Ph:+91-9910032394 | Email: Compliance@growthsec.in

- (c) approval from the shareholders of the Resulting Company / Amalgamated Company, provided that the number of votes cast by the public shareholders of the Resulting Company / Amalgamated Company in favour of the Scheme are more than the number of votes cast by the public shareholders of the Resulting Company / Amalgamated Company against the Scheme, through e-voting as required under the SEBI Circular;
  - (d) approval from the NCLT and compliance with the conditions, if any, imposed by the NCLT; and
  - (e) the receipt of such other approvals including, approvals of any governmental authority as may be necessary under applicable laws or under any material contract to make the Scheme or the relevant Part of the Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and
  - (f) the certified copy of the order of the NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.
4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Board of the Company, explaining the effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel (“KMPs”) laying out in particular the share exchange ratios, specifying any special valuation difficulties.
5. The following documents were placed before the Board for its consideration:
- (i) draft Scheme, duly initialled by Director / Company Secretary of the Company for the purpose of identification;
  - (ii) valuation report dated March 09, 2023, issued by Mr. Manish Manwani, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113, for the determination of Share Entitlement Ratios (as given under para 7) under the draft Scheme (“**Valuation Report**”);
  - (iii) fairness opinion dated March 10, 2023, prepared by BOB Capital Markets Ltd, an Independent SEBI registered Category-I Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors (“**Fairness Opinion**”); and
  - (iv) the certificate dated March 10, 2023, from VGG & Co, Chartered Accountants, the statutory auditor of the Company, pursuant to the SEBI Circular, certifying that the accounting treatment proposed in the draft Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act read with applicable rules and/ or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles (“**Auditor’s Certificate**”);

## 6. The Need & Rationale for the Scheme:

### 6.1. Need for the Scheme

The management of the Companies are of the view that the stock broking industry is . for substantial growth which can be better capitalized as an integrated listed entity, which has a robust balance sheet, potential for a wider customer reach and a more acceptable structure from a

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regulatory and compliance standpoint. Further, the proposed consolidation through demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will result into overall enhanced efficiencies and the consolidation of Amalgamating Company would aid in rationalizing the Promoter holding thus leading to a simplified and streamlined organisation structure. The consolidated organization is also expected to create more value for all the stakeholders.

## 6.2. Rationale for the Scheme

- (a) The Resulting Company / Amalgamated Company proposes to enter into this Scheme with the Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.
- (b) The management of the respective companies is of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:
  - (i) Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
  - (ii) The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting Company / Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention.
  - (iii) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.
- (c) The Scheme envisages demerger of the Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) and vesting of the same in the Resulting Company pursuant to Part B of the Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective companies believe that both the businesses (i.e., Real Estate Business (*as defined in the Scheme*) and Stock Broking Business (*as defined in the Scheme*)) will benefit from dedicated management, operations and investment strategy leading to development, expansion and growth for maximization of stakeholder's value.



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- (d) Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.
- (e) The management of the respective companies is of the view that the Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

#### 7. Share Entitlement Ratios:

- (a) The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Demerged Company as on the Part B Record Date (as defined in the Scheme), in consideration for the demerger:

*"727 (Seven Hundred Twenty Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*

- (b) The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Amalgamating Company as on Part C Record Date (as defined in the Scheme), in consideration for the amalgamation of Amalgamating Company with and into the Company:

*"8278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up."*

- (c) The following bonus ratio has been determined for issue and allotment of Bonus Shares of the Resulting Company / Amalgamated Company having face value of INR 2 each to its shareholders as on Part D Record Date (as defined in the Scheme):

*"1 (One) new bonus fully paid-up equity shares having face value of INR 2/- (Indian Rupees Two) ("Bonus Shares") for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each fully paid-up held by a shareholder of AFL as on Part D Record Date."*

- (d) No special valuation difficulties were reported.

#### 8. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company:

The Board reviewed the documents placed in the meeting held on March 10, 2023, and is of the informed opinion, that the draft Scheme is in the best interests of the Company and its shareholders and creditors. The impact of the draft Scheme on the shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors or any other stakeholders.

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**9. Effect of the Scheme on the KMPs of the Company:**

There is no impact of the draft Scheme on the KMPs of the Company. Further, none of the KMPs have any interest in the draft Scheme except to the extent of shares held by them, if any, in the Company.

**10. Effect of the Scheme on the Creditors of the Company:**

There is no impact of the draft Scheme on the creditors of the Company. Further, none of the creditors have any interest in the draft Scheme except to the extent of shares held by them, if any, in the Company.

**11. Adoption of the Report by the Board:**

The Board of the Company have adopted this report after noting and considering the information set forth in this report and documents placed before the Board.

For and on behalf of the Board  
For **Growth Securities Private Limited**

  
**Devansh Gupta**  
Director  
DIN: 06920376



**Place: New Delhi**  
**Date: March 10, 2023**



**REPORT ADOPTED BY THE BOARD OF DIRECTORS ("BOARD") OF ALGOQUANT INVESTMENTS PRIVATE LIMITED ("COMPANY") IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD THROUGH VIDEO CONFERENCING ON FRIDAY, MARCH 10, 2023 AT 08:15 P.M. AND VENUE OF THE MEETING SHALL BE DEEMED AT 4/11, SECOND FLOOR, ASAF ALI ROAD, NEW DELHI-110 002 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS AND CREDITORS, AMONGST OTHERS**

1. The Scheme of Arrangement amongst Growth Securities Private Limited ("**Demerged Company**"), Algoquant Investments Private Limited ("**Amalgamating Company**") and Algoquant Fintech Limited ("**Resulting Company**" / "**Amalgamated Company**") (together referred to as the "**Companies**") and their respective shareholders and creditors ("**Scheme**"), pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules made thereunder including but not limited to Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, read with Section 2(1B), Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961, the Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("**SEBI Circular**"), issued by the Securities Exchange and Board of India ("**SEBI**"), and any other applicable laws, rules and regulations (including in each case any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum of Association and Articles of Association of the Company, provides for :
  - (i) Demerger of Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) of the Demerged Company into the Resulting Company, in the manner set out in the Scheme (**Part B**); and
  - (ii) ~~Amalgamation of Amalgamating Company into and with the Amalgamated Company; in the manner set out in the Scheme (Part C); and~~
  - (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company, in the manner set out in the Scheme (**Part D**) i.e., issue of bonus equity shares
  - (iv) Various other matters consequential or otherwise integrally connected herewith.
2. The Board at its meeting held on March 10, 2023 has approved the draft Scheme, after considering the documents which were duly placed before the Board as referred hereinafter.
3. The effectiveness of the Scheme is conditional upon and subject to:
  - (a) receipt of an 'observation letter' or a 'no-objection letter' from BSE Limited ("**Stock Exchange**"), on the draft Scheme, as required under applicable laws, are in form and substance acceptable to the Company, Demerged Company and Resulting Company / Amalgamated Company (Company, Demerged Company and Resulting Company/ Amalgamated Company are collectively referred to as "**Companies**");
  - (b) approval from requisite majority of such classes of shareholders, secured creditors and unsecured creditors of each of the Companies which are part of the Scheme and such other persons/ authorities, as may be required under applicable laws or as may be directed by the National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" / "**Tribunal**");
  - (c) approval from the shareholders of the Resulting Company / Amalgamated Company, provided that the number of votes cast by the public shareholders of the Resulting Company / Amalgamated Company in favour of the Scheme are more than the number of votes cast



by the public shareholders of the Resulting Company / Amalgamated Company against the Scheme, through e-voting as required under the SEBI Circular;

- (d) approval from the NCLT and compliance with the conditions, if any, imposed by the NCLT; and
  - (e) the receipt of such other approvals including, approvals of any governmental authority as may be necessary under applicable laws or under any material contract to make the Scheme or the relevant Part of the Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and
  - (f) the certified copy of the order of the NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.
4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Board of the Company, explaining the effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel (“KMPs”) laying out in particular the share exchange ratios, specifying any special valuation difficulties.
5. The following documents were placed before the Board for its consideration:
- (i) draft Scheme, duly initialled by Director / Company Secretary of the Company for the purpose of identification;
  - (ii) valuation report dated March 09, 2023, issued by Mr. Manish Manwani, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113, for the determination of Share Entitlement Ratios (as given under para 7) under the draft Scheme (“**Valuation Report**”);
  - (iii) fairness opinion dated March 10, 2023, prepared by BOB Capital Markets Ltd, an Independent SEBI registered Category-I Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors (“**Fairness Opinion**”); and
  - (iv) the certificate dated March 10, 2023, from VGG & Co, Chartered Accountants, the statutory auditor of the Company, pursuant to the SEBI Circular, certifying that the accounting treatment proposed in the draft Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act read with applicable rules and/ or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles (“**Auditor’s Certificate**”);

## 6. The Need & Rationale for the Scheme:

### 6.1. Need for the Scheme

The management of the Companies are of the view that the stock broking industry is poised for substantial growth which can be better capitalized as an integrated listed entity, which has a robust balance sheet, potential for a wider customer reach and a more acceptable structure from a regulatory and compliance standpoint. Further, the proposed consolidation through demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will result into overall enhanced efficiencies and the consolidation of Amalgamating Company would aid in rationalizing the Promoter holding thus leading to a simplified and streamlined organisation structure. The consolidated organization is also expected to create more value for all the stakeholders.



**Algoquant Investments Pvt. Ltd. | CIN No.: U67120GJ1983PTC136550**

**Regd. Office:** 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar, Ahmedabad, Gujarat 380015, **Email:** algoquantinvest@gmail.com. **Mob:** +91-9910032394

## 6.2. Rationale for the Scheme

- (a) The Resulting Company / Amalgamated Company proposes to enter into this Scheme with the Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.
- (b) The management of the respective companies is of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:
  - (i) Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
  - (ii) The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting Company / Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention.
  - (iii) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.
- (c) The Scheme envisages demerger of the Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) and vesting of the same in the Resulting Company pursuant to Part B of the Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective companies believe that both the businesses (i.e., Real Estate Business (*as defined in the Scheme*) and Stock Broking Business (*as defined in the Scheme*) will benefit from dedicated management, operations and investment strategy leading to development, expansion and growth for maximization of stakeholder's value.
- (d) Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.
- (e) The management of the respective companies is of the view that the Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.





**7. Share Entitlement Ratios:**

- (a) The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Demerged Company as on the Part B Record Date (*as defined in the Scheme*), in consideration for the demerger:

*"727 (Seven Hundred Twenty Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*

- (b) The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Amalgamating Company as on Part C Record Date (*as defined in the Scheme*), in consideration for the amalgamation of Amalgamating Company with and into the Company:

*"8278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up."*

- (c) The following bonus ratio has been determined for issue and allotment of Bonus Shares of the Resulting Company / Amalgamated Company having face value of INR 2 each to its shareholders as on Part D Record Date (*as defined in the Scheme*):

*"1 (One) new bonus fully paid-up equity shares having face value of INR 2/- (Indian Rupees Two) ("Bonus Shares") for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each fully paid-up held by a shareholder of AFL as on Part D Record Date."*

- (d) No special valuation difficulties were reported.

**8. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company:**

The Board reviewed the documents placed in the meeting held on March 10, 2023, and is of the informed opinion, that the draft Scheme is in the best interests of the Company and its shareholders and creditors. The impact of the draft Scheme on the shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors or any other stakeholders.

**9. Effect of the Scheme on the KMPs of the Company:**

There is no impact of the draft Scheme on the KMPs of the Company. Further, none of the KMPs have any interest in the draft Scheme except to the extent of shares held by them, if any, in the Company.

**10. Effect of the Scheme on the Creditors of the Company:**

There is no impact of the draft Scheme on the creditors of the Company. Further, none of the creditors have any interest in the draft Scheme except to the extent of shares held by them, if any, in the Company.



**11. Adoption of the Report by the Board:**

The Board of the Company have adopted this report after noting and considering the information set forth in this report and documents placed before the Board.

For and on behalf of the Board  
For **Algoquant Investments Private Limited**



**Devansh Gupta**  
**Director**  
**DIN: 06920376**

**Place: New Delhi**  
**Date: March 10, 2023**





**REPORT ADOPTED BY THE BOARD OF DIRECTORS ("BOARD") OF ALGOQUANT FINTECH LIMITED ("COMPANY") IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON FRIDAY, MARCH 10, 2023 AT 04:00 P.M. AT CORPORATE OFFICE OF THE COMPANY SITUATED AT 4/11, FIRST FLOOR, ASAF ALI ROAD, NEW DELHI - 110 002 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS AND CREDITORS, AMONGST OTHERS**

1. The Scheme of Arrangement amongst Growth Securities Private Limited ("**Demerged Company**"), Algoquant Investments Private Limited ("**Amalgamating Company**") and Algoquant Fintech Limited ("**Resulting Company**" / "**Amalgamated Company**") (together referred to as the "**Companies**") and their respective shareholders and creditors ("**Scheme**"), pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules made thereunder including but not limited to Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, read with Section 2(1B), Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**Listing Regulations**"), the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018 as amended from time to time ("**ICDR Regulations**") read with Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("**SEBI Circular**"), issued by the Securities Exchange and Board of India ("**SEBI**"), and any other applicable laws, rules and regulations (including in each case any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum of Association and Articles of Association of the Company and pursuant to the recommendations of the Audit Committee and the Committee of Independent Directors of the Board of the Company, provides for :
  - (i) Demerger of Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) of the Demerged Company into the Resulting Company, in the manner set out in the Scheme (**Part B**); and
  - (ii) Amalgamation of Amalgamating Company into and with the Amalgamated Company; in the manner set out in the Scheme (**Part C**); and
  - (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company, in the manner set out in the Scheme (**Part D**) i.e., issue of bonus equity shares
  - (iv) Various other matters consequential or otherwise integrally connected herewith.
2. The Board at its meeting held on March 10, 2023 has approved the draft Scheme, after considering the documents which were duly placed before the Board as referred hereinafter.
3. The effectiveness of the Scheme is conditional upon and subject to:
  - (a) receipt of an 'observation letter' or a 'no-objection letter' from BSE Limited ("**Stock Exchange**"), on the draft Scheme, as required under applicable laws, are in form and substance acceptable to the Company, Demerged Company and Amalgamating Company (Company, Demerged Company and Amalgamating Company are collectively referred to as "**Companies**");
  - (b) approval from requisite majority of such classes of shareholders, secured creditors and unsecured creditors of each of the Companies which are part of the Scheme and such other



Algoquant Fintech Limited

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persons/ authorities, as may be required under applicable laws or as may be directed by the National Company Law Tribunal, Ahmedabad Bench ("NCLT" / "Tribunal");

- (c) approval from the shareholders of the Company, provided that the number of votes cast by the public shareholders of the Company in favour of the Scheme are more than the number of votes cast by the public shareholders of the Company against the Scheme, through e-voting as required under the SEBI Circular;
  - (d) approval from the NCLT and compliance with the conditions, if any, imposed by the NCLT; and
  - (e) the receipt of such other approvals including, approvals of any governmental authority as may be necessary under applicable laws or under any material contract to make the Scheme or the relevant Part of the Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and
  - (f) the certified copy of the order of the NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.
4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Board of the Company, explaining the effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel ("KMPs") laying out in particular the share exchange ratios, specifying any special valuation difficulties.
5. The following documents were placed before the Board for its consideration:
- (i) draft Scheme, duly initialled by Director / Company Secretary of the Company for the purpose of identification;
  - (ii) valuation report dated March 09, 2023, issued by Mr. Manish Manwani, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113, for the determination of Share Entitlement Ratios (as give under Para 7) under the draft Scheme ("**Valuation Report**");
  - (iii) fairness opinion dated March 10, 2023, prepared by BOB Capital Markets Ltd, an Independent SEBI registered Category-I Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**"); and
  - (iv) the certificate dated March 10, 2023, from O P Bagla & Co. LLP, the statutory auditor of the Company, pursuant to the SEBI Circular, certifying that the accounting treatment proposed in the draft Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act read with applicable rules and/ or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles ("**Auditor's Certificate**");
  - (v) the report dated March 10, 2023, of the Audit Committee of the Board of the Company, recommending the Scheme to the Board of the Company, after taking into consideration, *inter alia*, the Valuation Report, the Share Entitlement Ratios, the Fairness Opinion, and the Auditor's Certificate, and noting that the draft Scheme is not detrimental to the interest of the shareholders of the Company ("**Audit Committee Report**");
  - (vi) the report dated March 10, 2023, of the Committee of the Independent Directors of the Board of the Company, recommending the Scheme to the Board of the Company, after taking into consideration, *inter-alia*, the Valuation Report, the Share Entitlement Ratios,





the Fairness Opinion and the Auditor's Certificate, and noting that the draft Scheme is not detrimental to the interest of the shareholders of the Company ("Independent Directors Report")

## 6. The Need & Rationale for the Scheme:

### 6.1. Need for the Scheme

The management of the Companies are of the view that the stock broking industry is poised for substantial growth which can be better capitalized as an integrated listed entity, which has a robust balance sheet, potential for a wider customer reach and a more acceptable structure from a regulatory and compliance standpoint. Further, the proposed consolidation through demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will result into overall enhanced efficiencies and the consolidation of Amalgamating Company would aid in rationalizing the Promoter holding thus leading to a simplified and streamlined organisation structure. The consolidated organization is also expected to create more value for all the stakeholders.

### 6.2. Rationale for the Scheme

- (a) The Resulting Company / Amalgamated Company proposes to enter into this Scheme with the Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.
- (b) The management of the respective companies is of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:
  - (i) Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
  - (ii) The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting Company / Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention.
  - (iii) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.



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- (c) The Scheme envisages demerger of the Stock Broking Business Undertaking *(as more explicitly defined in the Scheme)* and vesting of the same in the Resulting Company pursuant to Part B of the Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective companies believe that both the businesses (i.e., Real Estate Business *(as defined in the Scheme)* and Stock Broking Business *(as defined in the Scheme)*) will benefit from dedicated management, operations and investment strategy leading to development, expansion and growth for maximization of stakeholder's value.
- (d) Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.
- (e) The management of the respective companies is of the view that the Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

## 7. Share Entitlement Ratios:

- (a) The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Demerged Company as on the Part B Record Date *(as defined in the Scheme)*, in consideration for the demerger:

*"727 (Seven Hundred Twenty Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*

- (b) The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Amalgamating Company as on Part C Record Date *(as defined in the Scheme)*, in consideration for the amalgamation of Amalgamating Company with and into the Company:

*"8278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up."*

- (c) The following bonus ratio has been determined for issue and allotment of Bonus Shares of the Resulting Company / Amalgamated Company having face value of INR 2 each to its shareholders as on Part D Record Date *(as defined in the Scheme)*:

*"1 (One) new bonus fully paid-up equity shares having face value of INR 2/- (Indian Rupees Two) ("Bonus Shares") for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each fully paid-up held by a shareholder of AFL as on Part D Record Date."*

(d) No special valuation difficulties were reported.

**8. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company:**

The Board reviewed the documents placed in the meeting held on March 10, 2023, and is of the informed opinion, upon the recommendations of the Audit Committee and the Committee of the Independent Directors that the draft Scheme is in the best interests of the Company and its shareholders and creditors. The impact of the draft Scheme on the shareholders including the promoters and public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors or any other stakeholders.

**9. Effect of the Scheme on the KMPs of the Company:**

There is no impact of the draft Scheme on the KMPs of the Company. Further, none of the KMPs have any interest in the draft Scheme except to the extent of shares held by them, if any, in the Company.

**10. Effect of the Scheme on the Creditors of the Company:**

There is no impact of the draft Scheme on the creditors of the Company. Further, none of the creditors have any interest in the draft Scheme except to the extent of shares held by them, if any, in the Company.

**11. Adoption of the Report by the Board:**

The Board of the Company have adopted this report after noting and considering the information set forth in this report and documents placed before the Board.

For and on behalf of the Board  
For **Algoquant Fintech Limited**

  
**Devansh Gupta**  
**Managing Director**  
**DIN: 06920376**



**Place: New Delhi**  
**Date: March 10, 2023**





**REPORT OF THE AUDIT COMMITTEE OF ALGOQUANT FINTECH LIMITED AT ITS MEETING HELD ON FRIDAY, MARCH 10, 2023 RECOMMENDING THE SCHEME OF ARRANGEMENT AMONGST GROWTH SECURITIES PRIVATE LIMITED, ALGOQUANT INVESTMENTS PRIVATE LIMITED AND ALGOQUANT FINTECH LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.**

**Members Present:**

| Sr. No. | Name of Audit Committee Members       | Designation            |
|---------|---------------------------------------|------------------------|
| 1.      | Mr. Amit Gupta                        | Independent Director   |
| 2.      | Mr. Himanjal Jagdishchandra Brahmhatt | Non-Executive Director |
| 3.      | Mr. Gyaneshwar Sahai                  | Independent Director   |

**1. Background**

- 1.1 A meeting of the Audit Committee of Algoquant Fintech Limited ("Company") was held on March 10, 2023, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("Board"), the draft Scheme of Arrangement amongst Growth Securities Private Limited ("Demerged Company"), Algoquant Investments Private Limited ("Amalgamating Company") and Algoquant Fintech Limited ("Resulting Company" / "Amalgamated Company") (together referred to as "Companies") and their respective shareholders and creditors ("Scheme"), which entails (i) Demerger of Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) of the Demerged Company into the Resulting Company and (ii) Amalgamation of Amalgamating Company into and with the Amalgamated Company and (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company, in the manner set out in the Scheme; pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder including but not limited to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, read with Section 2(19AA), Section 2(1B) and other applicable provisions of the Income Tax Act, 1961.
- 1.2 This report of the Audit Committee is made in compliance with the requirement of the Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time ("SEBI Circular"), issued by the Securities and Exchange Board of India ("SEBI"). In terms of the SEBI Circular, a report from the Audit Committee is required, recommending the draft Scheme, taking into consideration, *inter alia*, the Valuation Report (*as defined below*).
- 1.3 The following documents were placed before the Audit Committee for its consideration:
- draft Scheme, duly initialled by the Director / Company Secretary of the Company for the purpose of identification.
  - valuation report dated March 09, 2023, issued by Mr. Manish Manwani, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113, for the determination of Share Entitlement Ratios (as defined hereunder) under the draft Scheme ("Valuation Report");



- (c) fairness opinion dated March 10, 2023, prepared by BOB Capital Markets Ltd, an Independent SEBI registered Category-I Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**"); and
- (d) Draft Auditors' certificate dated March 10, 2023, confirming that the accounting treatment contained in the draft Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Act read with applicable rules, and/or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles.

## **2. Observations of Audit Committee on the Scheme**

### **2.1 Need for the Scheme**

The management of the Companies are of the view that the stock broking industry is poised for substantial growth which can be better capitalized as an integrated listed entity, which has a robust balance sheet, potential for a wider customer reach and a more acceptable structure from a regulatory and compliance standpoint. Further, the proposed consolidation through demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will result into overall enhanced efficiencies and the consolidation of Amalgamating Company would aid in rationalizing the Promoter holding thus leading to a simplified and streamlined organisation structure. The consolidated organization is also expected to create more value for all the stakeholders.

### **2.2 Rationale for the Scheme**

- a) The Resulting Company / Amalgamated Company proposes to enter into this Scheme with the Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.
- b) The management of the respective companies is of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:
  - (i) Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
  - (ii) The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting Company / Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have



an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention.

- (iii) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.
- c) The Scheme envisages demerger of the Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) and vesting of the same in the Resulting Company pursuant to Part B of the Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective companies believe that both the businesses (i.e., Real Estate Business (*as defined in the Scheme*) and Stock Broking Business (*as defined in the Scheme*) will benefit from dedicated management, operations and investment strategy leading to development, expansion and growth for maximization of stakeholder's value.
- d) Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.
- e) The management of the respective companies is of the view that the Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

### 2.3 Cost-Benefit Analysis of the Scheme

The said Scheme would entail the benefits and synergies as explained in para 2.2 above to the Companies.

### 2.4 Synergies of business of the entities involved in the Scheme

The management of the respective companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Participating Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

### 2.5 Salient Features of the Scheme

The Audit Committee considered and observed the following salient features in relation to the draft Scheme –

- (a) The draft Scheme provides for (i) the Demerger of Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) of the Demerged Company into the Resulting Company and (ii) Amalgamation of Amalgamating Company into and with the Amalgamated Company (including cancellation of inter-company investments held by the Companies) and (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company, in the manner set out in the draft Scheme.



*[Handwritten signature]*

- (b) The Appointed Date means the opening of business hours on 01<sup>st</sup> April, 2023 or such other date as may be approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT" / "Tribunal"), with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme.
- (c) The effectiveness of this Scheme is conditional upon and subject to the following:
- (i) receipt of an 'observation letter' or a 'no-objection letter' from the BSE Limited ("Stock Exchange") on the draft Scheme, as required under applicable laws, are, in form and substance, acceptable to the Demerged Company, Amalgamating Company and the Company, each acting reasonably and in good faith;
  - (ii) approval from requisite majority of such classes of shareholders, secured creditors and unsecured creditors of each of the Companies which are part of the Scheme and such other persons/ authorities, as may be required under applicable laws or as may be directed by the NCLT
  - (iii) the Scheme being approved by the shareholders of the Company, provided that the votes cast by public shareholders of the Company in favour of the Scheme are more than the number of votes cast by public shareholders against it, through e-voting in terms of the SEBI Circular;
  - (iv) the sanction to the Scheme by the NCLT under the relevant provisions of the Act;
  - (v) compliance with such conditions as may be imposed by the NCLT;
  - (vi) the receipt of such other approvals including, approvals of any governmental authority as may be necessary under applicable laws or under any material contract to make the Scheme or the relevant Part of the Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and
  - (vii) the certified copy of the order of the NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.
- (d) Upon Part B of the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, transfer of the Demerged Undertaking shall be accounted for in the books of the Company using the "Pooling of interests" method in accordance with Appendix C to Ind AS 103 — Business combinations of entities under common control, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.
- (e) The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Demerged Company as on the Part B Record Date (*as defined in the Scheme*), in consideration for the demerger:

*"727 (Seven Hundred Twenty Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*





- (f) Upon Part C of the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, the Company shall account for the amalgamation of Amalgamating Company in its books of accounts in accordance with principles as laid down in Appendix C to the Indian Accounting Standards 103 (Business Combinations) notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.
- (g) The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Amalgamating Company as on Part C Record Date (*as defined in the Scheme*), in consideration for the amalgamation of Amalgamating Company with and into the Company:

*"8278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up."*

- (h) Upon Part D of the Scheme becoming operative on the Effective Date, the Bonus Shares shall be issued by way of capitalization of the sum standing to the credit of the Securities Premium Account and Retained Earnings Account of the Resulting Company / Amalgamated Company, in any manner as may be deemed fit by its Board of Directors.

The following bonus ratio has been determined for issue and allotment of Bonus Shares of the Resulting Company / Amalgamated Company having face value of INR 2 each to its shareholders as on Part D Record Date (*as defined in the Scheme*):

*"1 (One) new bonus fully paid-up equity shares having face value of INR 2/- (Indian Rupees Two) ("Bonus Shares") for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each held by a shareholder of AFL as on Part D Record Date."*

- (i) Upon the Scheme becoming operative on the Effective Date, Amalgamating Company shall stand automatically dissolved without being wound up, as an integral part of the Scheme;
- (j) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of Amalgamating Company as on the Effective Date shall stand transferred to and be merged/ amalgamated with the authorised share capital of the Company, and the fee, if any, paid by Amalgamating Company on their respective authorised share capital shall be set off against any fee payable by the Company on such increase in its authorised share capital, consequent to the amalgamation.

The Audit Committee reviewed and noted that -

The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs ("MCA") since the same is subject to the sanction of the NCLT, and the provisions of Section 188 of the Act are not applicable.



*Handwritten signature or initials.*



Further, there are common promoters in the Company, Demerged Company and Amalgamating Company. Promoter and Promoter Group holds 65.90%, directly or indirectly, in the Company and holds entire 100% shareholding in the Demerged Company. Furthermore, entire 100% shareholding in the Amalgamating Company is held by Promoter and Promoter owned/controlled entity. In terms of the Scheme, equity shares of the Company are proposed to be issued and allotted to the shareholders of Demerged Company and Amalgamating Company. In view of the aforesaid paragraph and in terms of Paragraphs 10(b)(i) and 10(b)(ii) of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The consideration as set forth in the draft Scheme will be discharged on an "arm's length basis". The share entitlement ratios for the shares to be allotted pursuant to the Scheme are based on the Valuation Report and the Fairness Opinion. The aforementioned Valuation Report and Fairness Opinion have duly been considered by the Audit Committee.

Further, O P Bagla & Co. LLP, Chartered Accountants, the statutory auditors of the Company have confirmed that the accounting treatment as specified in the draft Scheme is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by the MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

## 2.6 Impact of the Scheme on the Shareholders

The Audit Committee reviewed the Valuation Report and the Fairness Opinion for determination of share entitlement ratios under the draft Scheme.

The shareholders of the Demerged Company and the Amalgamating Company will receive equity shares in the Resulting Company/ Amalgamated Company in accordance with Clause 13 and Clause 21 respectively of the Scheme.

Further, the existing equity share capital of the Resulting Company / Amalgamated Company held by the Amalgamating Company, shall stand cancelled in terms of the Clause 22 of the Scheme. The cancellation of equity share capital will be effected as part of the Scheme in accordance with provision of Section 66 of the Act and the order of the NCLT shall be deemed to be the order under the applicable provisions of the Act for continuing the cancellation of share capital.

Furthermore, in terms of Clause 25 of the Scheme, Bonus Shares shall be issued to the shareholders holding equity shares of INR 2/- each of Resulting Company / Amalgamated Company, as on Part D Record Date, in the ratio defined in the Scheme.

The Audit Committee is of the informed opinion that the draft Scheme is in the best interests of the Company and its shareholders. The impact of the draft Scheme on the shareholders, including, the public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would-serve the interest of all shareholders, creditors or any other stakeholders.



### 3. Recommendations of the Audit Committee

Taking into consideration the draft Scheme and its rationale and benefits, the Valuation Report, the Fairness Opinion, and other documents, as placed before the Audit Committee, and the interest of the shareholders of the Company, the Audit Committee after due deliberation, unanimously recommends the draft Scheme to the Board of the Company, Stock Exchange, SEBI and other appropriate authorities for their favourable consideration and approval.

**For and on behalf of Audit Committee of Algoquant Fintech Limited**

  
Amit Gupta

(Chairman of Audit Committee)



Place: New Delhi

Date: March 10, 2023



**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS ("COMMITTEE") OF ALGOQUANT FINTECH LIMITED AT ITS MEETING HELD ON FRIDAY MARCH 10, 2023 RECOMMENDING THE SCHEME OF ARRANGEMENT AMONGST GROWTH SECURITIES PRIVATE LIMITED, ALGOQUANT INVESTMENTS PRIVATE LIMITED AND ALGOQUANT FINTECH LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.**

**Members Present:**

| S. No. | Name of Committee Members | Designation          |
|--------|---------------------------|----------------------|
| 1.     | Mr.Amit Gupta             | Independent Director |
| 2.     | Mr. Gyaneshwar Sahai      | Independent Director |
| 3.     | Mrs. Shubhangi Agarwal    | Independent Director |

**1. Background**

1.1. A meeting of the Committee of Independent Directors of Algoquant Fintech Limited ("Company") was held on March 10, 2023, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("Board"), the draft Scheme of Arrangement amongst Growth Securities Private Limited ("Demerged Company"), Algoquant Investments Private Limited ("Amalgamating Company") and Algoquant Fintech Limited ("Resulting Company" / "Amalgamated Company") (together referred to as "Companies") and their respective shareholders and creditors ("Scheme"), which entails (i) Demerger of Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) of the Demerged Company into the Resulting Company and (ii) Amalgamation of Amalgamating Company into and with the Amalgamated Company and (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company, in the manner set out in the Scheme; pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder including but not limited to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, read with Section 2(19AA), Section 2(1B) and other applicable provisions of the Income Tax Act, 1961.

1.2. This report of the Committee is made in compliance with the requirement of the Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time, ("SEBI Circular"), issued by the Securities Exchange and Board of India ("SEBI"). In terms of the SEBI Circular, a report from the Committee is required, recommending the draft Scheme, taking into consideration, *inter alia*, that the draft Scheme is not detrimental to the shareholders of the listed entity.

1.3. The following documents were placed before the Committee for its consideration:

- the draft Scheme, duly initialled by Director / Company Secretary of the Company for the purpose of identification;
- valuation report dated March 09, 2023, issued by Mr. Manish Manwani, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/03/2021/14113, for the determination of Share Entitlement Ratios (as defined hereunder) under the draft Scheme ("Valuation Report");



**Algoquant Fintech Limited (Formerly Hindustan Everest Tools Limited)**

**Registered Office- 705, Iscon Elegance, Prahlad Nagar, Ahmedabad, Gujarat-380015 | CIN- L74110GJ1962PLC136701**

**Email ID: investors@algoquantfintech.com | Mobile: +91-9910032394 | Website: www.algoquantfintech.com**

- (c) fairness opinion dated March 10, 2023, prepared by BOB Capital Markets Ltd, an Independent SEBI registered Category-I Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**"); and
- (d) Draft Auditors' certificate dated March 10, 2023, confirming that the accounting treatment contained in the draft Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Act read with applicable rules, and/or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles.

## 2. Observations of the Committee on the Scheme

### 2.1. Rationale for the Scheme

- (a) The Resulting Company / Amalgamated Company proposes to enter into this Scheme with the Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.
- (b) The management of the respective companies are of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:
  - (i) Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
  - (ii) The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting Company / Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention.
  - (iii) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.
- (c) The Scheme envisages demerger of the Stock Broking Business Undertaking (*as more explicitly defined in the Scheme*) and vesting of the same in the Resulting Company pursuant to Part B of the Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective companies believe that both the businesses (i.e., Real Estate Business (*as defined in the Scheme*) and Stock Broking Business (*as defined in the Scheme*)) will benefit from dedicated management, operations and investment strategy leading to development, expansion and growth for maximization of stakeholder's value.



- (d) Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.
- (e) The management of the respective companies is of the view that the Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

## 2.2. Salient Features of the Scheme

The Committee considered and observed the following salient features in relation to the draft Scheme:

- (a) The draft Scheme provides for (i) the Demerger of Stock Broking Business Undertaking *(as more explicitly defined in the Scheme)* of the Demerged Company into the Resulting Company and (ii) Amalgamation of Amalgamating Company into and with the Amalgamated Company (including cancellation of inter-company investments held by the Companies) and (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company in the manner set out in the draft Scheme.
- (b) The Appointed Date means the opening of business hours on 01<sup>st</sup> April, 2023 or such other date as may be approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT" / "Tribunal"), with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme.
- (c) The effectiveness of this Scheme is conditional upon and subject to the following:
  - (i) receipt of an 'observation letter' or a 'no-objection letter' from the BSE Limited ("Stock Exchange") on the draft Scheme, as required under applicable laws, are, in form and substance, acceptable to the Demerged Company, Amalgamating Company and the Company, each acting reasonably and in good faith;
  - (ii) approval from requisite majority of such classes of shareholders, secured creditors and unsecured creditors of each of the Companies which are part of the Scheme and such other persons/ authorities, as may be required under applicable laws or as may be directed by the NCLT
  - (iii) the Scheme being approved by the shareholders of the Company, provided that the votes cast by public shareholders of the Company in favour of the Scheme are more than the number of votes cast by public shareholders against it, through e-voting in terms of the SEBI Circular;
  - (iv) the sanction to the Scheme by the NCLT under the relevant provisions of the Act;
  - (v) compliance with such conditions as may be imposed by the NCLT;





- (vi) the receipt of such other approvals including, approvals of any governmental authority as may be necessary under applicable laws or under any material contract to make the Scheme or the relevant Part of the Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and
  - (vii) the certified copy of the order of the NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.
- (d) Upon Part B of the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, transfer of the Demerged Undertaking shall be accounted for in the books of the Company using the "Pooling of interests" method in accordance with Appendix C to Ind AS 103 — Business combinations of entities under common control, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.
- (e) Upon Part C of the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, the Company shall account for the amalgamation of Amalgamating Company in its books of accounts in accordance with principles as laid down in Appendix C to the Indian Accounting Standards 103 (Business Combinations) notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time
- (f) Upon Part D of the Scheme becoming operative on the Effective Date, the Bonus Shares shall be issued by way of capitalization of the sum standing to the credit of the Securities Premium Account and Retained Earnings Account of the Resulting Company / Amalgamated Company, in any manner as may be deemed fit by its Board of Directors.
- (g) Upon the Scheme becoming operative on the Effective Date, Amalgamating Company shall stand automatically dissolved without being wound up, as an integral part of the Scheme;
- (h) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of Amalgamating Company as on the Effective Date shall stand transferred to and be merged/ amalgamated with the authorised share capital of the Company, and the fee, if any, paid by Amalgamating Company on their respective authorised share capital shall be set off against any fee payable by the Company on such increase in its authorised share capital, consequent to the amalgamation.

### 2.3. Valuation Methods Evaluated for the Share Entitlement Ratios

The Committee noted that the Valuation Report, *inter-alia*, recommended:

- (i) Share entitlement ratio for the proposed demerger of Stock Broking Business Undertaking of Demerged Company into and with the Company; and
- (ii) Share entitlement ratio for the proposed amalgamation of Amalgamating Company into and with the Company.
- (iii) Bonus ratio for the proposed Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company.



The Committee then noted the share entitlement ratio as under:

The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Demerged Company as on the Part B Record Date (as defined in the Scheme), in consideration for the demerger of Demerged Undertaking of Demerged Company and consolidation thereof with and into the Company:

*"727 (Seven Hundred Twenty Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*

The following share entitlement ratio has been determined for the allotment of the equity shares of the Company having face value of INR 2 each to the shareholders of Amalgamating Company as on the Part C Record Date (as defined in the Scheme), in consideration for the amalgamation of Amalgamating Company with and into the Company:

*"8278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up."*

The following bonus ratio has been determined for the allotment of the Bonus Shares of the Company having face value of INR 2/- each to the shareholders of the Company as on the Part D Record Date (as defined in the Scheme):

*"1 (One) new bonus fully paid-up equity shares having face value of INR 2/- (Indian Rupees Two) ("Bonus Shares") for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each held by a shareholder of AFL as on Part D Record Date."*

#### 2.4. Scheme Not Detrimental to the Shareholders of the Company

The Committee members discussed and deliberated upon the rationale and salient features of the Scheme. In light of the same, and the Valuation Report, the Fairness Opinion and other documents presented before the Committee, the Committee is of the informed opinion that the draft Scheme is in the best interests of the shareholders of the Company and is not detrimental to their interest, including the interest of the minority shareholders of the Company.

The shareholders of the Demerged Company and the Amalgamating Company will receive equity shares in the Resulting Company/ Amalgamated Company in accordance with Clause 13 and Clause 21 respectively of the Scheme.

Further, the existing equity share capital of the Amalgamated Company held by the Amalgamating Company, shall stand cancelled in terms of the Clause 22 of the Scheme. The cancellation of equity share capital will be effected as part of the Scheme in accordance with provision of Section 66 of the Act and the order of the NCLT shall be deemed to be the order under the applicable provisions of the Act for continuing the cancellation of share capital.



**3. Recommendations of the Committee**

The Committee after due deliberations and due consideration of all the terms of the draft Scheme, the Valuation Report, the rationale provided above, the Fairness Opinion and the specific points mentioned above, including interest of the shareholders of the Company-recommends the draft Scheme for favourable consideration and approval by the Board, Stock Exchange, SEBI and other appropriate authorities.

This report of the Committee is made in order to comply with the requirements of the SEBI Circular after considering the necessary documents.

By Order of the Committee of Independent Directors

**For and on behalf of the Committee of Independent Directors of Algoquant Fintech Limited**



**Amit Gupta**  
**Independent Director**  
**(Chairman of the Committee)**



Date:- March 10, 2023

Place: New Delhi

**MANISH MANWANI**

**Registered Valuer (Securities or Financial Assets)**  
**IBBI Registration No.:** IBBI/RV/03/2021/14113

**Address:** Unit No. 125, Tower B-3, (73)  
 Spaze Itech Park, Sohna Road,  
 Sector-49, Gurugram, Haryana-122018  
**Mobile:** +91 9911077439  
**Email:** manwanimanish@yahoo.in

*(Strictly privileged and confidential)*

Date: March 09, 2023

The Audit Committee and Board of Directors,  
**Algoquant Fintech Limited**  
**CIN:** L4110GJ1962PLC136701  
**R.O.:** Unit No. 705, 7<sup>th</sup> floor of ISCON  
 Elegance, Developed at Plot No. 24  
 Prahaladnagar, Ahmedabad  
 Gujarat- 382355

The Board of Directors,  
**Growth Securities Private Limited**  
**CIN:** U74899GJ1996PTC119714  
**R.O.:** Unit No. 503 A-B, 5<sup>th</sup> floor  
 Tower A WTC Block No. 51  
 Road 5E, Zone-5, GIFT City  
 Gandhinagar, Gujarat-382355

The Board of Directors,  
**Algoquant Investments Private Limited**  
**CIN:** U67120GJ1983PTC136550  
**R.O.:** 705, Iscon Elegance, S.G Highway  
 Satellite Prahalad Nagar, Ahmedabad  
 Gujarat-380015

**Subject: Recommendation of (i) Fair equity share entitlement ratio for the proposed demerger of 'the Stock Broking, Self-Clearing Membership/ Clearing Membership and Depository Participant' business of Growth Securities Private Limited into Algoquant Fintech Limited; (ii) Fair equity share entitlement ratio for proposed amalgamation of Algoquant Investments Private Limited with Algoquant Fintech Limited.**

Dear Sir/Madam,

In response to the engagement letter dated, whereby the management of Algoquant Fintech Limited, has appointed Mr. Manish Manwani, a valuer registered with Insolvency and Bankruptcy board of India 'IBBI' under Securities and Financial Assets Class, to issue a report recommending fair equity share entitlement ratio for the proposed demerger of stock broking, self-clearing membership/ clearing membership and depository participant business (hereinafter referred to as "Demerged Undertaking") of Growth Securities Private Limited (hereinafter referred to as "Demerged Company" or "GSPL") into Algoquant Fintech Limited (hereinafter referred to as "Resulting Company" or "Amalgamated Company" or "AFL") and proposed amalgamation of Algoquant Investments Private Limited (hereinafter referred to as "Amalgamating Company" or "AIPL") with AFL (post demerger of Demerged Undertaking) ("Proposed Amalgamation"). Proposed Demerger and Proposed Amalgamation are hereinafter collectively referred to as 'Proposed Restructuring'. Further AFL, GSPL and AIPL are hereinafter collectively referred to as "the Companies" and management of AFL, GSPL and AIPL are hereinafter collectively referred to as "the Management". I understand that this report will be used by the management of the Companies for necessary regulatory compliances purpose and not for otherwise.

**MANISH MANWANI**

**Registered Valuer (Securities or Financial Assets)**  
**IBBI Registration No.:** IBBI/RV/03/2021/14113

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Sector-49, Gurugram, Haryana-122018  
**Mobile:** +91 9911077439  
**Email:** manwanimanish@yahoo.in

This cover letter is intended to provide you with an overview of the purpose and scope of my analysis and my conclusions. Please refer to the attached report for a discussion and presentation of the analysis performed in connection with this engagement.

## Thanking You,

Manish Manwani Digitally signed by Manish Manwani  
Date: 2023.03.09 21:35:19 +05'30'

**MANISH MANWANI**  
**Registered Valuer -SFA**  
**IBBI Membership No: IBBI/RV/03/2021/14113**





# MANISH MANWANI

**Registered Valuer (Securities or Financial Assets)**  
**IBBI Registration No.: IBBI/RV/03/2021/14113**

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 Spaze Itech Park, Sohna Road,  
 Sector-49, Gurugram, Haryana-122018  
**Mobile:** +91 9911077439  
**Email:** manwanimanish@yahoo.in

## I. Scope and Purpose of the Report

The Board of Directors of the Companies are considering the proposal for the Scheme of Arrangement ("Scheme") under Section 230 to 232 read with Section 66 of the Companies Act, 2013 and the rules specified thereunder. Subject to the necessary regulatory and statutory approvals, the Demerged Undertaking of GSPL would be demerged into AFL and subsequently, AIPL would be amalgamated with AFL. Such scheme of arrangement will be effective from the Appointed Date i.e. 01<sup>st</sup> April, 2023.

The shareholders of GSPL and AIPL will be allotted equity shares of AFL as a consideration for proposed demerger and amalgamation. In this regard, I have been appointed by the management of AFL to carry out valuation of equity shares of the Companies involved in the proposed restructuring and to recommend fair share entitlement ratio for the proposed demerger of Demerged Undertaking of GSPL into AFL and for proposed amalgamation of AIPL with AFL. For this purpose, this report is being furnished by Mr. Manish Manwani in the capacity of the Registered Valuer under Section 247 of the Companies Act, 2013.

This report is being issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, Circular CFD/DIL3/CIR/2017/26 dated March 17, 2017, and any amendment thereof modification issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Master Circular being Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 issued by SEBI on November 23, 2021, as amended from time to time (hereinafter collectively referred as "SEBI Circulars") and in accordance with the requirement of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (as amended).

The scope of my services is to conduct a relative (and not an absolute) valuation exercise at the Valuation Date to determine the equity value of the Companies and then arrive at the share entitlement ratio using internationally accepted valuation methodologies as may be applicable to the Companies and report on the same in accordance with international valuation standards issued by International Valuation Standards Council.

This Report sets out our recommendations of the fair equity share entitlement ratio and discusses the methodologies and approaches considered for arriving at the relative values of equity shares of the Companies for the recommendation of fair equity share entitlement ratio.

## II. Rationale of the Scheme of Merger

- The Companies propose to enter into Scheme, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.

# MANISH MANWANI

**Registered Valuer (Securities or Financial Assets)**  
**IBBI Registration No.: IBBI/RV/03/2021/14113**

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- Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
- The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting/ Amalgamated Company. Amongst others, the demerger of Demerged Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement, and retention.
- The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.

### III. Disclosure of Valuer Interest or Conflict

I hereby declare that I am independent of the Companies for valuation and have not been under any direct or indirect influence, which may affect the valuation exercise. I also state that I have no financial interest in the Companies for valuation. I also confirm that this engagement shall be in compliance with the model Code of Conduct issued by IBBI vide Valuation Rules.

### IV. Date of Appointment, Valuation Date and Date of Report

For this assignment of valuation, following shall be key dates:

- Valuation Date-** It refers to a point of time at which the asset is being valued in this report. In the current case the valuation date is December 31, 2022.
- Date of Appointment-** It refers to a date on which the audit committee of the Company appointed the registered Valuer i.e. February 02, 2023.
- Date of Report-** It refers to a date on which the Report is signed by a valuer. i.e. March 09, 2023.

### V. Brief Background of the Companies

#### Growth Securities Private Limited ('GSPL' or 'Demerged Company')

Growth Securities Private Limited is a private limited company, incorporated under the Companies Act, 1956 (as amended) on 19th July 1996, having its registered office at Unit No. 503A-B, 504 A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, Gujarat. The Corporate Identity Number ("CIN") of the Demerged Company is U74899GJ1996PTC119714.

# MANISH MANWANI

**Registered Valuer (Securities or Financial Assets)**  
**IBBI Registration No.: IBBI/RV/03/2021/14113**

**Address:** Unit No. 125, Tower B-3,  
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The Demerged Company is engaged in two business divisions viz. (i) Commercial exploitation of real estate, wherein it leases properties and earns rentals thereon (Real Estate Business), and (ii) stock broking business wherein it operates as stock broker having trading membership of National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE"), and Multi Commodity Exchange of India Limited ("MCX") Self-Clearing Membership of NSE Clearing Limited ("NCL") and Clearing / Self Clearing Membership of Indian Clearing Corporation Limited ("ICCL"), Depository Participant with Central Depository Services Limited ("CDSL"), and also acts as a service provider and offers an IT enabled trading portal to its clients (collectively referred to as "Stock Broking Business"). Presently, entire 100% shareholding in the Demerged Company is held by Individual Promoters (hereinafter referred to as "Promoters").

Capital structure as on December 31, 2022:

| Particulars  | INR         |
|--|-------------|
| <b>Authorised Share Capital</b>                        |             |
| 10,00,000 equity shares of INR 10/- each               | 1,00,00,000 |
| <b>Issued Subscribed and Paid Up</b>                   |             |
| 3,00,000 equity shares of INR 10/- each, fully paid up | 30,00,000   |

Shareholding Pattern of Equity Shareholders of GSPL as on December 31, 2022:

| Sl. No. | Name          | Nos. of Shares  | % of Holdings  |
|---------|---------------|-----------------|----------------|
| 1       | Dhruv Gupta   | 2,57,400        | 85.80%         |
| 2       | Devansh Gupta | 42,600          | 14.20%         |
|         | <b>Total</b>  | <b>3,00,000</b> | <b>100.00%</b> |

## Algoquant Investments Private Limited ('AIPL' or 'Amalgamating Company')

AIPL is a private limited company incorporated under the provisions of the Companies Act, 1956 on 28<sup>th</sup> February 1983, having its registered office at 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar Ahmedabad – 380 015, Gujarat.

The Amalgamating Company is an investment holding company and predominantly engaged in undertaking investments in group companies and its primary source of income constitutes dividend income and income from capital gains etc. The Amalgamating Company is the holding company of Amalgamated Company (*defined hereinafter*) and holds 51.92% shareholding in the Amalgamated Company. Presently, entire 100% shareholding in the Amalgamating Company is held by Algoquant Financials LLP along with nominee.

Capital structure as on December 31, 2022:

| Particulars   | INR         |
|---|-------------|
| <b>Authorised Share Capital</b>                       |             |
| 1,00,000 equity shares of INR 100/- each              | 1,00,00,000 |
| <b>Issued Subscribed and Paid Up</b>                  |             |
| 52,746 equity shares of INR 100/- each, fully paid up | 52,74,600   |

**MANISH MANWANI**

**Registered Valuer (Securities or Financial Assets)**  
**IBBI Registration No.: IBBI/RV/03/2021/14113**

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 Sector-49, Gurugram, Haryana-122018  
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**Email:** manwanimanish@yahoo.co.in

**Algoquant Fintech Limited**

Algoquant Fintech Limited (formerly known as Hindustan Everest Tools Limited) is a public limited company, incorporated under the Companies Act, 1956 on 25<sup>th</sup> January 1962, having its registered office at Unit No. 705, 07th Floor of ISCON Elegance, developed at Plot No. 24, Prahaladnagar Ahmedabad- 382355.

AFL was formerly engaged in the business of trading in metals, which was discontinued w.e.f. 01<sup>st</sup> April 2021. Presently, AFL is engaged in the business of trading in financial instruments using various trading algorithms. The equity shares of AFL are listed on the BSE Ltd. Furthermore, AFL is the subsidiary of AIPL.

Capital structure as on December 31, 2022:

| Particulars   | INR         |
|---|-------------|
| <b>Authorised Share Capital</b>                                   |             |
| 1,15,00,000 equity shares of INR 2/- each                         | 2,30,00,000 |
| 20,000 Redeemable Cumulative Preference Shares of INR. 100/- each | 20,00,000   |
| <b>Issued Subscribed and Paid Up</b>                              |             |
| 80,36,000 equity shares of INR 2/- each, fully paid up            | 1,60,72,000 |

Shareholding Pattern of Equity Shareholders of AFL as on December 31, 2022:

| Sl. No. | Category of Shareholder    | Nos. of Shares   | % of Holdings  |
|---------|----------------------------|------------------|----------------|
| 1       | Promoters & Promoter Group | 52,96,075        | 65.90%         |
| 2       | Public                     | 27,39,925        | 34.10%         |
|         | <b>Total</b>               | <b>80,36,000</b> | <b>100.00%</b> |

**VI. Source of Information**

Registered Valuer has based this opinion on information provided and represented by the management of the Companies. My review and analysis included, but was not necessarily limited to, the following:

- Limited reviewed financial statements of AFL for the period ended December 31, 2022;
- Audited financial statements of AIPL and GSPL for the period ended December 31, 2022;
- Audited financial statements of AFL, AIPL and GSPL for the financial year ended March 31, 2022 and 2021;
- Draft scheme of proposed arrangement;
- Other relevant details regarding the Companies such as their history, past and present activities, future prospects, existing shareholding pattern and other relevant information and data, including information in the public domain;
- MOA & AOA of the Companies;
- Information available on public domain and data base such as Stern NYU, and websites of BSE Limited, National Stock Exchange of India Limited and Capital Market Data;

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- Management representations given by the management either written or oral from time to time to Valuer.

During the discussion with the management, I have also obtained explanations, information and representations, which I believed were reasonably necessary and relevant for my exercise.

## VII. Valuation Approaches

It should be understood that valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and beyond my control. In performing my analysis, I made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. In addition, this valuation will fluctuate with changes in prevailing market conditions and prospects, financial and otherwise of the companies and other factors which generally influence the valuation of the companies and their assets.

The application of any particular method of valuation depends upon the purpose for which the valuation is being done. Although different values may exist for different purposes, it cannot be too strongly empathised that a valuer can arrive for one value for one purpose. My choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and my reasonable judgment, in an independent and bona fide manner based on my previous experience of assignments of similar nature.

This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Industry to which the company belongs.
- Ease with which the growth rate in cash flows to perpetuity can be estimated.
- Extent to which industry and comparable company information is available.
- Having arrived at an assessment of fair value, some adjustments that are typically considered in such an exercise are:
- Whether there is change of control and therefore a control premium is justified for a particular purchaser, if any.
- Whether the entity is listed on a stock exchange.
- Whether the shares are marketable and frequently traded or there is a case for discounting on account of illiquidity, if applicable.

The three traditional approaches to value are the market, income, and cost approaches. In developing my opinion, I considered all three approaches to value the Company and chose the most appropriate approach or approaches. My conclusions rely on the approaches judged to be most appropriate for the purpose and scope of my analysis, as well as the nature and reliability of the data available to us. The three approaches to value are summarized as follows:



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## A. Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

### Market Price ('MP') Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

### Comparable Companies Multiple ('CCM') Method

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and Informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

### Comparable Transactions ('CTM') Method

Under the Comparable Transactions Multiple ('CTM') method, the value of a company can be estimated by analyzing the prices paid by purchases of similar companies under similar circumstances. This is a valuation method where we will be comparing recent market transaction in order to gauge current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

## B. Cost (Asset-Based) Approach

The asset-based (net underlying assets) approach is a form of the cost approach. The values of the individual assets (i.e., current, fixed, and intangible) of the business are estimated. The sum of the individual asset values represents the total asset value of the enterprise. The enterprise's liabilities related to working capital are deducted to arrive at an indication of value for the invested capital of the business.

## C. Income Approach

The Income approach determines the fair market value by dividing the benefit stream generated by the subject or target company by a discount or capitalization rate. Usually, under

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the Income Approach, the methods that may be applied are Discounted Cash Flow (DCF) Method or the Price Earning Capacity (PECV) Method.

Under DCF method, the future free cash flows of the business are discounted to the valuation date to arrive at the present value of the cash flows of the business or capitalized using a discount rate depending on the capital structure of the Company. This method also takes into account the value of the business in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

Under PECV Method, the average earning on the basis of the past 3-5 years is first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earnings are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earnings trends in the industries. P/E prevailing in the industries etc. After this, the normalized earnings are then capitalized at an appropriate discount rate.

Each of the described approaches may be used to develop a value indication; however, the appropriateness of these approaches varies with the type of business or asset being valued.

## VIII. Procedure Adopted

In connection with this exercise, I have adopted the following procedures to carry out the valuation:

- Requested and received financial information;
- Obtained data available in public domain;
- Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
- Detailed analysis of Comparable Companies for each business;
- Discussion (physical/over call) with the management to understand the business and fundamental factors that could affect its earning-generating capability including strengths,
- Weaknesses, opportunity and threats analysis and historical financial performance;
- Selection of valuation methodology/(ies) as per internationally accepted valuation methodologies;
- Determined the fair equity share swap ratio based on the selected methodology; and
- The management has been provided with the opportunity to review the Draft Report (excluding the recommended Share Entitlement Ratio) as a part of my standard practice to make sure that factual inaccuracies/ omissions are avoided in my final report.

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For the purpose of arriving at the valuation of the Companies/businesses, I have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

For basis of valuation approach adopted by me kindly refer Annexure 1 of this report.

**IX. Major Factors that were considered during the valuation**

- Share price of the Companies are in INR;
- Equity shares of AFL is listed and equity shares of GSPL and AIPL are unlisted; and
- Key operating/ financial parameters of the Companies.

**X. Basis of Fair Equity Share Entitlement Ratio**

The fair basis of the demerger of Demerged Undertaking of GSPL into AFL and amalgamation of AIPL with AFL would have to be determined after taking into consideration all the factors and methodologies mentioned herein earlier. Though different values have been arrived at under each of the above approaches/ methodologies, for the purposes of recommending a fair equity share entitlement ratio for proposed demerger and amalgamation, it is necessary to arrive at a final value for each of the Companies. It is however important to note that in doing so, I am not attempting to arrive at the absolute value of the shares of the respective Companies, but at their relative values to facilitate the determination of a fair equity share entitlement ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches/methods.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by me and judgement taking into account all the relevant factors. There will always be several factors, e.g. quality of management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of the shares. The determination of valuation is not a precise science and the conclusions arrived at in many cases will, of necessity be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decision. There is therefore, no indisputable single exchange ratio.

While I have provided my recommendations on the share entitlement ratio based on the information available to me and within the scope and constraints of my engagement, others may have a different opinion as to the share entitlement ratio. The final responsibility for the determination of the share entitlement ratio at which the proposed demerger and amalgamation shall take place will be with the Board of Directors of the respective Companies, who should take into account other factors such as their own assessment of the proposed demerger and amalgamation and input of other advisors.

The fair equity share exchange ratio has been arrived at on the basis of a relative fair equity valuation of AFL, GSPL and AIPL based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and

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growth of the business of these Companies, having regard to information base, key underlying assumptions and limitations.

I have independently applied approaches/ methodologies discussed herein earlier and as mentioned in Annexure 1, as considered appropriate, and arrived at the relative value per share of the Companies for determination of share entitlement ratio for the proposed demerger and amalgamation. To arrive at the consensus on the share entitlement ratio for the proposed demerger and amalgamation, suitable minor adjustments/ rounding off have been done.

In light of the above, and on consideration of all the relevant factors and circumstances as discussed and outline hereinabove, we recommend the following fair share entitlement ratio:

**For the proposed demerger of demerged undertaking of GSPL into AFL:**

**727 (Seven Hundred Twenty Seven) equity shares of AFL of INR. 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up.**

**For the proposed amalgamation of AIPL with AFL:**

**8278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR. 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of AIPL of INR 100.00/- each, fully paid-up.**

## **XI. Exclusions and Limitations**

- **Responsibility of RV:**

I owe responsibility only to the authority/client that has appointed me under the terms of the engagement letters. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other person. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the companies, their directors, employees or agents.

- **Accuracy of Information:**

While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the client's existing business records. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf the client.

- **Dependence on various assumptions:**

Budgets/ forecasts relate to future events and are based on assumptions which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited accounts for completed accounting periods. I express no opinion as to how closely the actual results will correspond to those projected/forecast.

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- **Range of Value Estimate:**

The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client request, I have provided a single value for the Fair Value of the assets of the company. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

- **Reliance on data from external sources:**

The actual market price achieved may be higher or lower than our estimate of value (or value range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. I also emphasize that our opinion is not the only factor that should be considered by the parties in agreeing the transaction price.

- **Reliance on the representations of the owners/clients, their management and other third parties:**

The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or their agents.

- **Reliance on data from external sources:**

I have relied on data from external sources also to conclude the valuation. These sources are considered to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure the accuracy of such data and that such data has been accurately and correctly extracted from those sources and /or reproduced in its proper form and context.



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- **Compliance with relevant laws:**

The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other Contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

- **Post Valuation Date Events:**

An analysis of such nature is necessarily based on the prevailing, stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to me as of the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

- **Multiple factors affecting the Valuation Report:**

The valuation report is prepared by the exercise of judicious discretion by the Valuer and judgment taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

- **Testimony for the opinion of value in the Valuation Report:**

I am fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject company, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws.

- **Unavailability of information as on Valuation Date:**

The Fair Value of assets of the companies has been performed on the basis of provisional unaudited financials of the Companies provided by management as on valuation date. Hence, based on representation given by the Companies, I have considered financials as on the last available financial statements as the proxy for the financial position as of the valuation date.

- **Definition and Premise of Value:**

It should be noted that liquidation value could be significantly different from fair value or fair market value. Further, Liquidation Value in an orderly sale can be very different from Liquidation Value in a fire sale transaction and Liquidation Value of a single machine or any individual asset on a standalone basis could be very different from Liquidation Value of a single machine or any individual asset as part of the entire plant and machinery.

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- The Valuation Report is subject to the laws of India.

**Respectfully Submitted**

Manish Digitally signed by  
Manish Manwani  
Manwani Date: 2023.03.09  
21:35:50 +05'30'

**MANISH MANWANI****Registered Valuer-SFA****IBBI Membership No: IBBI/RV/03/2021/14113**

Place: Gurugram

**MANISH MANWANI**

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**Annexure 1**

I also reproduce the computation of fair equity share entitlement ratio in tabulated format in pursuance of SEBI Circulars.

**A. Demerger of demerged undertaking of GSPL into AFL**

| Valuation Approach                                | Valuation Method | AFL                   |             | Demerged Undertaking of GSPL |             |
|---|------------------|-----------------------|-------------|------------------------------|-------------|
|   |                  | Value per Share (INR) | Weights (%) | Value per Share (INR)        | Weights (%) |
| Income Approach                                   | DCF              | NA                    | NA          | NA                           | NA          |
| Market Approach                                   | MP               | 490.01                | 100.00%     | NA                           | NA          |
|   | CCM              | 82.12                 | 0.00%       | 3,559.61                     | 100.00%     |
| Asset Approach                                    | NAV              | NA                    | NA          | NA                           | NA          |
| Relative Value per share                          |                  | 490.01                |             | 3,559.61                     |             |
| Fair Equity Share Entitlement Ratio (Rounded Off) |                  | 7.27                  |             |                              |             |

NA=Not Adopted/Not Applicable

**B. Amalgamation of AIPL with AFL**

| Valuation Approach                                | Valuation Method | AFL                   |             | AIPL                  |             |
|---|------------------|-----------------------|-------------|-----------------------|-------------|
|   |                  | Value per Share (INR) | Weights (%) | Value per Share (INR) | Weights (%) |
| Income Approach                                   | DCF              | NA                    | NA          | NA                    | NA          |
| Market Approach                                   | MP               | 490.01                | 100.00%     | NA                    | NA          |
|   | CCM              | 82.12                 | 0.00%       | NA                    | NA          |
| Asset Approach                                    | NAV              | NA                    | NA          | 40,562.54             | 100.00%     |
| Relative Value per share                          |                  | 490.01                |             | 40,562.54             |             |
| Fair Equity Share Entitlement Ratio (Rounded Off) |                  | 82.78                 |             |                       |             |

NA=Not Adopted/Not Applicable

**Notes:**

**AFL: Valuation of Equity Shares of INR 2/- each, fully paid up**

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The issuance of shares under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (hereinafter referred to as "the SEBI ICDR Regulations")

The equity shares of AFL are traded on BSE Limited and as per the definition prescribed under Regulation 164(5) of SEBI ICDR Regulations, the equity shares of AFL are frequently traded shares.

Regulation 164(1) states the price of the equity shares shall be not less than higher of the following:

- a) The 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
- b) The 10 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date.

Regulation 164 of SEBI ICDR Regulations specifies the minimum price for issue of shares on a preferential basis. The pricing formula provided in Regulation 164(1) has been considered for arriving at the value per equity share of AFL under the Market Price Method. For detailed working kindly refer to Annexure 2.

I have also considered Price/ Earnings trailing multiples, Price/ Revenue trailing multiples and Price/ Book Value trailing multiple of certain comparable companies of AFL engaged in the similar business to compute the value per equity share using Comparable Companies Multiple (CCM) Method.

The fair value derived from CCM Method is too below from the fair value derived using Market Price Method based on the pricing formula provided in Regulation 164(1) of SEBI ICDR Regulation. Therefore I have assigned zero weight to value of CCM method.

In the absence of adequate details and transactions of companies operating in similar businesses, I am unable to apply CTM method in case of AFL.

The Asset Approach does not reflect the intrinsic value of a business in a going concern scenario. Further since AFL is a listed company on BSE, information related to future profitability is price sensitive in nature and hence the management of AFL has not provided us with the projected financial statements of AFL. In view of this, I have not considered Assets Approach and Income Approach for valuation of equity shares of AFL.

#### **AIPL: Valuation of Equity Shares of INR 100/- each, fully paid up**

Since AIPL is an investment holding company and predominantly engaged in undertaking investments and majorly the total value of its assets constitutes from investment in and loan given to its subsidiary i.e. AFL. Therefore, I have applied Net Assets Value method under Asset Approach for fair value of equity shares of AIPL.

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**GSPL: Valuation of Equity Shares of INR 10/- each, fully paid up**

Since the equity shares of GSPL are not listed on any recognized stock exchange, therefore the market price method cannot be applied in the current case.

In the absence of adequate details and transactions of companies operating in similar businesses, I am unable to apply CTM method in case of GSPL.

On analysing the historical financial statements of GSPL, I am of the view that GSPL is a high growth company as the historical revenue growth of GSPL is very high. In addition to above, based on my discussion with the management of GSPL, I further understand that the growth prospect of GSPL is also high in future terms.

Both the principles of valuation and the empirical evidence shows that forward-looking multiples are indeed more accurate predictors of value than historical multiples are.. It also embed future expectations better than multiples based on historical data.

I have considered Price/ Earnings forward year 1 multiples, Price/ Revenue forward year 1 multiples of certain comparable companies of GSPL engaged in the similar business to compute the value per equity share using Comparable Companies Multiple (CCM) Method.

The Asset Approach does not reflect the intrinsic value of a business in a going concern scenario, hence the same has not used. Further since the management of GSPL has not provided me with the projected financial statements for maintainable periods therefore Income Approach for valuation of equity shares of GSPL can not be used. Furthermore, the discounted cash flow method does not considered an appropriate method to evaluate the fair value a BFSI (Banking, Financial Services and Insurance) business.



**MANISH MANWANI****Registered Valuer (Securities or Financial Assets)****IBBI Registration No.:** IBBI/RV/03/2021/14113

**Address:** Unit No. 125, Tower B-3,  
Spaze Itech Park, Sohna Road,  
Sector-49, Gurugram, Haryana-122018  
**Mobile:** +91 9911077439  
**Email:** manwanimanish@yahoo.in

**Annexure 2**

**A. Volume Weighted Average Price (VWAP) for a period of 90 trading days of the equity shares of AFL quoted on BSE Limited during the last 90 trading days preceding March 10, 2023 "Relevant date".**

**Volume Weighted Average Price = Sum of Total Value ÷ Total Volume**

$$477.80 = 27,22,90,320.00 \div 5,69,882$$

| Date      | No. of Shares | Total Turnover (Rs.) |
|-----------|---------------|----------------------|
| 09-Mar-23 | 6020          | 30,46,273.00         |
| 08-Mar-23 | 2718          | 13,54,155.00         |
| 06-Mar-23 | 4969          | 24,34,239.00         |
| 03-Mar-23 | 7127          | 34,63,758.00         |
| 02-Mar-23 | 5188          | 25,14,803.00         |
| 01-Mar-23 | 6761          | 32,71,113.00         |
| 28-Feb-23 | 5442          | 26,28,736.00         |
| 27-Feb-23 | 2737          | 13,39,226.00         |
| 24-Feb-23 | 2933          | 14,38,402.00         |
| 23-Feb-23 | 2425          | 12,06,687.00         |
| 22-Feb-23 | 4272          | 22,40,387.00         |
| 21-Feb-23 | 3584          | 18,77,698.00         |
| 20-Feb-23 | 1755          | 9,22,992.00          |
| 17-Feb-23 | 3741          | 19,89,830.00         |
| 16-Feb-23 | 3019          | 16,14,840.00         |
| 15-Feb-23 | 8495          | 46,30,617.00         |
| 14-Feb-23 | 3746          | 20,15,313.00         |
| 13-Feb-23 | 3180          | 16,68,011.00         |
| 10-Feb-23 | 3531          | 18,71,144.00         |
| 09-Feb-23 | 6487          | 34,78,231.00         |
| 08-Feb-23 | 7470          | 40,52,207.00         |
| 07-Feb-23 | 5054          | 28,72,754.00         |
| 06-Feb-23 | 1174          | 6,58,985.00          |
| 03-Feb-23 | 14013         | 74,65,791.00         |
| 02-Feb-23 | 26651         | 1,40,78,145.00       |
| 01-Feb-23 | 13111         | 67,61,091.00         |
| 31-Jan-23 | 10635         | 53,59,362.00         |
| 30-Jan-23 | 6115          | 30,83,963.00         |
| 27-Jan-23 | 14246         | 70,46,831.00         |
| 25-Jan-23 | 4433          | 22,16,966.00         |
| 24-Jan-23 | 4127          | 20,83,225.00         |
| 23-Jan-23 | 3900          | 19,17,543.00         |
| 20-Jan-23 | 6171          | 30,56,271.00         |
| 19-Jan-23 | 8213          | 40,73,630.00         |

**MANISH MANWANI****Registered Valuer (Securities or Financial Assets)****IBBI Registration No.:** IBBI/RV/03/2021/14113

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Sector-49, Gurugram, Haryana-122018  
**Mobile:** +91 9911077439  
**Email:** manwanimanish@yahoo.in

|           |       |                |
|-----------|-------|----------------|
| 18-Jan-23 | 3824  | 18,95,877.00   |
| 17-Jan-23 | 3571  | 17,66,671.00   |
| 16-Jan-23 | 4864  | 24,08,843.00   |
| 13-Jan-23 | 3626  | 18,07,446.00   |
| 12-Jan-23 | 12411 | 61,06,239.00   |
| 11-Jan-23 | 4195  | 20,53,712.00   |
| 10-Jan-23 | 5462  | 27,75,535.00   |
| 09-Jan-23 | 24456 | 1,27,08,317.00 |
| 06-Jan-23 | 3880  | 19,99,338.00   |
| 05-Jan-23 | 4035  | 20,94,433.00   |
| 04-Jan-23 | 8165  | 42,13,271.00   |
| 03-Jan-23 | 3220  | 16,44,063.00   |
| 02-Jan-23 | 5381  | 27,34,209.00   |
| 30-Dec-22 | 10485 | 53,09,267.00   |
| 29-Dec-22 | 6326  | 31,58,394.00   |
| 28-Dec-22 | 4699  | 22,99,967.00   |
| 27-Dec-22 | 3154  | 15,29,694.00   |
| 26-Dec-22 | 5122  | 24,92,578.00   |
| 23-Dec-22 | 10409 | 49,62,611.00   |
| 22-Dec-22 | 9915  | 49,08,646.00   |
| 21-Dec-22 | 14182 | 72,12,482.00   |
| 20-Dec-22 | 11854 | 59,95,656.00   |
| 19-Dec-22 | 11314 | 57,14,874.00   |
| 16-Dec-22 | 8216  | 39,55,763.00   |
| 15-Dec-22 | 22753 | 1,05,69,421.00 |
| 14-Dec-22 | 862   | 3,81,000.00    |
| 13-Dec-22 | 10691 | 44,33,768.00   |
| 12-Dec-22 | 8326  | 33,44,373.00   |
| 09-Dec-22 | 6359  | 25,92,118.00   |
| 08-Dec-22 | 4327  | 17,51,284.00   |
| 07-Dec-22 | 7025  | 28,64,398.00   |
| 06-Dec-22 | 11944 | 48,64,148.00   |
| 05-Dec-22 | 2619  | 10,71,712.00   |
| 02-Dec-22 | 1100  | 4,52,748.00    |
| 01-Dec-22 | 1869  | 7,63,092.00    |
| 30-Nov-22 | 2436  | 10,07,591.00   |
| 29-Nov-22 | 2625  | 10,77,038.00   |
| 28-Nov-22 | 2447  | 9,98,775.00    |
| 25-Nov-22 | 1155  | 4,73,353.00    |
| 24-Nov-22 | 2798  | 11,56,729.00   |
| 23-Nov-22 | 1940  | 7,97,953.00    |
| 22-Nov-22 | 2804  | 11,57,732.00   |
| 21-Nov-22 | 2883  | 11,82,025.00   |
| 18-Nov-22 | 1560  | 6,42,000.00    |

**MANISH MANWANI****Registered Valuer (Securities or Financial Assets)****IBBI Registration No.:** IBBI/RV/03/2021/14113

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Sector-49, Gurugram, Haryana-122018  
**Mobile:** +91 9911077439  
**Email:** manwanimanish@yahoo.in

|   |                    |                        |
|---|--------------------|------------------------|
| 17-Nov-22   | 2855               | 11,76,179.00           |
| 16-Nov-22   | 3226               | 13,41,847.00           |
| 15-Nov-22   | 5403               | 21,52,192.00           |
| 14-Nov-22   | 1078               | 4,18,781.00            |
| 11-Nov-22   | 4299               | 16,76,059.00           |
| 10-Nov-22   | 4223               | 16,50,244.00           |
| 09-Nov-22   | 16012              | 63,71,541.00           |
| 07-Nov-22   | 5951               | 23,27,670.00           |
| 04-Nov-22   | 4208               | 15,81,558.00           |
| 03-Nov-22   | 2701               | 10,06,839.00           |
| 02-Nov-22   | 6802               | 25,56,837.00           |
| 01-Nov-22   | 18392              | 69,68,210.00           |
| <b>Total</b>  | <b>5,69,882.00</b> | <b>27,22,90,320.00</b> |
| <b>90 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., March 10, 2023</b> |                    | <b>477.80</b>          |

**B. Volume Weighted Average Price (VWAP) for a period of 10 trading days of the equity shares of AFL quoted on BSE Limited during the last 10 trading days preceding the relevant date.**

**Volume Weighted Average Price = Sum of Total Value ÷ Total Volume**

$$490.01 = 2,26,97,392.00 \div 46,320$$

| Date  | No. of Shares | Total Turnover (Rs.)  |
|---|---------------|-----------------------|
| 09-Mar-23   | 6020          | 30,46,273.00          |
| 08-Mar-23   | 2718          | 13,54,155.00          |
| 06-Mar-23   | 4969          | 24,34,239.00          |
| 03-Mar-23   | 7127          | 34,63,758.00          |
| 02-Mar-23   | 5188          | 25,14,803.00          |
| 01-Mar-23   | 6761          | 32,71,113.00          |
| 28-Feb-23   | 5442          | 26,28,736.00          |
| 27-Feb-23   | 2737          | 13,39,226.00          |
| 24-Feb-23   | 2933          | 14,38,402.00          |
| 23-Feb-23   | 2425          | 12,06,687.00          |
| <b>Total</b>  | <b>46,320</b> | <b>2,26,97,392.00</b> |
| <b>10 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., March 10, 2023</b> |               | <b>490.01</b>         |

**Annexure – 3B**

March 29, 2023

To,

**BSE Limited**

**25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,**

**Dalal Street,**

**Mumbai - 400 001**

**BSE – 505725**

Dear Sir/ Ma'am,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the proposed Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited ('Amalgamating Company') and Algoquant Fintech Limited ('Resulting Company' / 'Amalgamated Company') presented under Section 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013**

This is to certify/confirm that :-

- (i) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation; and
- (ii) There are no past defaults of listed debt obligations of the entities forming part of the scheme.

Thanking you,  
Yours faithfully,

**For Algoquant Fintech Limited  
(Formerly Hindustan Everest Tools Limited)**

For Algoquant Fintech Limited

  
Atul Kaushal Company Secretary

**Company Secretary & Compliance officer  
Membership No. : A67692**

Date: 10 March 2023

To,  
The Board of Directors  
Algoquant Fintech Limited  
CIN: L4110GJ1962PLC136701  
R.O.: Unit No. 705  
7<sup>th</sup> floor of ISCON Elegance, developed at Plot no 24  
Pralhadnagar, Ahmedabad  
Gujarat- 380015

**Subject: Fairness Opinion on the fair equity entitlement ratio for the proposed Scheme of arrangement amongst Growth Securities Private Limited ("Demerged Company") and Algoquant Investments Private Limited ("Amalgamating Company") and Algoquant Fintech Limited ("Resulting Company" / "Amalgamated Company") and their respective shareholders and creditors (under sections 230 to 232 read with section 66 and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder).**

Dear Sir / Ma'am,

This is in reference to our Engagement Letter dated **20 February 2023** and the Scope of Services contained in clause 2 therein, whereby **Algoquant Fintech Limited** (hereinafter referred to as "**AFL or the Transferee Company**") has requested Bank of Baroda Capital Markets Ltd. (hereinafter referred to as "**we, BOBCAPS or us**"), a SEBI registered category-1 merchant banker, to provide a fairness opinion on the fair equity entitlement ratio recommended by Manish Manwani, Registered Valuer (Securities or Financial Assets), IBBI Registration No.: IBBI/RV/03/2021/14113 for the captioned matter.

**1. Background of the Companies**

**a. Algoquant Fintech Limited:**

We understand, that the Transferee Company is a BSE listed Indian company (Script Code :- AQFINTECH | 505725 |), incorporated under the Companies Act, 1956 (as amended) on 25 January 1962, having its registered office at Unit No: 705, 07<sup>th</sup> Floor of ISCON Elegance, developed at Plot No. 24, Pralhadnagar Ahmedabad- 380015, Gujarat.

The Transferee Company, previously, was engaged in the business of metals trading, however, owing to certain past restructuring, at present the Company is engaged in trading of financial instruments using trading algorithms. As per Company's website, the Transferee Company prides itself in being one of the leaders in low risk arbitrage and high frequency trading in Indian capital markets.

The shareholding pattern of AFL, as at 31 December 2022, is delineated below:

BOB Capital Markets Ltd  
A wholly owned subsidiary of Bank of Baroda



Parinee Crescenzo  
1704, B Wing, 17<sup>th</sup> Floor  
Bandra Kurla Complex, G Block  
Bandra East, Mumbai 400 051  
Tel: +91 22 6138 9300



| Particulars   | INR         |
|---|-------------|
| <b>Authorised Share Capital</b>                                   |             |
| 1,15,00,000 equity shares of INR 2/- each                         | 2,30,00,000 |
| 20,000 Redeemable Cumulative Preference Shares of INR. 100/- each | 20,00,000   |
| <b>Issued Subscribed and Paid Up</b>                              |             |
| 80,36,000 equity shares of INR 2/- each, fully paid up            | 1,60,72,000 |

The shareholding pattern of AFL in terms of % of shareholding, as at 31 December 2022, is tabulated below:

| Sl. No. | Category of Shareholder     | Nos. of Shares   | % of Holdings  |
|---------|-----------------------------|------------------|----------------|
| 1       | Promoters & Promoter Group* | 52,96,075        | 65.90%         |
| 2       | Public                      | 27,39,925        | 34.10%         |
|         | <b>Total</b>                | <b>80,36,000</b> | <b>100.00%</b> |

\*The Promoters and Promoter Group comprises – Devansh Gupta, Dhruv Gupta, Algoquant Investments Private Limited (AIPL) & Algoquant Financials LL.P.

**b. Algoquant Investments Private Limited (hereinafter referred to as 'AIPL' or 'the Transferor Company' or, Amalgamating company)**

We understand, that the Transferor Company is a private limited company incorporated under the provisions of the Companies Act, 1956 (as amended) on 28 February 1983, having its registered office at 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar Ahmedabad – 380 015, Gujarat.

The Transferor /Amalgamating Company is engaged in undertaking investments in securities of group companies (not being banking or insurance business in contravention of Banking Regulations Act 1949 or Insurance Act, 1938). The Amalgamating Company is the holding company of Amalgamated Company and holds 51.92% shareholding in the Amalgamated Company and qualifies as a shareholder under promoter and promoter group.

Presently, entire 100% shareholding in the Transferor Company is held by Algoquant Financials LLP.

The shareholding pattern of AIPL, as at 31 December 2022, is delineated below:

| Particulars   | INR         |
|---|-------------|
| <b>Authorised Share Capital</b>                       |             |
| 1,00,000 equity shares of INR 100/- each              | 1,00,00,000 |
| <b>Issued Subscribed and Paid Up</b>                  |             |
| 52,746 equity shares of INR 100/- each, fully paid up | 52,74,600   |

The shareholding pattern of AIPL in terms of % of shareholding, as at 31 December 2022, is tabulated below:

BOB Capital Markets Ltd  
 A wholly owned subsidiary of Bank of Baroda



Parinee Crescenzo  
 1704, B Wing, 17<sup>th</sup> Floor  
 Bandra Kurla Complex, G Block  
 Bandra East, Mumbai 400 051  
 Tel: +91 22 6138 9300

| Name of the Shareholders                                 | Nos. of Shares | % of Holdings  |
|--|----------------|----------------|
| Algoquant Financials LLP                                 | 52,745         | 100.00%        |
| Devansh Gupta (as a nominee of Algoquant Financials LLP) | 1              | 0.00%          |
| <b>Total</b>   | <b>52,746</b>  | <b>100.00%</b> |

**c. Growth Securities Private Limited (hereinafter referred to as 'GSPL' or 'Demerged Company')**

We understand, that the Demerged Company is a private limited company, incorporated under the Companies Act, 1956 (as amended) on 19 July 1996, having its registered office at Unit No. 503A-B, 504 A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, Gujarat. The Corporate Identity Number ("CIN") of the Demerged Company is U74899GJ1996PTC119714.

The Demerged Company is engaged in two businesses, namely:

- (i) Commercial exploitation of real estate, wherein it leases properties and earns rentals thereon (Real Estate Business), and
- (ii) Stock broking business wherein it operates as stock broker having memberships of:
  - National Stock Exchange of India Limited ("NSE"), - (Trading Member)
  - BSE Limited ("BSE"), - (Trading Member)
  - Multi Commodity Exchange of India Limited ("MCX"), - (Trading Member)
  - NSE Clearing Limited ("NCL"), - Self-Clearing Membership
  - Indian Clearing Corporation Limited ("ICCL"), - Clearing /Self-Clearing Membership
  - Depository Participant with Central Depository Services Limited ("CDSL"),

The Demerged Company also acts as mutual fund distributor – registered with AMFI (Association of Mutual Fund in India), a service provider and offers an IT enabled trading platform to its clients (collectively referred to as "Stock Broking Business"). At, entire 100% shareholding in the Demerged Company is held by Individual Promoters (hereinafter collectively referred to as "GSPL Promoters").

The shareholding pattern of GSPL, as at 31 December 2022, is delineated below:

| Particulars  | INR         |
|--|-------------|
| <b>Authorised Share Capital</b>                        |             |
| 10,00,000 equity shares of INR 10/- each               | 1,00,00,000 |
| <b>Issued Subscribed and Paid Up</b>                   |             |
| 3,00,000 equity shares of INR 10/- each, fully paid up | 3,00,00,000 |

The shareholding pattern of GSPL in terms of % of shareholding, as at 31 December 2022, is tabulated below:

BOB Capital Markets Ltd  
A wholly owned subsidiary of Bank of Baroda



Parinee Crescenzo  
1704, B Wing, 17<sup>th</sup> Floor  
Bandra Kurla Complex, G Block  
Bandra East, Mumbai 400 051  
Tel: +91 22 6138 9300

| Sl. No. | Name of the Shareholders | Nos. of Shares  | % of Holdings  |
|---------|--------------------------|-----------------|----------------|
| 1       | Dhruv Gupta              | 2,57,400        | 85.80%         |
| 2       | Devansh Gupta            | 42,600          | 14.20%         |
|         | <b>Total</b>             | <b>3,00,000</b> | <b>100.00%</b> |

## 2. Scope and the Purpose of this Report

We understand that the respective Board of Directors of the 3 (three) participating companies are proposing a scheme of arrangement ("hereinafter referred to as **"the Scheme"**"), under sections 230 to 232 read with section 66 and other applicable sections and provisions of the Companies Act, 2013 read together with the Rules & Regulations made thereunder) and further read together with the applicable framework and regulations as are provided and governed by the Securities and Exchange Board of India, in each case, as amended from time to time and as may be applicable, for:

- Demerger of the Stock Broking, Self-Clearing Membership / Clearing Membership and Depository Participant Business Undertaking (as more elaborately aforesaid defined) of the "Demerged Company and vesting of the same with and into the Transferee Company on a going concern basis; and
- Amalgamation of the Transferor Company into and with the Transferee Company and subsequent automatic dissolution of Transferor Company.

As per the salient features of the Scheme, respective equity shareholders of each of the 3 companies shall be issued the equity shares of the Transferee Company.

In this regard AFL has appointed BOBCAPS, to provide a fairness opinion on the fair equity share entitlement ratio recommended by the Registered Valuer for the Scheme and other information provided by AFL.

Hence, the scope of our services is to issue a fairness opinion on the fair equity share entitlement ratio recommended by the Registered Valuer for the Scheme.

Accordingly, this report (referred to as **"Report"**) is our deliverable in respect of the abovementioned engagement pursuant to the provisions of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, dated 23 November 2021, as amended from time-to-time, wherein a listed company is required to submit a fairness opinion by a SEBI registered merchant banker on the valuation of shares done by a registered valuer to the Stock Exchanges.

This Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such this Report is to be read in entirety and not in parts or sub-parts, in relation to the relevant documents referred to therein.



This Report is issued only for the purpose of facilitating the proposed Scheme and should not be used for any other purpose whatsoever.

### 3. Sources of Information

- (a) Draft and the Final reports issued by the Registered Valuer report titled - "Recommendation of (i) Fair equity share entitlement ratio for the proposed demerger of 'the Stock Broking, Self-Clearing Membership/ Clearing Membership and Depository Participant' business of Growth Securities Private Limited into Algoquant Fintech Limited; (ii) Fair equity share entitlement ratio for proposed amalgamation of Algoquant Investments Private Limited with Algoquant Fintech Limited", dated 09 March 2023
- (b) The Concept note and background information on the proposed Scheme prepared by M/s Transaction Square
- (c) The Draft Scheme of arrangement between the 3 companies issued by the AFL management
- (d) Chartered documents of AFL, AIPL and GSPL respectively
- (e) Audited financial statements accounts of AFL, AIPL and GSPL for the financial years - 2020, 2021, 2022
- (f) Limited review financial accounts of AFL as on 31 December 2022, and the audited financial accounts of AIPL and GSPL as at 31 December 2022, respectively
- (g) Income Tax returns of AFL, AIPL and GSPL for the assessment years - 2021, 2022, 2022, respectively
- (h) Carved out financial statements of GSPL as at 31 December 2022 and summary financial projections
- (i) Certain other information / explanation provided by the representatives of the 3 companies, through meetings and write-ups for the purpose of this engagement
- (j) Information available in public domain

### 4. Our Approach

We have obtained the Registered Valuer's report and workings and had time-to-time interaction with the Registered Valuer about the methodologies adopted, assumptions used underlying the valuation analysis. Additionally, we have followed the following approach for providing the fairness opinion:

- (a) Requested and received financial and qualitative information
- (b) Obtained data available in public domain
- (c) Interacted and held discussions (physically/remotely) with the management to:
  - Understand the business and the factors affecting the performance of the business – earnings generating capacity including the SWOT analysis and the rationale of the proposed Scheme
- (d) Undertook industry analysis to:
  - Research publicly available market data including macro-economic factors and industry trends that may affect the valuation





- Analyse key trends and valuation multiples affecting the stock broking industry using public domain and the proprietary data-base subscribed by us
- (e) Selected internationally accepted valuation methodology/(ies) considered appropriate by us.

## 5. Assumptions and Limitations

In giving our opinion, we have essentially relied on the valuation report of Registered Valuer dated 09 March 2023 and upon the assessment given by the AFL management on the commercial merits of the proposed Scheme, including that the said merger is in the best interest of all the 3 companies and its shareholders as a whole. It should be further noted that we have only examined the fairness of the fair equity entitlement ratio for the proposed Scheme and have not examined any other matter including the economic rationale of the Scheme per se or accounting or tax matters involved in the proposed Scheme.

For the purpose of this fairness opinion, we have not carried out any due diligence or independent verification or validation of information provided to establish its accuracy or sufficiency. We have not conducted any independent appraisal of any assets or liabilities of APL, AIPL and GSPL.

The fairness opinion obtained herein is not intended to represent fairness opinion at any other date other than the report date, i.e. 10 March 2023. We have no obligation to update this Report.

This Report, its content and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement, (ii) the report date and (iii) based on the audited financials statements of AIPL and GSPL as on 31 December 2022 and limited review financial results of AFL as on 31 December 2022. We have been informed that the business activities of all the 3 entities are carried in the ordinary course of business starting from 31 December 2022 till the date of issuance of this Report i.e. 10 March 2023. We are given to understand that no unusual changes have taken place in their respective operations between the dates mentioned in this paragraph.

The fairness opinion of this nature is contingent on various factors – stock price movements, those impacted by prevailing market trends in general and industry trends in particular. These factors, collectively or independently, can have an effect on the information made available to us, as of the date hereof. Events occurring after the date hereof may affect this Report and the underlying assumptions used in preparing it and we do not assume any obligation to update, revise and reaffirm this Report.

BOB Capital Markets Ltd  
 A wholly owned subsidiary of Bank of Baroda



Parinee Crescenzo  
 1704, B Wing, 17<sup>th</sup> Floor  
 Bandra Kurla Complex, G Block  
 Bandra East, Mumbai 400 051  
 Tel: +91 22 6138 9300



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Internally prepared financial statements including management accounts, financial projections and other pertinent information were provided by the management and have been accepted without further verification as correctly reflecting the results of operations, financial and business conditions of the 3 companies. These assumptions require exercise of judgment and are subject to uncertainties.

While we have reviewed the assumptions for reasonableness and discussed the same with management, there can be no assurance that the assumptions are accurate. Subsequent events or circumstances that could affect the conclusions set forth in the Report include, without limitation, adverse changes in industry performance or market conditions and changes to the business, financial condition and results of operations of the Company. We have relied upon the representations that the information provided to it is accurate and complete in all material respects. While all public information (including industry and statistical information) was obtained from sources we believe are reliable, We makes no representation as to the accuracy or completeness thereof, and we have relied upon such public information without further verification. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections. Our fairness opinion further assumes that the assets and liabilities of all the 3 companies, reflected in their respective balance sheets remain intact as of the report date. The Report has not taken into consideration, the legal land title verification and compliance with local laws, litigations and contingent liabilities which are not disclosed in the audited and unaudited balance sheets of the respective companies.

This opinion should not be construed, to be investment advice in any manner whatsoever. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, accounting, or other appropriate professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.

Neither this Report nor its contents may be rendered to quoted in any registrations statement, prospectus, offering memorandum, annual report, loan agreement, or documents given to third parties, other than in connection with the proposed Scheme, without our prior written consent. Additionally, this Report, does not in any way indicate that price at which the Transferee Company's shares will trade at, once the Scheme gets successfully implemented. Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with Scheme or any matter related thereto.



In rendering our opinion, we have assumed that the 3 companies comply fully with the relevant laws and regulations applicable in all there areas of operations, and that they are being managed in the competent and reasonable manner. Furthermore, it is assumed that the scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitations, restrictions or condition will be imposed that would have an adverse effect on the Company.

Providing fairness opinion is not a precise science and the conclusions arrived in many cases will, of necessity, subjective and will be dependent upon the exercise of independent judgement. In the ultimate analysis, our opinion will have to be tempered by the exercise of judicious discretion and judgement taking into account all the relevant factors. There is, therefore, not a single undisputed share entitlement ratio, which can be computed. While we have relied on the entitlement ratio computed by the Registered Valuer on the information made available to us and within the scope and constraints of our engagement, others may have a different opinion to the fair share-entitlement ratio of equity shares of these 3 companies. The final responsibility of using the share-entitlement ratio at which the Scheme shall be implemented will be that of the Board of Directors of the 3 companies who must take into account factors such as their own assessment of the Scheme and the inputs of other advisors, if any.

Our work does not constitute an audit or certification of the financial statements of the company/(ies) / business, and accordingly, we do not express any opinion on the accuracy of any financial information referred to in the Report. Valuation analysis and its results are specific to the purpose of valuation. It may not be valid for any other purpose or as at any other date. If there were any omissions, inaccuracies or misrepresentations of the information provided by the management, it may have a material effect on our findings.

In the ordinary course of business BOBCAPS, its parent Bank of Baroda, other group entities, associated and affiliates (**hereinafter collectively referred to as "BOB"**) is engaged in securities trading, securities brokerage and investment activities, as well as, rendering providing investment banking and investment advisory services. In ordinary course of its trading, brokerage and financing activities, any member of BOB group may at anytime hold long or short positions, and may trade or otherwise effect transactions, for its own account or for the accounts of its customers, in debt or equity securities or senior loans of any company that may be involved in the proposed Scheme. However, for the purpose of this engagement, we have notified all AFL in the "Grey list" and refrained all the directors, employees, agents, etc. of BOB

BOB Capital Markets Ltd  
A wholly owned subsidiary of Bank of Baroda



Parinee Crescenzo  
1704, B Wing, 17<sup>th</sup> Floor  
Bandra Kurla Complex, G Block  
Bandra East, Mumbai 400 051  
Tel: +91 22 6138 9300

in buy/selling any scripts of AFL till the successful implementation of the Scheme or any date which the management of APL may notify to us, whichever is earlier.

We are under no obligation to update, revise or reaffirm our opinion.

The fee for our services is not contingent upon the results of the proposed Scheme.

This opinion is subject to laws of India.

#### 6. Share-entitlement ratio and conclusion

Based on our independent calculation and on consideration of relevant factors and circumstances, we believe that the fair equity share entitlement ratio as recommended by the Registered Valuer, as stated in our opinion is fair to the equity shareholders of AFL, GSPL and AIPL. Accordingly, the share-entitlement ratio under the proposed Scheme shall be as follows:

**(1) For the proposed demerger of demerged undertaking of GSPL into AFL:**

727 (Seven Hundred Twenty Seven) equity shares of AFL of INR. 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up.

**(2) For the proposed amalgamation of AIPL with AFL:**

8,278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR. 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of AIPL of INR 100.00/- each, fully paid-up.

Sincerely,

For **BOB Capital markets Limited**



Ankur Wahal  
Senior Vice President and territory Head – North India  
New Delhi

Annexure 'A3'

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Growth Securities Private Limited  
(Stock broking business)  
503A-B, 504A-B, 5th Floor, Tower A, WTC Block No.  
51, Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat  
CIN - U74899GJ1996PTC119714

Summary of significant accounting policies and other explanatory information forming part of the unaudited special purpose financial statements for the year ended 31-March-2023

## 1. Corporate Information

Growth Securities Private Limited ("the Company") is a private limited Company domiciled in India and incorporated under the provision of Companies Act, 1956 on 19-July-1996. The Company has its registered office at Unit No. 503A-B, 504A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City, Gandhinagar, Gujrat 382355.

The Company has obtained membership of NSE & BSE (and other exchanges) to offer complete spectrum of financial services to its clients including online broking for equities, commodities, derivatives and currency futures, custody accounts, margin funding, etc.

## 2. Summary of significant accounting policies

### (a) Basis of preparation

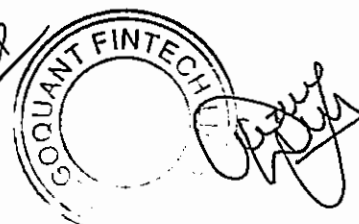
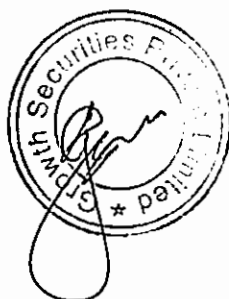
These special purpose financial statements have been prepared and presented specifically in connection with the Scheme of Arrangement between Growth Securities Private Limited ("Demerged Company" or "the Company") and Algoquant Investments Private Limited ("Amalgamating Company") and Algoquant Fintech Limited ("Resulting Company").

These special purpose financial statements have been carved out from the general purpose financial statements of the Company to reflect the financial information related to stock broking business of the Company. The general purpose financial statements have been prepared to comply in all material aspects with applicable accounting principle accounting standards notified under section 133 of the Companies Act, 2013 ("the Act") read with the rule 7 of the Companies (Accounts) rules 2014, the provisions of the Act and other accounting principles generally accepted in India.

All the disclosures required as per Schedule III to the Companies Act, 2013 or included in general purpose financial statements have not been presented in these special purpose financial statements as these are special purpose financial statements of the Company for the period 01-April-2022 to 31-March-2023 have been prepared and presented specifically in connection with the Scheme of Arrangement between Growth Securities Private Limited ("Demerged Company" or "the Company") and Algoquant Investments Private Limited ("Amalgamating Company") and Algoquant Fintech Limited ("Resulting Company").

These special purpose financial statements are for limited purpose as specified above and are not to be construed same as general purpose financial statements.

This note provides a list of the significant accounting policies adopted in the preparation of these special purpose financial statements. These policies have been consistent with those of the previous year.



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Growth Securities Private Limited  
(Stock broking business)  
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CIN - U74899GJ1996PTC119714

Summary of significant accounting policies and other explanatory information forming part of the unaudited special purpose financial statements for the year ended 31-March-2023

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on its operations, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

(b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires that the management make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(c) System of accounting

- i) The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis.
- ii) Financial Statements have been prepared under the historical cost convention.
- iii) The accounting policies have been consistent with those of the preceding financial year.

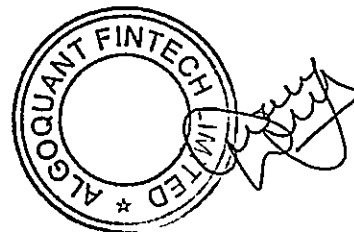
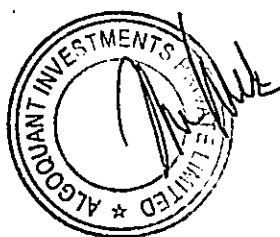
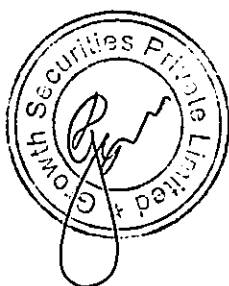
(d) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes freight, duties, taxes and other expenses incidental to acquisition and installation. For new assets, all direct expenses and direct overheads incurred up to the date when the asset is ready for its intended use are capitalized. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gain or losses arising from disposal of tangible assets which are carried at cost are recognized in the Statement of Profit and Loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets comprise of Computer software. Purchased software meant for in-house consumption and significant upgrades thereof having probable economic benefit exceeding one year are capitalized at acquisition price.





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Summary of significant accounting policies and other explanatory information forming part of the unaudited special purpose financial statements for the year ended 31-March-2023

(e) Investment properties

Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss in the period of de-recognition.

(f) Revenue recognition

Proprietary trade

Revenue from proprietary trading consists primarily of net trading income earned by the company when trading as principal. Net Trading income from proprietary trading represents trading gain net of trading losses. The profit or loss arising from all transactions entered into on account and risk of the Company are recorded on completion of trade date.

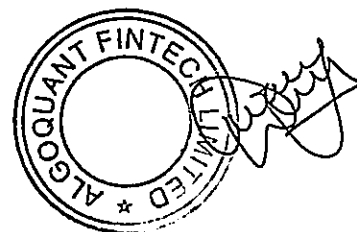
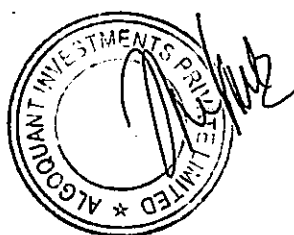
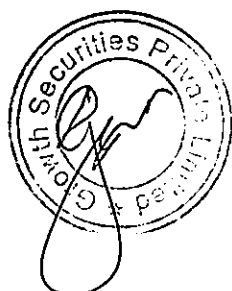
Market Value for exchange traded derivatives, principally, futures and options are based on quoted market prices. The gains or losses on derivatives used for trading purposes are included in revenue from proprietary trading. Purchase & Sales of derivatives financial instrument are recorded on trade date. The transaction are recorded on a net basis.

Income from arbitrage and trading in securities and derivatives comprises profit/loss on sale of securities held as stock-in-trade and profit/loss on equity derivative instruments, profit/loss on sale of securities is determined based on the norms laid down by SEBI/Exchange on which the trade has been taken place.

Profit /loss on equity derivative transactions is accounted for as below:

Brokerage income

Brokerage income is recognized on accrual basis. Brokerage revenues are based largely on predefined rates but differs for each client based on terms agreed. Revenue from upfront



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Summary of significant accounting policies and other explanatory information forming part of the unaudited special purpose financial statements for the year ended 31-March-2023

brokerage is recognised when the service is rendered. Annualized brokerage is recognized at the end of the measurement period when the pre-defined thresholds are met.

Income from equity broking business is recognised on the trade date basis as the securities transaction occur and is exclusive of Goods and Service Tax, Securities transaction tax, stamp duties and other levies by stock exchanges and securities and exchange board of India.

Fees for subscription-based services are received periodically but are recognized as earned on pro-rata basis over the term of the contract. Depository & related income is accounted on accrual basis.

#### Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### Dividends

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established as at the balance sheet date.

#### Real estate operations

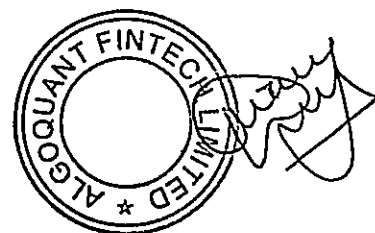
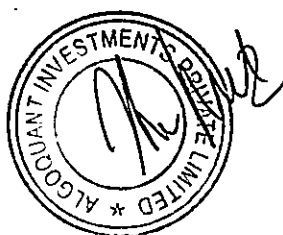
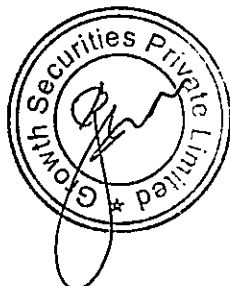
The company recognizes revenue on the basis of completed service contract method. The completed service contract method is relevant to these patterns of performance and accordingly revenue is recognized when the sole or final act takes place and the service becomes chargeable.

#### (g) Inventories

Shares and other securities held as stock-in-trade are valued at lower of cost and net realizable value. The cost of stocks disposed of during the year is determined on First-In-First-Out basis.

#### (h) Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and cost that are directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.



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Summary of significant accounting policies and other explanatory information forming part of the unaudited special purpose financial statements for the year ended 31-March-2023

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Cost is determined on a FIFO basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(i) Depreciation and amortization on property, plant and equipment

Depreciation on assets is calculated on straight line method basis as per the rates and in the manner prescribed under the Schedule II to the Act.

There is no difference in estimated useful life of assets as envisaged in Schedule II to the Act and those used by the Company. The useful life used by the Company is as below:

| Asset Category         | Useful life (in years) |
|------------------------|------------------------|
| Office Equipment       | 5 years                |
| Computer & peripherals | 3 years                |
| Furniture and fixture  | 3 years                |
| Solar panels           | 10 years               |
| Motor vehicle          | 10 years               |

Purchased intangible assets are amortized over their useful lives unless these lives are determined to be indefinite. Purchased intangible assets are carried at cost, less accumulated amortization. Amortization is completed over the estimated useful lives of five years using the Straight-Line Method. An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value.

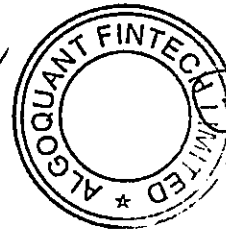
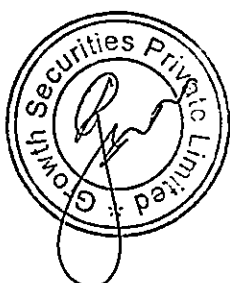
(j) Employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

The Company does not provide any long-term benefits to its employees.

(k) Provisions and contingent liabilities

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.



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51, Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat  
CIN - U74899GJ1996PTC119714

Summary of significant accounting policies and other explanatory information forming part of  
the unaudited special purpose financial statements for the year ended 31-March-2023

Contingent liabilities are disclosed in respect of which there are possible or present obligations that arise from past events but their existence is confirmed on occurrence of or non-occurrence of one or more uncertain future events and in respect of which there may not be probably any outflow of resources.

(l) Deferred tax

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the taxation authorities using the applicable tax rates and tax laws. Provisions for taxation is made at current rate of tax in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is reasonable certainty that future taxable income will be available against which such deferred tax assets can be realized. In situation where the Company has unabsorbed depreciation or carry forward losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future profits. The carrying amount of deferred tax assets is reviewed at each balance sheet for any write down or reversal, as considered appropriate.

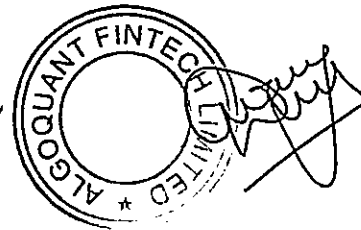
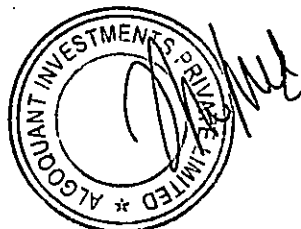
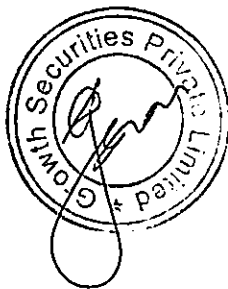
Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(m) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

(n) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of these financial statements includes cash at bank and in hand and short-term investments with an original maturity of three months or less.




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Growth Securities Private Limited  
(Stock Broking Business)  
Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
Road SE, Zone-5, GIFT City, Gandhinagar, Gujarat-382355  
CIN - U74899GJ1996PTC119714  
Unaudited Special Purpose Balance Sheet as at 31-March-2023  
[All amounts are in rupees lakh, unless otherwise specified]

|   | Notes | As at<br>31-March-2023<br>₹<br>Stock Broking Business |
|---|-------|---|
| <b>Equity and Liabilities</b>                       |       |   |
| Shareholders' funds                                 |       |   |
| Reserves and surplus                                | 3     | 850.98  |
|   |       | <u>850.98</u>   |
| <b>Non-current liabilities</b>                      |       |   |
| Long-term borrowings                                | 4     | 14.45   |
| Deferred tax liabilities (net)                      | 5     | 3.67  |
|   |       | <u>18.12</u>  |
| <b>Current liabilities</b>                          |       |   |
| Short-term borrowings                               | 6     | 2,534.44  |
| Trade payables                                      | 7     | -   |
| - dues to micro and small enterprises               |       | 702.22  |
| - dues to other than micro and small enterprises    |       | 21,817.97   |
| Other current liabilities                           | 8     | 32.18   |
| Short-term provisions                               | 9     | 25,086.81   |
|   |       | <u>25,955.91</u>                                      |
| <b>Assets</b>                                       |       |   |
| <b>Non-current assets</b>                           |       |   |
| Property, plant and equipment and intangible assets |       |   |
| - Property, plant and equipment                     | 10(a) | 376.94  |
| - Intangible assets                                 | 10(b) | 28.45   |
| Other non-current assets                            | 11    | 289.27  |
|   |       | <u>694.66</u>   |
| <b>Current assets</b>                               |       |   |
| Inventories   | 12    | 137.27  |
| Current investment                                  | 13    | 428.10  |
| Cash and bank balances                              |       |   |
| - cash and cash equivalents                         | 14(a) | 916.76  |
| - other bank balances                               | 14(b) | 21,397.89   |
| Short-term loans and advances                       | 15    | 1,953.88  |
| Other current assets                                | 16    | 427.35  |
|   |       | <u>25,261.25</u>                                      |
|   |       | <u>25,955.91</u>                                      |

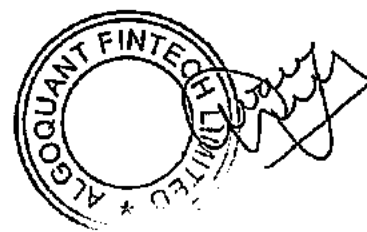
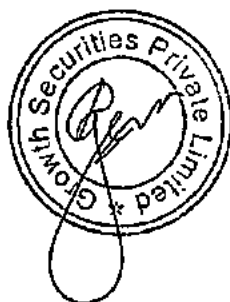
The accompanying notes are an integral part of these unaudited special purpose financial statements.

For and on behalf of  
Growth Securities Private Limited

  
Dhruv Gupta  
Director  
DIN : 06920431

  
Devansh Gupta  
Director  
DIN : 06920376

Place: New Delhi  
Date: 08/11/2023







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**Growth Securities Private Limited**  
**[Stock Broking Business]**  
Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
Road 5E, Zone-5, Gift City, Gandhinagar, Gujarat-382355  
CIN - U74899GJ1996PTC119714  
**Unaudited Special Purpose Statement of Profit and Loss for the year ended 31-March-2023**  
**[All amounts are in rupees lakh, unless otherwise specified]**

|                                       | Notes | Year ended<br>31-March-2023<br>₹<br>Stock Broking Business |
|---------------------------------------|-------|--|
| Revenue                               |       |  |
| Revenue from operations               | 17    | 5,298.70   |
| Other income                          | 18    | 304.31   |
| <b>Total income</b>                   |       | <b>5,603.01</b>  |
| Expenses                              |       |  |
| Change in inventories                 | 19    | (121.19)   |
| Trading and other charges             | 20    | 3,060.31   |
| Employee benefit expense              | 21    | 954.33   |
| Finance cost                          | 22    | 114.65   |
| Depreciation and amortization         | 23    | 109.94   |
| Other expenses                        | 24    | 589.04   |
| <b>Total expenses</b>                 |       | <b>4,707.08</b>  |
| <b>Profit for the year before tax</b> |       | <b>895.93</b>  |
| Tax expense                           |       |  |
| Current tax                           |       | 194.39   |
| Deferred tax                          |       | 2.03   |
| Tax earlier years' charge/(credit)    |       | 0.72   |
|                                       |       | 197.14   |
| <b>Profit for the year after tax</b>  |       | <b>698.79</b>  |

The accompanying notes are an integral part of these unaudited special purpose financial statements.

For and on behalf of  
Growth Securities Private Limited



  
  
Dhruv Gupta  
Director  
DIN : 06920431

  
  
Devansh Gupta  
Director  
DIN : 06920376

Place: New Delhi  
Date: 08/11/2023

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**Growth Securities Private Limited**  
**[Stock Broking Business]**  
Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
Road SE, Zone-S, GIFT City, Gandhinagar, Gujarat-382355  
Summary of significant accounting policies and other explanatory information forming part of the  
unaudited special purpose financial statements for the year ended 31-March-2023  
[All amounts are in rupees lakh, unless otherwise specified]

|  | As at<br>31-March-2023<br>₹<br>Stock Broking Business |
|--|---|
| <b>3 Reserves and surplus</b>  |   |
| Surplus in statement of profit and loss  |   |
| Opening balance  | 152.19  |
| Add: Profit for the year   | 698.79  |
| Closing balance  | 850.98  |
| <b>4 Long-term borrowings</b>  |   |
| Secured  |   |
| - Term loan from bank (refer note- a)  | 17.96   |
| less: Current maturities of long-term borrowings   | (3.51)  |
|  | 14.45   |
| a) Security and terms of repayment of borrowing from bank:   |   |
| The aforesaid term loan from bank are secured by hypothecation of vehicles, repayable in 60 monthly instalments from the start of the loan. The rate of interest is 8.13% for the above borrowing. |   |
| <b>5 Deferred tax liabilities (net)</b>  |   |
| - arising on account of difference in depreciation and amortisation of PPE   | 3.67  |
|  | 3.67  |
| <b>6 Short-term borrowings</b>   |   |
| Secured, repayable on demand   |   |
| - Overdraft facility from bank   | 1,767.47  |
| Unsecured loans, repayable on demand*  |   |
| - from directors   | 763.46  |
| Current maturities of long-term borrowings [refer note 5]  | 3.51  |
|  | 2,534.44  |

\* Interest free

Following are the terms of borrowings sanctioned from scheduled banks

**A) Axis Bank Limited**

| Particulars  |
|--|
| a) Overdraft facility (repayable on demand)                  |
| b) Bank guarantee (repayable on demand)                      |
| c) Overdraft facility against property (repayable on demand) |
| d) Overdraft against fixed deposit                           |

**a) Overdraft facility (to meet exchange obligations and margin requirements):**

Overdraft facility is available to the company to the tune of ₹ 5,000.00 lakh, against which following securities are provided:

- i) fixed deposits with Axis Bank Limited
- ii) mortgage of property of Algoquant Financials LLP (a related party)
- iii) pledge of director's holding in quoted shares of Algoquant Fintech Limited (a related party)

**b) Bank guarantee facility (to meet exchange obligations and margin requirements):**

The bank guarantee facility worth ₹ 3,500.00 lakh is available to the Company against which following securities are provided:

- i) fixed deposits with Axis Bank Limited
- ii) mortgage of property of Algoquant Financials LLP (a related party)

The Bank Guarantee is issued in the favour of stock exchanges and clearing corporations, in which the Company holds membership.

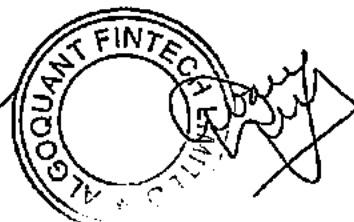
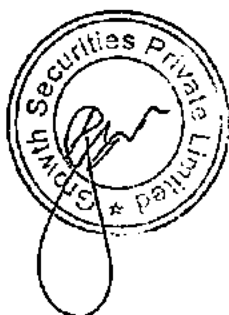
**c) Overdraft facility against property (to meet working capital requirement):**

Overdraft facility is available to the Company to the tune of ₹ 1,500.00 lakh which is secured against a mortgage on property of Algoquant Financials LLP (entities controlled by key management personnel).

**B) IDBI Bank Limited**

Overdraft facility against fixed deposit (FDOD) is available to the Company to the tune of ₹ 1,263.50 lakh which is secured against the fixed deposits made by the Company.

The Management considers the interest rates negotiated with banks as confidential. Therefore, the Company does not disclosed these separately.

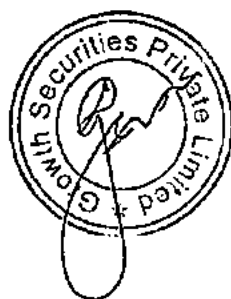


14.

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**Growth Securities Private Limited**  
**[Stock Broking Business]**  
Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A, WTC Block No. 51,  
Road SE, Zone-5, Gift City, Gandhinagar, Gujarat-382355  
Summary of significant accounting policies and other explanatory information forming part of the  
unaudited special purpose financial statements for the year ended 31-March-2023  
[All amounts are in rupees lakh, unless otherwise specified]

|  | As at<br>31-March-2023<br>₹ |
|--|-----------------------------|
| <b>7 Trade payables</b>  |                             |
| - dues to micro and small enterprises  | -                           |
| - dues to other than micro and small enterprises   | 702.22                      |
|  | <u>702.22</u>               |
| <b>7.1</b> There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years. Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. |                             |
| <b>8 Other current liabilities</b>   |                             |
| Interest accrued and due   | 0.03                        |
| Employee emoluments  | 111.88                      |
| Client balances  |                             |
| - to related parties   | 470.77                      |
| - to others  | 20,435.89                   |
| Bank overdraft   | 13.43                       |
| Inter unit balance payable   | 753.29                      |
| Statutory dues payable   |                             |
| - tax deducted at source payable   | 32.68                       |
|  | <u>21,817.97</u>            |
| <b>9 Short-term provisions</b>   |                             |
| Provision for Income tax   | 194.40                      |
| Less: tax deducted, collected and deposited  | (162.22)                    |
|  | <u>32.18</u>                |
| <b>11 Other non-current assets</b>   |                             |
| Security deposit   |                             |
| - with stock exchange*   | 274.10                      |
| - with clearing agents   | 5.00                        |
| - for leased office premises   | 10.17                       |
|  | <u>289.27</u>               |
| *The deposits are kept with stock exchanges as security deposits and minimum base capital requirements.  |                             |
| <b>12 Inventories</b>  |                             |
| Inventory of shares and securities in quoted equity instruments (at lower of cost and KRV)   |                             |
|  | As at<br>31-March-2023      |
|  | No. of shares      Amount   |
| BF Utilities Limited (Face value Rs.5)   | 900      2.56               |
| Alok Industries Limited (Face value Rs.1)  | 35,000      4.01            |
| Coffee Day Enterprises Limited (Face value Rs.10)  | 10,000      2.86            |
| Easy Trip Planners Limited (Face value Rs.2)   | 55,000      23.98           |
| Indiabulls Real Estate Limited (Face value Rs.2)   | 16,000      7.77            |
| Jagatjit Industries Limited (Face value Rs.2)  | 5,000      4.67             |
| JN Financials Limited (Face value Rs.1)  | 5,000      2.96             |
| Life Insurance Corporation of India (Face value Rs.10)   | 1,200      6.41             |
| New Delhi Television Limited (Face value Rs.4)   | 500      0.92               |
| PTC India Limited (Face value Rs.10)   | 5      0.00                 |
| PC Jeweller Limited (Face value Rs.10)   | 27,031      7.23            |
| Reliance Industries Limited (Face value Rs.10)   | 20      0.46                |
| Spacenet Enterprises India Limited (Face value Rs.1)   | 1,00,000      16.15         |
| Alankit Limited (Face value Rs.1)  | 5,00,000      36.50         |
| Tata Teleservices (Maharashtra) Ltd (Face value Rs.10)   | 37,500      20.79           |
|  | <u>7,93,156      137.27</u> |



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**13 Current Investment**

Investment in quoted equity shares (valued at lower of cost or NRV)

|  | As at<br>31-March-2023 |               |
|--|------------------------|---------------|
|  | No. of shares          | Amount        |
| Droneacharya Aerial Innovations Limited (Face value Rs. 10)      | 72,000                 | 88.27         |
| Haxoor Multi Projects Limited (Face value Rs. 10)                | 1,52,269               | 139.78        |
| Haxoor Multi Projects Limited (Face value Rs. 10) partly paid up | 76,134                 | 16.75         |
| SG Finserve Ltd (Face value Rs. 10)                              | 23,000                 | 104.11        |
| Shriram Pistons & Rings Limited (Face value Rs. 10)              | 9,500                  | 74.44         |
| Mauria Udyog Limited (Face value Rs. 10)                         | 1,00,000               | 4.75          |
|  | <u>4,32,903</u>        | <u>428.10</u> |

All investments are fully paid up except otherwise specified

**14 Cash and bank balances**

a) Cash and cash equivalents

Balances with banks

- in current accounts

916.76

916.76

b) Other bank balances

Deposits with banks

- in fixed deposits with maturity of more than 3 months and less than 12 months<sup>1</sup>

21,397.89

21,397.89

# Balance with bank in fixed deposit accounts include the amounts which are:

- Pledged as security for guarantees issued by banks in favour of stock exchanges (Refer note 6)
- Given to stock exchanges / clearing corporation as security margin (Refer note 6)

**15 Short-term loans and advances**

(Unsecured, considered good)

Advance

- to vendors

4.29

- to employee

0.62

- for related parties

11.41

Client &amp; custodian balance receivable

- from related parties

194.14

- from others

323.35

Balances with clearing agents

1,279.80

Other recoverable

58.23

Prepaid expense

15.33

Derivative asset (mark to market)

2.93

Balance with government authorities

- goods and service tax credit available

63.78

1,953.88**16 Other current assets**

Accrued

- interest on fixed deposits

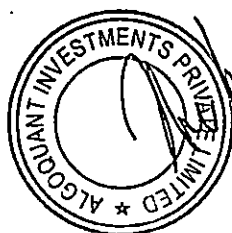
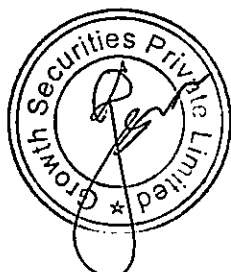
427.35

427.35

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Growth Securities Private Limited  
[Stock Broking Business]  
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[All amounts are in rupees lakh, unless otherwise specified]

|   | Year ended<br>31-March-2023<br>₹ |
|---|----------------------------------|
|   | <u>Stock Broking Business</u>    |
| 17 Revenue from operations                            |                                  |
| Income from trading operations                        |                                  |
| Trading in financial instruments                      | 1,164.16                         |
| Brokerage and other charges                           | 2,985.94                         |
| Other operating revenues                              |                                  |
| Interest  |                                  |
| - on fixed deposits with banks [margin-money]         | 1,148.60                         |
|   | <u>5,298.70</u>                  |
| 18 Other income                                       |                                  |
| Gain on sale of:                                      |                                  |
| - non-current investment                              | 10.94                            |
| - current investment                                  | 289.22                           |
| Dividend income                                       | 4.15                             |
|   | <u>304.31</u>                    |
| 19 Change in inventories*                             |                                  |
| Opening stock   | 16.08                            |
| Closing stock   | 137.27                           |
|   | <u>(121.19)</u>                  |
| *represents the inventory of shares held for trading. |                                  |
| 20 Trading and other charges                          |                                  |
| Exchange transaction and connectivity charges         | 2,233.93                         |
| Security transaction tax                              | 249.86                           |
| IT Maintenance expenses                               | 154.49                           |
| Software expense                                      | 397.15                           |
| Non-compliance charges                                | 5.09                             |
| Exchange membership charges                           | 5.07                             |
| Other exchange related charges                        | 14.72                            |
|   | <u>3,060.31</u>                  |
| 21 Employee benefit expense                           |                                  |
| Salaries and wages                                    | 943.99                           |
| Staff welfare expenses                                | 10.34                            |
|   | <u>954.33</u>                    |
| 22 Finance cost                                       |                                  |
| Bank guarantee charges                                | 68.25                            |
| Interest on   |                                  |
| - long-term borrowings                                | 0.80                             |
| - short-term borrowings                               | 45.07                            |
| Delayed payment of statutory dues                     | 0.53                             |
|   | <u>114.65</u>                    |

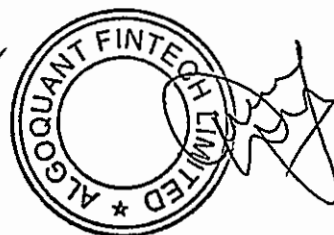




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[All amounts are in rupees lakh, unless otherwise specified]

|   | Year ended<br>31-March-2023<br>₹<br>Stock Broking Business |
|---|--|
| 23 Depreciation and amortization              |  |
| Depreciation on property, plant & equipment   | 108.73   |
| Amortization on intangible assets             | 1.21   |
|   | <u>109.94</u>  |
| 24 Other expenses                             |  |
| Rent expense                                  | 67.67  |
| Electricity, power & fuel charges             | 32.34  |
| Legal & professional charges                  | 352.18   |
| Loss on valuation of current investment       | 83.88  |
| Repair and maintenance                        | 26.46  |
| Ineligible input                              | 1.71   |
| Telephone expenses                            | 4.08   |
| Auditor's remuneration (as statutory auditor) | 4.72   |
| Business promotion expense                    | 6.40   |
| Insurance expense                             | 0.79   |
| Bank charges                                  | 0.11   |
| Rates, fees and taxes                         | 0.61   |
| Miscellaneous expenses                        | 8.09   |
|   | <u>589.04</u>  |



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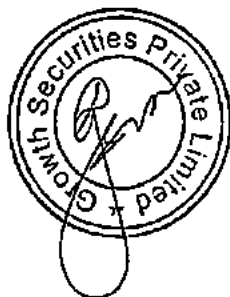
**Growth Securities Private Limited**  
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Summary of significant accounting policies and other explanatory information forming part of  
the unaudited special purpose financial statements for the year ended 31-March-2023  
[All amounts are in rupees lakh, unless otherwise specified]

**10(a) Property, plant and equipment**

| Description of Assets                   | Office Equipment | Computers & Peripherals | Furnitures & Fixtures | Solar panel | Motor Vehicle | Total  |
|---|------------------|-------------------------|-----------------------|-------------|---------------|--------|
| Gross carrying amount                   |                  |                         |                       |             |               |        |
| Opening balance as at 01-April-2022     | 3.43             | 100.97                  | 15.62                 | 8.93        | -             | 128.95 |
| Additions                               | 0.43             | 370.17                  | 0.62                  | -           | 28.21         | 399.43 |
| Disposals                               | 0.40             | 24.44                   | 0.57                  | -           | -             | 25.41  |
| Closing balance as at 31-March-2023     | 3.46             | 446.70                  | 15.67                 | 8.93        | 28.21         | 502.97 |
| Accumulated depreciation                |                  |                         |                       |             |               |        |
| Opening balance as at 01-April-2022     | 3.06             | 11.57                   | 1.53                  | 0.85        | -             | 17.31  |
| Depreciation charge during the year     | 0.40             | 100.57                  | 5.12                  | 0.85        | 1.68          | 108.73 |
| Disposals/other adjustments             | -                | -                       | -                     | -           | -             | -      |
| Closing balance as at 31-March-2023     | 3.46             | 112.54                  | 6.65                  | 1.70        | 1.68          | 126.03 |
| Net carrying amount as at 31-March-2023 | -                | 334.16                  | 9.02                  | 7.23        | 26.53         | 376.94 |

**10(b) Intangible assets**

| Description of Assets                   | Software | Total |
|---|----------|-------|
| Gross carrying amount                   |          |       |
| Opening balance as at 01-April-2022     | 6.35     | 6.35  |
| Additions                               | 23.65    | 23.65 |
| Disposals                               | -        | -     |
| Closing balance as at 31-March-2023     | 30.00    | 30.00 |
| Accumulated amortisation                |          |       |
| Opening balance as at 01-April-2022     | 0.34     | 0.34  |
| Depreciation charge during the year     | 1.21     | 1.21  |
| Disposals/other adjustments             | -        | -     |
| Closing balance as at 31-March-2023     | 1.55     | 1.55  |
| Net carrying amount as at 31-March-2023 | 28.45    | 28.45 |





# VGG & CO.

## CHARTERED ACCOUNTANTS

B-225, 5th Floor, Okhla Indl. Area,  
Phase-1, New Delhi-110 020  
Tel. : 011-40421836, 40421835  
Firm Reg No. 031985N

**Independent auditor's certificate on the accounting treatment proposed in the draft Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited ('Amalgamating Company'), Algoquant Fintech Limited ('Resulting Company' / 'Amalgamated Company') and their respective shareholders and creditors in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, the Company (Compromises, Arrangements and Amalgamations) Rules, 2016 made thereunder, pursuant to the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time ('SEBI Master Circular')**

To

The Board of Directors  
Growth Securities Private Limited  
Unit No. 503 A-B, 504 A-B,  
5th Floor, Tower A WTC Block No. 51,  
Road 5E, Zone-5, Gift City, Gandhinagar,  
Gujarat – 382 355

1. This certificate is issued in accordance with the terms of our engagement letter dated March 01, 2023 with Growth Securities Private Limited (**'Demerged Company'/'the Company'**).
2. We, **VGG & CO.**, Chartered Accountants, the Statutory Auditors of the Company, have been requested by the Management of the Company, to examine the proposed accounting treatment specified in Clause 14 of the draft Scheme of Arrangement amongst the Company, Algoquant Investments Private Limited (*Formerly Mandelia Investments Private Limited*) (**'Amalgamating Company'**) and Algoquant Fintech Limited (**'Resulting Company' / 'Amalgamated Company'**) (hereinafter collectively referred to as **'Companies'**) and their respective shareholders and creditors in terms of the provisions under Section 230 to 232 read with Section 66, and other applicable sections and provisions of the Companies Act, 2013 (**'Act'**) read together with the rules made thereunder (**'the Scheme'**), as approved in the meeting of the board of Directors on March 10, 2023, with reference to its compliance with the accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other generally accepted accounting principles in India (collectively referred to as the **'applicable accounting standards'**), read with general circular No. 09/2019 issued by the Ministry of Corporate Affairs (MCA) date August 21, 2019 (**'the MCA circular'**). A certified true copy of the relevant extract of the draft Scheme for the proposed accounting treatment specified in Clause 14, as attached herewith in **Annexure 1**, has been initialed and stamped by us for identification purpose only.
3. The proposed Scheme is subject to approval of the respective shareholders and creditors of Growth Securities Private Limited, Algoquant Investments Private Limited, Algoquant Fintech Limited and statutory and other regulatory authorities, as applicable, including but not limited to Ahmedabad Bench of National Company Law Tribunal (**'Tribunal' / 'NCLT'**), the Securities and Exchange Board of India (**'SEBI'**) and the BSE Limited (**'Stock Exchange'**).
4. The Appointed Date for the purpose of the draft Scheme is considered as April 01, 2023 or such other date as may be approved by the Hon'ble NCLT, with effect from which the draft Scheme will be deemed to be effective in the manner described in the draft Scheme.



### Management's responsibility

5. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The Board of Directors is also responsible for ensuring that the Company complies with the requirements of the Act and rules and the SEBI Master Circular and the applicable accounting standards, in relation to the draft Scheme, and for providing all relevant information to the Hon'ble NCLT, SEBI and Stock Exchange.

### Auditor's responsibility

7. Pursuant to the requirements of Section 230 - 232 of the Companies Act, 2013, Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI Master Circular and other relevant laws and regulations, our responsibility is to provide a reasonable assurance in the form of an opinion as to whether the proposed accounting treatment specified in Clause 14 of the draft Scheme is in compliance with applicable accounting standards, other generally accepted accounting principles read with the MCA Circular.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. The procedure selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following in relation to the Annexure:
  - A. Obtained and read the draft Scheme and the proposed accounting treatment specified therein;
  - B. Examined that the accounting treatment contained in the draft Scheme specified in Clause 14 is in compliance with all the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2021, and other generally accepted accounting principles;
  - C. Obtained copy of resolution passed by the Board of Directors of the Company dated March 10, 2023;
  - D. Performed necessary inquiries with the management and obtained necessary representations from the management; and
  - E. performed other procedures as were necessary.
9. Our examination did not extend to any aspects of a legal or propriety nature covered in the Proposed Scheme.
10. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and the applicable Generally Accepted Auditing Standards issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagement, issued by the ICAI.



### Opinion

12. Based on our examination and according to the information and explanations given to us, along with representations provided by the management, we are of the opinion that the proposed accounting treatment specified at Clause 14 of the draft Scheme is in compliance with the applicable accounting standards notified by the Central Government under Section 133 of Companies Act, 2013, other generally accepted accounting principles read with the MCA Circular and SEBI Master Circular.

### Restriction on use

13. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI Master Circular, Sections 230 to 232 and other applicable provisions of the Act read with the rules, for onward submission along with the draft Scheme to the SEBI, the Stock Exchange, and the National Company Law Tribunal, Ahmedabad Bench and/or any other regulatory authority, as and when required. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
14. This certificate is issued at the request of the Company's management for onward submission along with the draft Scheme to the SEBI, Stock Exchange and Hon'ble NCLT. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without any prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

Sincerely,

**For VGG & Co.**

**Chartered Accountants**

Firm Registration Number: 031985N

**Vaibhav Gupta**

Partner

Membership Number: 099715

UDIN: 23099715BGUVHC6351

Place: New Delhi

Date: March 10, 2023



**Annexure 1**

Relevant extract of draft Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited ('Amalgamating Company') and Algoquant Fintech Limited ('Resulting Company'/'Amalgamated Company') and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, pursuant to the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time ('SEBI Master Circular')

**14. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

*Upon Part B the Scheme becoming effective and with effect from the Appointed Date, the transfer of the Demerged Undertaking shall be accounted for in the books of the Demerged Company in accordance with applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India. Accordingly, Demerged Company shall provide the following accounting treatment in its books of account:*

- (i) The Demerged Company, as on Appointed Date shall reduce the carrying value of all assets and liabilities including reserves, pertaining to the Demerged Undertaking transferred to the Resulting Company from its books of account.*
- (ii) the inter-corporate deposits/ loans and advances/ balances outstanding between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, shall stand cancelled and thereafter there shall be no obligation in that behalf;*
- (iii) The difference between the carrying value of assets and liabilities including reserves, pertaining to the Demerged Undertaking of the Demerged Company, transferred to the Resulting Company, and post giving effect to clause 14(ii) above shall be adjusted against the capital reserve of the Demerged Company.*
- (iv) Any negative capital reserve pursuant to the accounting as per Clause 14(iii) above shall be adjusted against the retained earnings in the books of the Demerged Company.*
- (v) For any matter not specifically addressed above, the Board of Directors of Demerged Company, is authorized to account for the balances in the manner, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Central Government as may be amended from time to time and the Generally Accepted Accounting Principles in India.*

**For and on behalf of the Growth Securities Private Limited**



**Dhruv Gupta**  
Director  
DIN: 06920431  
Place: New Delhi  
Date: March 10, 2023



**GROWTH SECURITIES PVT. LTD.** (Corporate Identity Number: U74899GJ1996PTC119714)

**Regd. Office:** Unit No. 503A-B, 504 A-B, 5<sup>th</sup> Floor, Tower A WTC Block No. 51, Road SE, Zone-5, GIFT City Gandhinagar, Gujarat-382355  
**Corporate Office:** 2<sup>nd</sup> Floor, 4/10 Asaf Ali Road, New Delhi-110002 | Ph:+91-9910032394 | Email: Compliance@growthsec.in



# O P BAGLA & CO LLP

CHARTERED ACCOUNTANTS

Regd. Office :  
B-225, 5th Floor, Okhla Indl. Area  
Phase - 1, New Delhi - 110020  
Ph.: 011-47011850, 51, 52, 53  
E-Mail : admin@opbco.in  
Website : www.opbco.in

Independent auditor's certificate on the accounting treatment proposed in the draft Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited ('Amalgamating Company'), Algoquant Fintech Limited ('Resulting Company' / 'Amalgamated Company') and their respective shareholders and creditors in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, the Company (Compromises, Arrangements and Amalgamations) Rules, 2016 made thereunder, pursuant to the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time ('SEBI Master Circular')

To  
The Board of Directors  
Algoquant Investments Private Limited  
705, Iscon Elegance, S.G. Highway, Satellite,  
Prahlaad Nagar, Ahmedabad  
Gujarat – 380 015

1. This certificate is issued in accordance with the terms of our engagement letter dated March 01, 2023 with Algoquant Investments Private Limited (Formerly Mandelia Investments Private Limited) ('Amalgamating Company') ('the Company').
2. We, O P Bagla & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company, have been requested by the Management of the Company, to examine the accounting treatment in the books of the Company pursuant to Part C of the draft Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), the Company and Algoquant Fintech Limited ('Resulting Company' / 'Amalgamated Company') (hereinafter collectively referred to as 'Companies') and their respective shareholders and creditors in terms of the provisions under Section 230 to 232 read with Section 66, and other applicable sections and provisions of the Companies Act, 2013 ('Act') read together with the rules made thereunder ('the Scheme'), as approved in the meeting of the board of Directors on March 10, 2023, with reference to its compliance with the accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other generally accepted accounting principles in India (collectively referred to as the 'applicable accounting standards'), read with general circular No. 09/2019 issued by the Ministry of Corporate Affairs (MCA) date August 21, 2019 ('the MCA circular'). A certified true copy of the relevant extract of the draft Scheme viz. Clause 23 and Clause 24, as attached herewith in Annexure 1, has been initialed and stamped by us for identification purpose only.
3. The proposed Scheme is subject to approval of the respective shareholders and creditors of Growth Securities Private Limited, Algoquant Investments Private Limited, Algoquant Fintech Limited and statutory and other regulatory authorities, as applicable, including but not limited to Ahmedabad Bench of National Company Law Tribunal ("Tribunal" / "NCLT"), the Securities and Exchange Board of India ("SEBI") and the BSE Limited ("Stock Exchange").
4. The Appointed Date for the purpose of the draft Scheme is considered as April 01, 2023 or such other date as may be approved by the Hon'ble NCLT, with effect from which the draft Scheme will be deemed to be effective in the manner described in the draft Scheme.



### Management's responsibility

5. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The Board of Directors is also responsible for ensuring that the Company complies with the requirements of the Act and rules and the SEBI Master Circular and the applicable accounting standards, in relation to the draft Scheme, and for providing all relevant information to the Hon'ble NCLT, SEBI and Stock Exchange.

### Auditor's responsibility

7. Pursuant to the requirements of Section 230 - 232 of the Companies Act, 2013, Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI Master Circular and other relevant laws and regulations, our responsibility is to provide a reasonable assurance in the form of an opinion as to whether the proposed accounting treatment specified in Clause 23 and Clause 24 of the draft Scheme is in compliance with applicable accounting standards, other generally accepted accounting principles read with the MCA Circular and the SEBI regulations and circulars issued thereunder.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. The procedure selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following in relation to the Annexure:
  - A. Obtained and read the draft Scheme and the proposed accounting treatment specified therein;
  - B. Examined that the accounting treatment contained in the draft Scheme specified in Clause 24 is in compliance with all the applicable Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and other generally accepted accounting principles;
  - C. Obtained copy of resolution passed by the Board of Directors of the Company dated March 10, 2023;
  - D. Performed necessary inquiries with the management and obtained necessary representations from the management; and
  - E. performed other procedures as were necessary.
9. Our examination did not extend to any aspects of a legal or propriety nature covered in the Proposed Scheme.
10. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and the applicable Generally Accepted Auditing Standards issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagement, issued by the ICAI.



## Opinion

12. Based on our examination of Clause 23 and Clause 24 of Part C of the draft Scheme and according to the information and explanations given to us, along with representations provided by the management, we are of the opinion that the Company shall be amalgamated with Algoquant Fintech Limited with effect from the Appointed Date (as defined in the draft Scheme) and shall stand dissolved without the process of winding up. Accordingly, we understand that no accounting treatment shall be required in the books of account of the Company pursuant to the proposed Scheme becoming effective.

## Restriction on use

13. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circulars, Sections 230 to 232 and other applicable provisions of the Act read with the rules, for onward submission along with the Draft Scheme to the SEBI, the stock exchanges, and the relevant National Company Law Tribunal, Ahmedabad Bench and/or any other regulatory authority, as and when required. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
14. This certificate is issued at the request of the Company's management for onward submission along with the Draft Scheme to the SEBI, Stock Exchange and Hon'ble NCLT. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without any prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

Sincerely,

**For O P Bagla & Co LLP**

**Chartered Accountants**

Firm Registration No.: 000018N/N500091

*Deepanshu Saini*  
**Deepanshu Saini**

**Partner**

Membership Number: 510573

UDIN: 23510573BG XPLG1260



Place: New Delhi

Date: March 10, 2023



**Annexure 1**

**Relevant extract of draft Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited ('Amalgamating Company') and Algoquant Fintech Limited ('Resulting Company'/'Amalgamated Company') and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, pursuant to the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time ('SEBI Master Circular')**

**Clause 23 – Dissolution of the Amalgamating Company**

*Upon Part C of this Scheme becoming operative on the Effective Date, Amalgamating Company shall stand automatically dissolved as an integral part of this Scheme, without being liquidated or wound-up and without requiring any further act, instrument or deed from the Amalgamating Company and/or the Amalgamated Company.*

**Clause 24 - Accounting treatment in the books of Amalgamated Company upon Part C of the draft Scheme becoming effective**

*Upon Part C of the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation of Amalgamating Company in its books of accounts in accordance with principles as laid down in Appendix C to the Indian Accounting Standards 103 (Business Combinations) notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:*

- (i) All assets and liabilities of the Amalgamating Company shall be recorded by the Amalgamated Company at their respective book values as appearing in the books of the Amalgamating Company as on the Appointed Date;*
- (ii) The identity of the reserves standing in the books of account of the Amalgamating Company shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same form, as they appeared in the financial statements of the Amalgamating Company. As a result of preserving the identity, the reserves which are available for distribution before the amalgamation would also be available for distribution as dividend after amalgamation. The balance of the reserves appearing in the financial statements of the Amalgamating Company as on the Appointed Date will be aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company*
- (iii) Inter-corporate deposits / loans and advances / balances outstanding, if any, between the Amalgamated Company and the Amalgamating Company shall stand cancelled and there shall be no further obligation in this regard*
- (iv) Shares held by the Amalgamating Company in the Amalgamated Company shall stand cancelled pursuant to Clause 22 of this Scheme. There shall be no further obligation in respect of the cancelled shares. The cancellation of share capital will be effected as part of this Scheme and the order of the NCLT shall be deemed to be the order under the applicable provisions of the Act for confirming the cancellation of share capital*





- (v) Entire inter-company investments held by the Amalgamating Company in the Amalgamated Company and by the Amalgamated Company in the Amalgamating Company shall stand cancelled
- (vi) The Amalgamated Company shall credit to its share capital and record the Part C New Equity Shares issued and allotted by it pursuant to Clause 21 of the Scheme.
- (vii) The difference, if any, between the book value of assets and liabilities (including reserves) under sub-clause (i) and (ii) of Clause 24 above transferred to the Amalgamated Company, further taking into consideration the impact of sub-clause (iii), (iv) and (v) of Clause 24 and the consideration discharged by way of the Part C New Equity Shares issued as per Clause 24(vi) above to the shareholders of the Amalgamating Company in lieu of the amalgamation, shall be recorded as capital reserve in the books of the Amalgamated Company (debit or credit, as the case may be)
- (viii) In case of any differences in accounting policy between the Amalgamating Company and the Amalgamated Company, the accounting policies of the Amalgamated Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policy.
- (ix) Notwithstanding the above, the Board of Directors of the Amalgamated Company, is authorised to record assets, liabilities and reserves and surplus in compliance with prevailing accounting standards.

**For and on behalf of the Algoquant Investments Private Limited**

  
Dhruv Gupta

Director

DIN: 06920431



**Place: New Delhi**

**Date: March 10, 2023**



# O P BAGLA & CO LLP

CHARTERED ACCOUNTANTS

Regd. Office :  
B-225, 5th Floor, Okhla Indl. Area  
Phase - 1, New Delhi - 110020  
Ph.: 011-47011850, 51, 52, 53  
E-Mail : admin@opbco.in  
Website : www.opbco.in

Independent auditor's certificate on the accounting treatment proposed in the draft Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited ('Amalgamating Company'), Algoquant Fintech Limited ('Resulting Company' / 'Amalgamated Company') and their respective shareholders and creditors in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, the Company (Compromises, Arrangements and Amalgamations) Rules, 2016 made thereunder, pursuant to the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021, as amended from time to time ('SEBI Master Circular')

To

The Board of Directors

Algoquant Fintech Limited (Formerly Hindustan Everest Tools Ltd.)

Unit No. 705, 07<sup>th</sup> Floor of Iscon Elegance, developed at Plot No. 24,

Prahaladnagar, Ahmedabad

Gujarat - 380 015

1. This certificate is issued in accordance with the terms of our engagement letter dated March 01, 2023 with Algoquant Fintech Limited ('the Company' or 'Resulting Company' or 'Amalgamated Company').
2. We, O P Bagla & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company, have been requested by the Management of the Company, to examine the proposed accounting treatment specified in Clause 15, Clause 24 and Clause 25.9 of the draft Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited (Formerly Mandelia Investments Private Limited) ('Amalgamating Company') and the Company (hereinafter collectively referred to as 'Companies') and their respective shareholders and creditors in terms of the provisions under Section 230 to 232 read with Section 66, and other applicable sections and provisions of the Companies Act, 2013 ('Act') read together with the rules made thereunder ('the Scheme'), as approved in the meeting of the board of Directors on March 10, 2023, with reference to its compliance with the accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other generally accepted accounting principles in India (collectively referred to as the 'applicable accounting standards'), read with general circular No. 09/2019 issued by the Ministry of Corporate Affairs (MCA) date August 21, 2019 ("the MCA circular"). A certified true copy of the relevant extract of the draft Scheme for the proposed accounting treatment specified in Clause 15, Clause 24 and Clause 25.9 of the draft Scheme, as attached herewith in Annexure 1, has been initialed and stamped by us for identification purpose only.
3. The proposed Scheme is subject to approval of the respective shareholders and creditors of Growth Securities Private Limited, Algoquant Investments Private Limited, Algoquant Fintech Limited and statutory and other regulatory authorities, as applicable, including but not limited to Ahmedabad Bench of National Company Law Tribunal ("Tribunal" / "NCLT"), the Securities and Exchange Board of India ("SEBI") and the BSE Limited ("Stock Exchange").
4. The Appointed Date for the purpose of the draft Scheme is considered as April 01, 2023 or such other date as may be approved by the Hon'ble NCLT, with effect from which the draft Scheme will be deemed to be effective in the manner described in the draft Scheme.

## Management's responsibility

5. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



6. The Board of Directors is also responsible for ensuring that the Company complies with the requirements of the Act and rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular and the applicable accounting standards, in relation to the draft Scheme, and for providing all relevant information to the Hon'ble NCLT, SEBI and Stock Exchange.

#### **Auditor's responsibility**

7. Pursuant to the requirements of Section 230 - 232 of the Companies Act, 2013, Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, SEBI Master Circular and other relevant laws and regulations, our responsibility is to provide a reasonable assurance in the form of an opinion as to whether the proposed accounting treatment specified in Clause 15, Clause 24 and Clause 25.9 of the draft Scheme is in compliance with applicable accounting standards, other generally accepted accounting principles read with the MCA Circular, the SEBI regulations and circulars issued thereunder.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. The procedure selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following in relation to the Annexure:
- Obtained and read the draft Scheme and the proposed accounting treatment specified therein;
  - Examined that the accounting treatment contained in the draft Scheme specified in Clause 15, Clause 24 and Clause 25.9 is in compliance with all the applicable Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and other generally accepted accounting principles;
  - Obtained copy of resolution passed by the Board of Directors of the Company dated March 10, 2023;
  - Performed necessary inquiries with the management and obtained necessary representations from the management; and
  - performed other procedures as were necessary.
9. Our examination did not extend to any aspects of a legal or propriety nature covered in the Proposed Scheme.
10. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and the applicable Generally Accepted Auditing Standards issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagement, issued by the ICAI.

#### **Opinion**

12. Based on our examination and according to the information and explanations given to us, along with representations provided by the management, we are of the opinion that the proposed accounting treatment specified at Clause 15, Clause 24 and Clause 25.9 of the draft Scheme is in compliance with the applicable accounting standards notified by the Central Government under Section 133 of Companies Act, 2013, other generally accepted accounting principles read with the MCA Circular and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder.

#### **Restriction on use**

13. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the SEBI circulars, Sections 230 to 232 and other applicable provisions of the Act read with the rules, for onward submission along with the Draft Scheme to the SEBI, the Stock Exchange, and the National Company Law Tribunal, Ahmedabad Bench and/or any other regulatory authority, as and when required. Our obligations in respect



of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

14. This certificate is issued at the request of the Company's management for onward submission along with the Draft Scheme to the SEBI, Stock Exchange and Hon'ble NCLT. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without any prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

Sincerely,

**For O P Bagla & Co LLP.**  
**Chartered Accountants**

Firm Registration No.: 000018N/N500091

  
Deepanshu Saini  
**Partner**  
Membership Number: 510573  
UDIN: 23510573BGXPLF4300



Place: New Delhi

Date: March 10, 2023

**Annexure 1**

Relevant extract of draft Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited ('Amalgamating Company') and Algoquant Fintech Limited ('Resulting Company'/'Amalgamated Company') and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, pursuant to the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time ('SEBI Master Circular')

**Clause 15 - Accounting treatment in the books of Resulting Company upon Part B of the draft Scheme becoming effective****15. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY**

Upon Part B of the Scheme becoming effective, with effect from the Appointed Date, transfer of the Demerged Undertaking shall be accounted for in the books of the Resulting Company using the "Pooling of interests" method in accordance with Appendix C to Ind AS 103 — Business combinations of entities under common control, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. Accordingly, the Resulting Company shall provide the following accounting treatment in its books of accounts:

- (i) Upon coming into effect of this Scheme, Resulting Company shall record the assets and liabilities including reserves, of the Demerged Undertaking vested in it pursuant to this Scheme, at their respective carrying values as appearing in the books of account of the Demerged Company;
- (ii) The inter-company deposits/ loans and advances/ payables & receivables/ balances outstanding between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, shall stand cancelled and thereafter, there shall be no obligation in that behalf;
- (iii) The Resulting Company shall credit to its share capital and record the Part B New Equity Shares issued and allotted by it pursuant to Clause 13 of the Scheme.
- (iv) The difference, if any, between the carrying value of assets and liabilities including reserves, under Clause 15(i) above transferred to the Resulting Company, further taking into consideration the impact of clause 15(ii), and the consideration discharged by way of the Part B New Equity Shares issued as per Clause 15(iii) above to the shareholders of the Demerged Company in lieu of the acquisition of Demerged Undertaking, shall be recorded as capital reserve in the books of the Resulting Company (debit or credit, as the case may be)
- (v) The Resulting Company shall record in its books of account, all transactions relating to the Demerged Undertaking of the Demerged Company in respect of assets, liabilities including reserves, income and expenses from the Appointed Date to the Effective Date;

**Algoquant Fintech Limited**

**Registered Office-** 705, Iscon Elegance, Prahlad Nagar, Ahmedabad, Gujarat-380015 | CIN- L74110GJ1962PLC136701

**Email ID:** investors@algoquantfintech.com | **Mobile:** +91-9910032394 | **Website:** www.algoquantfintech.com



- (vi) In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies of the Resulting Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.
- (vii) Notwithstanding the above, the Board of Directors of the Resulting Company is authorized to record assets, liabilities and reserves and surplus in compliance with prevailing accounting standards.

**Clause 24 - Accounting treatment in the books of Amalgamated Company upon Part C of the draft Scheme becoming effective**

Upon Part C of the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation of Amalgamating Company in its books of accounts in accordance with principles as laid down in Appendix C to the Indian Accounting Standards 103 (Business Combinations) notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, such that:

- (i) All assets and liabilities of the Amalgamating Company shall be recorded by the Amalgamated Company at their respective book values as appearing in the books of the Amalgamating Company as on the Appointed Date;
- (ii) The identity of the reserves standing in the books of account of the Amalgamating Company shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same form, as they appeared in the financial statements of the Amalgamating Company. As a result of preserving the identity, the reserves which are available for distribution before the amalgamation would also be available for distribution as dividend after amalgamation. The balance of the reserves appearing in the financial statements of the Amalgamating Company as on the Appointed Date will be aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company
- (iii) Inter-corporate deposits / loans and advances / balances outstanding, if any, between the Amalgamated Company and the Amalgamating Company shall stand cancelled and there shall be no further obligation in this regard
- (iv) Shares held by the Amalgamating Company in the Amalgamated Company shall stand cancelled pursuant to Clause 22 of this Scheme. There shall be no further obligation in respect of the cancelled shares. The cancellation of share capital will be effected as part of this Scheme and the order of the NCLT shall be deemed to be the order under the applicable provisions of the Act for confirming the cancellation of share capital
- (v) Entire inter-company investments held by the Amalgamating Company in the Amalgamated Company and by the Amalgamated Company in the Amalgamating Company shall stand cancelled
- (vi) The Amalgamated Company shall credit to its share capital and record the Part C New Equity Shares issued and allotted by it pursuant to Clause 21 of the Scheme.
- (vii) The difference, if any, between the book value of assets and liabilities (including reserves) under sub-clause (i) and (ii) of Clause 24 above transferred to the Amalgamated Company, further taking into consideration the impact of sub-clause (iii), (iv) and (v) of Clause 24 and the consideration discharged by way of the Part C New Equity Shares issued as per Clause 24(vi) above to the shareholders of the Amalgamating Company in lieu of the amalgamation, shall be recorded as capital reserve in the books of the Amalgamated Company (debit or credit, as the case may be)
- (viii) In case of any differences in accounting policy between the Amalgamating Company and the Amalgamated Company, the accounting policies of the Amalgamated Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policy.



- (ix) *Notwithstanding the above, the Board of Directors of the Amalgamated Company, is authorised to record assets, liabilities and reserves and surplus in compliance with prevailing accounting standards.*

**Clause 25.9 - Accounting treatment in the books of the Resulting Company / Amalgamated Company for issue of Bonus Shares upon Part D of the draft Scheme becoming effective**

*"25.9 The Bonus Shares shall be issued by way of capitalization of the sum standing to the credit of the Securities Premium Account, Retained Earnings Account and/or any other free reserve of the Resulting Company / Amalgamated Company, in any manner as may be deemed fit by its Board of Directors."*

**For and on behalf of the Algoquant Fintech Limited**



**Devansh Gupta**  
**Managing Director**  
**DIN: 06920376**



Place: New Delhi  
Date: March 10 2023

THIS IS AN ABRIDGED PROSPECTUS PERTAINING TO THE UNLISTED COMPANY, GROWTH SECURITIES PRIVATE LIMITED ('GSPL'), WHICH IS BEING ISSUED IN COMPLIANCE WITH THE PROVISIONS OF SEBI CIRCULAR NO. SEBI/HO/CFD/SSEP/CIR/P/2022/14 DATED FEBRUARY 4, 2022 READ WITH MASTER CIRCULAR BEARING NUMBER SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) ('SEBI CIRCULARS').

THIS DISCLOSURE DOCUMENT DATED APRIL 13, 2024, ('DISCLOSURE DOCUMENT') HAS BEEN ISSUED IN CONNECTION WITH THE SCHEME OF ARRANGEMENT AMONGST GROWTH SECURITIES LIMITED ('GSPL' / 'DEMERGED COMPANY'), ALGOQUANT INVESTMENTS PRIVATE LIMITED ('AIPL' / 'AMALGAMATING COMPANY') AND ALGOQUANT FINTECH LIMITED ('AFL' / 'RESULTING COMPANY' / 'AMALGAMATED COMPANY') AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, UNDER SECTIONS 230 TO 232 AND SECTION 66 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER ('COMPANIES ACT'/'ACT') ('SCHEME OF ARRANGEMENT' / 'SCHEME') FILED BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENCH AT AHMEDABAD BENCH.

This Disclosure Document contains the applicable information (as prescribed in the format for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements), 2018, pertaining to Growth Securities Private Limited ('GSPL' / Demerged Company), being an unlisted company in the Scheme.

Nothing in this Disclosure Document shall be considered as an invitation or an offer of any securities by or on behalf of GSPL or AIPL or AFL, on private placement or a public offer.

Capitalised terms not defined herein shall have same meaning as defined in the Notice.

THIS DISCLOSURE DOCUMENT CONTAINS 11 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

### **GROWTH SECURITIES PRIVATE LIMITED**

CIN: U74899GJ1996PTC119714 | Date of Incorporation: July 19, 1996

|   |
|---|
| <b>Registered Office:</b> Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A WTC Block No. 51, Road SE, Zone-5, GIFT City, Gandhinagar, Gujarat, India, 382355 |
| <b>Contact Person:</b> Mr. Brahmhatt Himanjal J (Designation: Compliance Officer)   |
| <b>Telephone:</b> + 91- 9311786324  |
| <b>Email:</b> secretarial@growthsec.in  |
| <b>Website:</b> NA  |
| <b>NAME OF THE PROMOTERS OF THE COMPANY</b>   |
| <b>MR. DHRUV GUPTA</b><br><b>MR. DEVANSH GUPTA</b>  |
| <b>DETAILS OF THE SCHEME, LISTING AND PROCEDURE</b>   |



**Details of Offer to Public** – Not applicable as GSPL is not offering any securities/equity shares and no investment by the public is being made in GSPL, pursuant to the Scheme.

**Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders** – Not Applicable as no transfer of the securities/equity shares of GSPL is proposed and no investment by the public is being made in GSPL, pursuant to the Scheme.

**Price Band, Minimum Bid Lot & Indicative Timelines** – Not applicable as GSPL is not offering any securities/equity shares and no investment by the public is being made in GSPL, pursuant to the Scheme.

**Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP** – Not applicable as GSPL is not offering any securities/equity shares and no investment by the public is being made in GSPL, pursuant to the Scheme.

#### Details of Scheme of Arrangement:

The Scheme of Arrangement between Growth Securities Private Limited ('GSPL' / '**Demerged Company**'), Algoquant Investments Private Limited ('AIPL' / '**Amalgamating Company**'), and Algoquant Fintech Limited ('AFL' / '**Resulting Company**' / '**Amalgamated Company**') and their respective shareholders and creditors, *inter-alia* provides for the demerger of the Stock Broking Business ('**Demerged Undertaking**' as more expressly defined in Scheme) of GSPL / Demerged Company into AFL/ Resulting Company, amalgamation of AIPL / Amalgamating Company with and into AFL / Amalgamated Company and subsequent issuance of bonus share to the equity shareholders of the Resulting company / Amalgamated Company, in accordance with the terms provided in Scheme, under Section 230 to 232 read with Section 66 and other applicable provisions of The Companies Act, 2013 ('Act'). The Scheme also provides for various other matters consequent and incidental thereto.

Rationale for the Scheme, *inter-alia*, as provided in the Scheme, is given below:

The Resulting Company / Amalgamated Company proposes to enter into this Scheme with Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.

1.1.1 The management of the respective Participating Companies are of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:

- a) Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
- b) The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting/ Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement, and retention.
- c) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.

1.1.2 The Scheme envisages demerger of the Demerged Undertaking (*as defined hereinafter*) and vesting of the same in the Resulting Company pursuant to Part B of this Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective Participating Companies believe that both the businesses (i.e., Stock Broking Business (*as defined*





*hereinunder*) and the Remaining Undertaking (*as defined hereinunder*)) will benefit from dedicated management, operations and investment strategy leading to development, expansion, and growth for maximization of stakeholder's value.

1.1.3 Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.

1.1.4 The management of the respective Participating Companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders, and all other stakeholders of the respective Participating Companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Participating Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

\* The above details of the Scheme have been suitably extracted from the Scheme.

#### LISTING AND PROCEDURE

Pursuant to the provisions of the Scheme, post receipt of approval of the National Company Law Tribunal ('NCLT') and upon certified copies of the sanctioned order of the NCLT approving the Scheme being filed with the Registrar of Companies, the Resulting Company / Amalgamated Company shall issue and allot equity shares to shareholders of the Demerged Company and Amalgamating Company, as per the Share Exchange Ratio set out in the Scheme. The Amalgamated Company shall be making the necessary application for listing of the equity shares allotted pursuant to the Scheme. The equity shares are proposed to be listed on BSE Limited. No further steps or actions would be required to be undertaken by the shareholders of the Demerged Company and Amalgamating Company to be entitled to receive equity shares of the Resulting Company / Amalgamated Company.

The procedure with respect to public Issue/ offer would not be applicable to GSPL as GSPL is an unlisted company and is not offering any of its securities/equity shares to the public under the Scheme. Further, the allotment of equity shares of AFL under the Scheme is limited to the shareholders of GSPL and AIPL. Hence, the procedure with respect to a General Information Document ('GID') is not applicable.

#### **ELIGIBILITY FOR THE ISSUE**

This Disclosure Document is prepared in compliance with the observation letter issued by the BSE Limited ('BSE') dated October 17, 2023 and SEBI Circulars and contains the applicable information in the format for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

The equity shares sought to be listed are proposed to be allotted by the Resulting Company / Amalgamated Company to the shareholders of the Demerged Company and Amalgamating Company pursuant to the Scheme to be sanctioned by NCLT under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the SEBI Circulars and subject to and in accordance with the terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the regulations 26(1) or 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR)') are not applicable.

This document does not constitute an offer to public at large. There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations, are not applicable

#### **INDICATIVE TIMETABLE**

This Document should not be deemed to be an offer to the public. The Scheme requires approval of the National Company Law Tribunal, Ahmedabad Bench ('NCLT') and no exact time frame can be given when the Scheme will become effective. However, the Appointed Date for the Scheme is April 01, 2023 or such other date as may be approved by the NCLT.





| GENERAL RISKS   |                   |                          |   |
|---|-------------------|--------------------------|---|
| For taking any investment decision, investors must rely on their own examination of GSPL, AIPL & AFL and the Scheme, including the risks involved. The allotment of equity shares of AFL under the Scheme is limited to the shareholders of GSPL and AIPL. The Equity Shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Disclosure Documents. Specific attention of the investors is invited to the section titled 'Details of Scheme, Listing and Procedure' at page no. 2 - 3 and section titled 'Internal Risk Factors' at page no. 9 of this Disclosure Document. |                   |                          |   |
| PRICE INFORMATION OF BRLM's   |                   |                          |   |
| Not Applicable  |                   |                          |   |
| PROMOTERS OF THE COMPANY  |                   |                          |   |
| S.N.  | Name              | Individual/<br>Corporate | Experience & Educational Qualification  |
| 1   | Mr. Dhruv Gupta   | Individual               | <ul style="list-style-type: none"> <li>➤ He has 9+ years' experience managing risk and technology at the firm. He is also involved in seed funding of tech-focused early-stage start-up.</li> <li>➤ He has completed his graduation in Arts (Honours Course) from Delhi University.</li> </ul>  |
| 2   | Mr. Devansh Gupta | Individual               | <ul style="list-style-type: none"> <li>➤ He has 8+ years' experience in managing business and trading operations and at the firm.</li> <li>➤ He has a keen interest in high end hardware and network optimization. He leads the firm's effort to on-board trading groups and expand the business to new geographies.</li> <li>➤ He is a graduate in Commerce from Delhi University</li> </ul> |
| BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY   |                   |                          |   |
| <b>Company Overview:</b><br>M/s Growth Securities Private Limited is an Unlisted Private Company, incorporated on July 19, 1996 with Corporate Identification Number – U74899GJ1996PTC119714, having its registered office at Unit No. 503 A-B, 504 A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City, Gandhinagar, Gujarat, India, 382355 is engaged in Stock Broking, Depositories Participants and other financial services.  |                   |                          |   |
| <b>Product/Service Offering:</b> The Company is registered as Stockbroker with SEBI and engaged in the business of investing and trading in Shares, marketable Securities, DP Services and other Financial Services.  |                   |                          |   |
| <b>Revenue segmentation by product/service offering in Income from Trading Operations:</b><br>Based on December 31, 2023:<br>Trading in financial instruments : 4.03%<br>Brokerage & Other charges: 76.06%<br>Interest on Fixed Deposits with banks (margin money): 18.37%<br>Other Income: 0.01%   |                   |                          |   |
| <b>Geographies Served:</b> India<br><b>Revenue segmentation by geographies:</b> Company is currently operating only in India.   |                   |                          |   |



**Key Performance Indicators:**

| Particulars  | As of and for<br>the Nine<br>months period<br>ended<br>December, 31,<br>2023<br>(Unaudited) | Amount (Rupees in Lakhs)     |                              |                                |
|--|---|------------------------------|------------------------------|--------------------------------|
|  |   | As of and for the year ended |                              |                                |
|  |   | March 31, 2023<br>(Audited)  | March 31, 2022,<br>(Audited) | March 31,<br>2021<br>(Audited) |
| Revenue from Operations  | 7860.81   | 5474.81                      | 806.04                       | 192.13                         |
| Profit before finance costs,<br>depreciation, amortization,<br>expense and tax<br>("EBITDA") | 1804.89   | 1275.95                      | 393.89                       | 153.65                         |
| Net Profit/(loss) before tax   | 1346.86   | 1051.36                      | 360.82                       | 152.77                         |
| Net Profit/(loss) after tax  | 1044.88   | 821.97                       | 285.24                       | 117.21                         |
| EBITDA margin (note no. 1)   | 22.96%  | 23.30%                       | 48.86%                       | 79.97%                         |
| Net profit margin (note no. 2)   | 13.29%  | 15.01%                       | 35.39%                       | 61%                            |
| Return on networth (note no. 3)  | 34.26%  | 40.99%                       | 24.11%                       | 13.05%                         |
| Return on capital employed<br>(note no. 4)   | 36.92%  | 25.60%                       | 18.08%                       | 17.04%                         |
| Return on Equity ratio (note no.<br>5)   | 41.34%  | 51.57%                       | 27.42%                       | 13.97%                         |

**Notes:**

1. EBITDA Margin % is calculated by applying formula: EBITDA divided by Revenue from Operations and multiplied by 100.
2. Net profit Margin % is calculated by applying formula: Net profit/ (Loss) after tax divided by revenue from Operations and multiplied by 100.
3. Return on Net worth % is calculated by applying formula: Net profit/ (Loss) after tax divided by Net worth and multiplied by 100.
4. Return on Capital Employed % is calculated by applying formula: Profit before Interest and Tax divided by aggregate of Total Equity plus Total Debts and multiplied by 100.
5. Return on Equity ratio is calculated by applying formula: Net profit/ (Loss) after tax divided by Average Total Equity [(Opening equity share capital plus Opening other equity plus Closing equity share capital plus closing other equity)/2] multiplied by 100.

**Client Profile or Industries Served:** Securities and Capital Markets

**Revenue segmentation in terms of top 5/10 clients or Industries:** NA

**Intellectual Property, if any:** NA

**Market Share:** NA

**Manufacturing Plant, if any:** NA

**Employee Strength:** 156

**BOARD OF DIRECTORS**



| S.N. | Name                             | Designation<br>(Independent /<br>Wholtime /<br>Executive /<br>Nominee) | Experience &<br>Educational<br>Qualification   | Other Directorships and<br>Ventures   |
|------|----------------------------------|--|--|---|
| 1.   | <b>Mr.<br/>Dhruv<br/>Gupta</b>   | Director   | <ul style="list-style-type: none"> <li>➤ He has 9+ years' experience managing risk and technology at the firm. He is also involved in seed funding of tech-focused early-stage start-up.</li> <li>➤ He has completed his graduation in Arts (Honours Course) from Delhi University.</li> </ul> | <p><b><u>Indian Companies: 11</u></b></p> <ol style="list-style-type: none"> <li>1. Vardan Securities Private Limited</li> <li>2. Algoquant Fintech Limited</li> <li>3. Algoquant Investments Private Limited</li> <li>4. Devansh Real Estate Private Limited</li> <li>5. S3craft Technologies Private Limited</li> <li>6. Growth PI Venture Private Limited</li> <li>7. Sigmaquant Technologies Private Limited</li> <li>8. Algoquant Infraprop Private Limited</li> <li>9. Algoquant Properties Private Limited</li> <li>10. Growth Global Securities (IFSC) Private Limited</li> </ol> <p><b>Foreign Companies:</b><br/><i>Algoquant Pte. Ltd.</i></p> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>1. Algoquant Global Finserv (IFSC) LLP</li> <li>2. Mercury Research LLP</li> <li>3. Algoquant LLP</li> <li>4. Dhruv Devansh Investment and Finance LLP</li> <li>5. Algoquant Financials LLP</li> <li>6. Nirmal Buildwell Real Estate LLP</li> </ol> |
| 2.   | <b>Mr.<br/>Devansh<br/>Gupta</b> | Director   | <ul style="list-style-type: none"> <li>➤ He has 8+ years' experience in managing business and trading operations and at the firm.</li> <li>➤ He has a keen interest in high</li> </ul>   | <p><b><u>Indian Companies: 9</u></b></p> <ol style="list-style-type: none"> <li>1. Vardan Securities Private Limited</li> <li>2. Algoquant Fintech Limited</li> <li>3. Algoquant Investments Private Limited</li> <li>4. Growth PI Venture Private Limited</li> </ol>   |



|  |  |  |   |   |
|--|--|--|---|---|
|  |  |  | <p>end hardware and network optimization. He leads the firms' effort to on-board trading groups and expand the business to new geographies.</p> <p>➤ He is a graduate in Commerce from Delhi University</p> | <ol style="list-style-type: none"> <li>5. Devansh Real Estate Private Limited</li> <li>6. Algoquant Infraprop Private Limited</li> <li>7. Growth Global Securities (IFSC) Private Limited</li> <li>8. Algoquant Properties Private Limited</li> </ol> <p><b>Foreign Companies:</b> <i>Algoquant Pte. Ltd.</i></p> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>1. Algoquant Global Finserv (IFSC) LLP</li> <li>2. Aafien Research LLP</li> <li>3. Thinkbot Technologies LLP</li> <li>4. Mercury Research LLP</li> <li>5. Ogha Research LLP</li> <li>6. Algoquant LLP</li> <li>7. Algoquant Tech LLP</li> <li>8. Dhruv Devansh Investment and Finance LLP</li> <li>9. Algoquant Financials LLP</li> <li>10. Nirmal Buildwell Real Estate LLP</li> </ol> |
|--|--|--|---|---|

#### OBJECT OF THE ISSUE/ PROPOSED SCHEME

**Details of means of finance, Name of monitoring agency etc. -** Not applicable as GSPL is not offering securities/equity shares through an initial public offer to the public at large, pursuant to the Scheme.

**Brief particulars of the Scheme are as follows:**

- (i) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with and into the Resulting Company in accordance with Part B of this Scheme.
- (ii) Amalgamation of the Amalgamating Company into and with Amalgamated Company Reduction in Share Capital of the Amalgamated Company and Dissolution of Amalgamating Company in accordance with Part C of this Scheme.
- (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company in accordance with Part D of this Scheme
- (iv) Change in Authorized Share Capital of the Resulting Company / Amalgamated Company, giving effect to Part B, Part C and Part D of this Scheme, in accordance with Part E of this Scheme.

Discharge of Consideration:

- a. The Resulting Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Demerged Company as on the Part B Record Date ('Part B New Equity Shares'), whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Demerged Company:



*"727 (Seven Hundred Twenty-Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*

- b. The Amalgamated Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Amalgamating Company as on the Part C Record Date ('**Part C New Equity Shares**'), whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Amalgamating Company:

*"8278 (Eight Thousand Two Hundred Seventy-Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*

#### Issuance of Bonus Equity Shares:

Upon Part B and Part C of the Scheme becoming operative on the Effective Date, the Resulting Company / Amalgamated Company shall issue and allot by way of bonus, to each equity shareholder whose name is recorded in the Register of Members of the Resulting Company / Amalgamated Company and/or the records of the depository(ies) as equity shareholder of Resulting Company / Amalgamated Company as on the Record Date, being any date post giving effect to Clause 13 and Clause 21 of Part B and Part C of the Scheme, respectively ("Part D Record Date"), in the following ratio:

*"1 (One) new bonus fully paid-up equity share having face value of INR 2/- (Indian Rupees Two) ("Bonus Shares") for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each fully paid-up, held by a shareholder of AFL as on Part D Record Date."*

#### **PRE-SCHEME AND POST-SCHEME SHAREHOLDING PATTERN**

| S.N. | Particulars                 | Pre-Scheme number of shares | % Holding of Pre-Issue |
|------|-----------------------------|-----------------------------|------------------------|
| 1    | Promoter and Promoter Group | 3,00,000                    | 100%                   |
| 2    | Public                      | -                           | -                      |
|      | <b>Total</b>                | <b>3,00,000</b>             | <b>100%</b>            |

**Note:** There is no change in Post Scheme shareholding.

#### **DETAILS OF STATUTORY AUDITOR**

Name: VGG & Co, Chartered Accountants  
Firm Registration Number: 031985N  
Registered Office: B-225, 5<sup>th</sup> Floor, Okhla Indl. Area,  
Phase-I, New Delhi, 110020  
Phone: 011-40421836

#### **DETAILS OF MERCHANT BANKER**

Name: Fintellectual Corporate Advisors Private Limited  
Firm registration Number.: INM000012944  
Registered office: 204, Kanisha Shopping Complex  
Mayur Vihar, Phase I Extension Delhi- 110091  
Phone: 011-48016991

#### **STANDALONE FINANCIAL INFORMATION**

**Amount (Rupees in Lakhs)**

| S.N. | Particulars | As of and for the Nine months period ended December, 31, 2023 | As of and for the year ended |                           |                          |
|------|-------------|---|------------------------------|---------------------------|--------------------------|
|      |             |   | March 31, 2023 (Audited)     | March 31, 2022, (Audited) | March 31, 2021 (Audited) |
|      |             |   |                              |                           |                          |





|    |   | (Unaudited) |         |         |        |
|----|---|-------------|---------|---------|--------|
| 1  | Total income from operations (net)                      | 7978.22     | 5779.12 | 882.34  | 193.92 |
| 2  | Net Profit/(loss) before tax and extraordinary items    | 1346.86     | 1051.36 | 360.8   | 152.77 |
| 3  | Net Profit/(loss) after tax and extraordinary items (A) | 1044.88     | 821.97  | 285.24  | 117.21 |
| 4  | Equity Share Capital (Face Value of ₹10 per share) (B)  | 30.00       | 30.00   | 30.00   | 30.00  |
| 5  | Reserves and Surplus (Other Equity)                     | 3019.83     | 1974.95 | 1152.97 | 867.73 |
| 6  | Net Worth* (C)  | 3049.83     | 2004.95 | 1182.97 | 897.73 |
| 7  | Basic Earnings per Share (₹)                            | 348.29      | 273.99  | 95.08   | 39.07  |
| 8  | Diluted Earnings per Share (₹)                          | 348.29      | 273.99  | 95.08   | 39.07  |
| 9  | Return on Net Worth (%) [(A/C) x 100]                   | 34.26       | 40.99   | 24.11   | 13.05  |
| 10 | Net asset value per share (₹) [C/(B/10)]                | 1016.61     | 668.32  | 394.32  | 299.24 |

#### INTERNAL RISK FACTORS

The below mentioned Risk factors include the Risk factors for the Company:

1. Business Risk: GSPL has been incorporated with an objective to primarily carry on the Stock Broking Business. The completion of the scheme is subject to the approval of the shareholders, creditors and authorities including the NCLT. In Case the scheme does not get effected due to any approvals or otherwise, this would impact GSPL's ability to commence its business operations.

2. Compliance risk: The Stock Broking segment is subject to SEBI laws and regulations. Any failure to act in accordance with the applicable laws and regulation may expose to legal penalties, other legal actions under the respective laws.

3. IT Risk: IT systems are critical and most important to conduct the daily transaction in a stock broking company. IT interruptions and system failures could have massive adverse effect on GSPL's working.

4. Operational risk: system failures, manpower issues are major risk to slowdown or shut the companies working.

5. Strategic Risk: A strategic risk occurs when a company's business strategy is faulty or its executives fail to follow a business strategy at all. If a strategic risk occurs the company may fail to reach its goals due to strategic risks.

#### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the company and amount involved:



| Name of Entity                         | Criminal Proceedings                                | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigations | Aggregate amount involved (lakhs) |
|--|---|-----------------|-------------------------------------|---|----------------------------|-----------------------------------|
| <b>GSPL</b>                            |   |                 |                                     |   |                            |                                   |
| By GSPL                                | Nil   | NA              | Nil                                 | Nil   | Nil                        | Nil                               |
| Against GSPL                           | Nil   | 2               | Nil                                 | Nil   | Nil                        | 1.71                              |
| <b>Directors</b>                       |   |                 |                                     |   |                            |                                   |
| By the Directors of GSPL               | Nil   | NA              | Nil                                 | Nil   | Nil                        | Nil                               |
| Against the Directors of GSPL          | Nil   | 1               | Nil                                 | Nil   | Nil                        | 5.88                              |
| <b>Promoter (other than Directors)</b> |   |                 |                                     |   |                            |                                   |
| By the Promoter of GSPL                | Nil   | NA              | Nil                                 | Nil   | Nil                        | Nil                               |
| Against the Promoter of GSPL           | Nil   | Nil             | Nil                                 | Nil   | Nil                        | Nil                               |
| By the Subsidiaries                    | Not applicable as GSPL does not have any subsidiary |                 |                                     |   |                            |                                   |
| Against the Subsidiaries               |   |                 |                                     |   |                            |                                   |

**B. Brief details of top 5 material outstanding litigations against the company and amount involved:**

| S.N. | Particulars   | Litigation Under                        | Status                                  | Amount Involved (Rs. Lakhs) |
|------|---|---|---|-----------------------------|
| 1.   | Income Tax Department has issued a higher refund to Mr. Devansh Gupta, Directors and Promoter of the Company for F.Y. 2022-23, than the amount computed in the ITR. The amount of refund computed in ITR with interest u/s 244A is Rs. 18.49 lakhs and the amount received from Income Tax department is Rs. 24.37 lakhs. Therefore, Mr. Devansh Gupta needs to refund the excess | Section 143(1) of Income Tax Act, 1961. | Payment to be made by Mr. Devansh Gupta | 5.88                        |



|  |   |                                      |   |      |
|--|---|--------------------------------------|---|------|
|  | amount received i.e. Rs. 5.88 lakhs to the department.  |                                      |   |      |
| 2.   | GSPL received a demand notice for AY 2021-22 for amount of Rs. 65170/- plus interest of Rs. 14322/- due to difference in Amount as per ITR and Amount as per AIS. GSPL's ITR are in line with the amount reflecting in form 26AS. We are of the opinion that demand stands incorrect. | Section 154 of Income Tax Act, 1961. | The Company has filed a rectification for reprocessing of Return. | 0.79 |
| 3.   | Demand of Rs. 91,660/- under TDS for Q2 and Q3 of F.Y. 2023-24.   | Section 156 of Income Tax Act        | Return needs to be revised of that period                         | 0.92 |
| <b>C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in the last 5 financial years including outstanding action, if any - None</b> |   |                                      |   |      |
| <b>D. Brief details of outstanding criminal proceedings against Promoters – Not Applicable</b>   |   |                                      |   |      |
| <b>ANY OTHER IMPORTANT INFORMATION OF THE COMPANY: NIL</b>   |   |                                      |   |      |

#### **DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Disclosure Document is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Disclosure Document are true and correct.

For and on behalf of **Growth Securities Private Limited**



Name: Devansh Gupta  
 Designation: Director (DIN: 06920376)  
 Date: 13.04.2024  
 Place: New Delhi

THIS IS AN ABRIDGED PROSPECTUS PERTAINING TO THE UNLISTED COMPANY ALGOQUANT INVESTMENTS PRIVATE LIMITED WHICH IS BEING ISSUED IN COMPLIANCE WITH THE PROVISIONS OF SEBI CIRCULAR NO. SEBI/HO/CFD/SSEP/CIR/P/2022/14 DATED FEBRUARY 4, 2022 READ WITH MASTER CIRCULAR BEARING NUMBER SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023, ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) ('SEBI CIRCULARS').

THIS DISCLOSURE DOCUMENT DATED APRIL 13, 2024, ('DISCLOSURE DOCUMENT') HAS BEEN ISSUED IN CONNECTION WITH THE SCHEME OF ARRANGEMENT AMONGST GROWTH SECURITIES LIMITED ('GSPL' / 'DEMERGED COMPANY'), ALGOQUANT INVESTMENTS PRIVATE LIMITED ('AIPL' / 'AMALGAMATING COMPANY') AND ALGOQUANT FINTECH LIMITED ('AFL' / 'RESULTING COMPANY' / 'AMALGAMATED COMPANY') AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, UNDER SECTIONS 230 TO 232 AND SECTION 66 OF THE COMPANIES ACT, 2013, AND THE RULES FRAMED THEREUNDER ('COMPANIES ACT'/'ACT') ('SCHEME OF ARRANGEMENT' / 'SCHEME') FILED BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENCH AT AHMEDABAD BENCH.

This Disclosure Document contains the applicable information (as prescribed in the format for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements), 2018, pertaining to AIPL ('Company'), being an unlisted company in the Scheme.

Nothing in this Disclosure Document shall be considered as an invitation or an offer of any securities by or on behalf of GSPL or AIPL or AFL, on private placement or a public offer.

Capitalised terms not defined herein shall have same meaning as defined in the Notice.

THIS DISCLOSURE DOCUMENT CONTAINS 11 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

#### ALGOQUANT INVESTMENTS PRIVATE LIMITED

CIN: U67120GJ1983PTC136550 | Date of Incorporation: 28/02/1983

**Registered Office:** 705, Iscon Elegance, S.G Highway, Satellite, Prahlad Nagar, Ahmedabad, Gujarat, India- 380015

**Contact Person:** Mr. Dhruv Gupta

**Telephone:** +91- 9716735555

**Email:** algoquantinvest@gmail.com

**Website:** N.A.

#### NAME OF THE PROMOTERS OF THE COMPANY

1. Algoquant Financials LLP
2. Devansh Gupta (as nominee of Algoquant Financials LLP)

#### DETAILS OF THE SCHEME, LISTING AND PROCEDURE

**Details of Offer to Public** - Not applicable as AIPL is not offering any securities/equity shares and no investment by the public is being made in AIPL, pursuant to the Scheme.





**Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders** - Not Applicable as no transfer of the securities/equity shares of AIPL is proposed and no investment by the public is being made in AIPL, pursuant to the Scheme.

**Price Band, Minimum Bid Lot & Indicative Timelines** - Not applicable as AIPL is not offering any securities/equity shares and no investment by the public is being made in AIPL, pursuant to the Scheme.

**Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP** - Not applicable as AIPL is not offering any securities/equity shares and no investment by the public is being made in AIPL, pursuant to the Scheme.

#### Details of Scheme of Arrangement:

The Scheme of Arrangement between Growth Securities Private Limited ('GSPL' / 'Demerged Company'), Algoquant Investments Private Limited ('AIPL' / 'Amalgamating Company'), and Algoquant Fintech Limited ('AFL' / 'Resulting Company' / 'Amalgamated Company') and their respective shareholders and creditors, *inter-alia* provides for the demerger of the Stock Broking Business ('Demerged Undertaking' as more expressly defined in Scheme) of GSPL / Demerged Company into AFL/ Resulting Company, amalgamation of AIPL / Amalgamating Company with and into AFL / Amalgamated Company and subsequent issuance of bonus share to the equity shareholders of the Resulting company / Amalgamated Company, in accordance with the terms provided in Scheme, under Section 230 to 232 read with Section 66 and other applicable provisions of The Companies Act, 2013 ('Act'). The Scheme also provides for various other matters consequent and incidental thereto.

Rationale for the Scheme, *inter-alia*, as provided in the Scheme, is given below:

The Resulting Company / Amalgamated Company proposes to enter into this Scheme with Demerged Company and the Amalgamating Company, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.

1.1.1 The management of the respective Participating Companies are of the view that the arrangement proposed in this Scheme is, in particular, expected to have the following benefits:

- a) Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
- b) The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting/ Amalgamated Company. Amongst others, the demerger of Stock Broking Business Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement, and retention.
- c) The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.

1.1.2 The Scheme envisages demerger of the Demerged Undertaking (*as defined hereinunder*) and vesting of the same in the Resulting Company pursuant to Part B of this Scheme, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective Participating Companies believe that both the businesses (i.e., Stock Broking Business (*as defined hereinunder*) and the Remaining Undertaking (*as defined hereinunder*) will benefit from dedicated management, operations and investment strategy leading to development, expansion, and growth for maximization of stakeholder's value.





1.1.3 Amalgamation of the Amalgamating Company to Amalgamated Company pursuant to Part C of the Scheme, will lead to a simplified and streamlined holding structure and help in easing and rationalizing the compliances.

1.1.4 The management of the respective Participating Companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders, and all other stakeholders of the respective Participating Companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Participating Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

\* The above details of the Scheme have been suitably extracted from the Scheme.

#### LISTING AND PROCEDURE

Pursuant to the provisions of the Scheme, post receipt of approval of the National Company Law Tribunal ('NCLT') and upon certified copies of the sanctioned order of the NCLT approving the Scheme being filed with the Registrar of Companies, the Resulting Company / Amalgamated Company shall issue and allot equity shares to shareholders of the Demerged Company and Amalgamating Company, as per the Share Exchange Ratio set out in the Scheme. The Amalgamated Company shall be making the necessary application for listing of the equity shares allotted pursuant to the Scheme. The equity shares are proposed to be listed on BSE Limited. No further steps or actions would be required to be undertaken by the shareholders of the Demerged Company and Amalgamating Company to be entitled to receive equity shares of the Resulting Company / Amalgamated Company.

The procedure with respect to public issue/ offer would not be applicable to **AIPL** as **AIPL** is an unlisted company and is not offering any of its securities/equity shares to the public under the Scheme. Further, the allotment of equity shares of **AFL** under the Scheme is limited to the shareholders of **GSPL** and **AIPL**. Hence, the procedure with respect to a General Information Document ('GID') is not applicable.

#### **ELIGIBILITY FOR THE ISSUE**

This Disclosure Document is prepared in compliance with the observation letter issued by the BSE Limited ('BSE') dated October 17, 2023 and SEBI Circulars and contains the applicable information in the format for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

The equity shares sought to be listed are proposed to be allotted by the Resulting Company / Amalgamated Company to the shareholders of the Demerged Company and Amalgamating Company pursuant to the Scheme to be sanctioned by NCLT under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the SEBI Circulars and subject to and in accordance with the terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the regulations 26(1) or 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR)') are not applicable.

This document does not constitute an offer to public at large. There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations, are not applicable

#### **INDICATIVE TIMETABLE**

This Document should not be deemed to be an offer to the public. The Scheme requires approval of the National Company Law Tribunal, Ahmedabad Bench ('NCLT') and no exact time frame can be given when the Scheme will become effective. However, the Appointed Date for the Scheme is April 01, 2023 or such other date as may be approved by the NCLT.

#### **GENERAL RISKS**



For taking any investment decision, investors must rely on their own examination of GSPL, AIPL & AFL and the Scheme, including the risks involved. The allotment of equity shares of AFL under the Scheme is limited to the shareholders of GSPL and AIPL. The Equity Shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Disclosure Documents. Specific attention of the investors is invited to the section titled 'Details of Scheme, Listing and Procedure' at page 01 - 03 and section titled 'Internal Risk Factors' at page 09 of this Disclosure Document.

#### PRICE INFORMATION OF BRLM's

Not Applicable

#### PROMOTERS OF THE COMPANY

| S.N. | Name   | Individual/Corporate | Experience & Educational Qualification   |
|------|--|----------------------|--|
| 1    | Algoquant Financials LLP                               | Corporate            | <b>Experience:</b><br>Algoquant Financials LLP is a LLP incorporated on April 20, 2018, in India under the provisions of the Limited Liabilities Partnership Act, 2008. Its registered office is situated at 705, Iscon Elegance, S.G. Highway, Satellite, Azad Society, Ahmedabad, Ahmedabad City, Gujarat, India, 380015. It is registered with the Registrar of Companies Ahmedabad bearing LLPIN AAM-4604. AIPL is engaged in the business of trading in Securities and Derivatives. |
| 2    | Devansh Gupta (as nominee of Algoquant Financials LLP) | Individual           | <ul style="list-style-type: none"> <li>➤ He has 8+ years' experience in managing business and trading operations and at the firm.</li> <li>➤ He has a keen interest in high end hardware and network optimization. He leads the firms' effort to on-board trading groups and expand the business to new geographies.</li> <li>➤ He is a graduate in Commerce from Delhi University</li> </ul>  |

\*In case of corporate promoter give brief overview of the company.

#### BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

##### Company Overview:

**ALGOQUANT INVESTMENTS PRIVATE LIMITED** is a Private limited company incorporated on **28/02/1983** with Corporate Identification Number- **U67120GJ1983PTC136550** having its registered office at **705, Iscon Elegance, S.G Highway, Satellite, Prahlad Nagar, Ahmedabad, Gujarat, India, 380015.**

AIPL is engaged in undertaking investments in securities of group Companies.

**Product/Service Offering:** Investment and other Financial Services

**Revenue segmentation by product/service offering:** The primary source of revenue for AIPL is other income by way of receipt of interest from deposits.



| <b>Geographies Served:</b> India  |                 |   |   |   |
|---|-----------------|---|---|---|
| <b>Revenue segmentation by geographies:</b> Company is currently operating only in India. |                 |   |   |   |
| <b>Key Performance Indicators:</b> NA   |                 |   |   |   |
| <b>Client Profile or Industries Served:</b> Securities Market                             |                 |   |   |   |
| <b>Revenue segmentation in terms of top 5/10 clients or Industries:</b> No Clients        |                 |   |   |   |
| <b>Intellectual Property, if any:</b> Nil   |                 |   |   |   |
| <b>Market Share:</b> N.A.   |                 |   |   |   |
| <b>Manufacturing Plant, if any:</b> N.A.  |                 |   |   |   |
| <b>Employee Strength:</b> 0   |                 |   |   |   |
| BOARD OF DIRECTORS  |                 |   |   |   |
| S.N.  | Name            | Designation<br>(Independent /<br>Wholtime / Executive /<br>Nominee) | Experience &<br>Educational<br>Qualification  | Other Directorships and Ventures  |
| 1.  | Mr. Dhruv Gupta | Director  | <p>➤ He has 9+ years' experience managing risk and technology at the firm. He is also involved in seed funding of tech-focused early-stage start-up.</p> <p>➤ He has completed his graduation in Arts (Honours Course) from Delhi University.</p> | <p><b><u>Indian Companies:</u></b></p> <ol style="list-style-type: none"> <li>1. Vardan Securities Private Limited</li> <li>2. Algoquant Fintech Limited</li> <li>3. Algoquant Investments Private Limited</li> <li>4. Devansh Real Estate Private Limited</li> <li>5. S3craft Technologies Private Limited</li> <li>6. Growth PI Venture Private Limited</li> <li>7. Sigmaquant Technologies Private Limited</li> <li>8. Algoquant Infraprop Private Limited</li> <li>9. Algoquant Properties Private Limited</li> <li>10. Growth Global Securities (IFSC) Private Limited</li> </ol> <p><b>Foreign Companies:</b> Algoquant Pte. Ltd.</p> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>1. Algoquant Global Finserv (IFSC) LLP</li> <li>2. Mercury Research LLP</li> <li>3. Algoquant LLP</li> <li>4. Dhruv Devansh Investment and Finance LLP</li> </ol> |



|    |                   |          |  |  |
|----|-------------------|----------|--|--|
|    |                   |          |  | 5. Algoquant Financials LLP<br>6. Nirmal Buildwell Real Estate LLP   |
| 2. | Mr. Devansh Gupta | Director | <p>➤ He has 8+ years' experience in managing business and trading operations and at the firm.</p> <p>➤ He has a keen interest in high end hardware and network optimization. He leads the firms' effort to on-board trading groups and expand the business to new geographies.</p> <p>➤ He is a graduate in Commerce from Delhi University</p> | <p><b><u>Indian Companies:</u></b></p> <ol style="list-style-type: none"> <li>1. Vardan Securities Private Limited</li> <li>2. Algoquant Fintech Limited</li> <li>3. Algoquant Investments Private Limited</li> <li>4. Growth PI Venture Private Limited</li> <li>5. Devansh Real Estate Private Limited</li> <li>6. Algoquant Infraprop Private Limited</li> <li>7. Growth Global Securities (IFSC) Private Limited</li> <li>8. Algoquant Properties Private Limited</li> </ol> <p><b>Foreign Companies:</b> <i>Algoquant Pte. Ltd.</i></p> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>1. Algoquant Global Finserv (IFSC) LLP</li> <li>2. Aafien Research LLP</li> <li>3. Thinkbot Technologies LLP</li> <li>4. Mercury Research LLP</li> <li>5. Ogha Research LLP</li> <li>6. Algoquant LLP</li> <li>7. Algoquant Tech LLP</li> <li>8. Dhruv Devansh Investment and Finance LLP</li> <li>9. Algoquant Financials LLP</li> <li>10. Nirmal Buildwell Real Estate LLP</li> </ol> |

#### OBJECT OF THE ISSUE/ PROPOSED SCHEME

**Details of means of finance, Name of monitoring agency etc.** - Not applicable as AIPL is not offering securities/equity shares through an initial public offer to the public at large, pursuant to the Scheme.

**Brief particulars of the Scheme are as follows:**

- (i) Demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with and into the Resulting Company in accordance with Part B of this Scheme.



- (ii) Amalgamation of the Amalgamating Company into and with Amalgamated Company Reduction in Share Capital of the Amalgamated Company and Dissolution of Amalgamating Company in accordance with Part C of this Scheme.
- (iii) Reorganisation of Equity Share Capital of the Resulting Company / Amalgamated Company in accordance with Part D of this Scheme
- (iv) Change in Authorized Share Capital of the Resulting Company / Amalgamated Company, giving effect to Part B, Part C and Part D of this Scheme, in accordance with Part E of this Scheme.

Discharge of Consideration:

- a. The Resulting Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Demerged Company as on the Part B Record Date ('**Part B New Equity Shares**'), whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Demerged Company:

*"727 (Seven Hundred Twenty-Seven) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up."*

- b. The Amalgamated Company shall issue and allot, its equity shares having face value of INR 2 each to the shareholders of the Amalgamating Company as on the Part C Record Date ('**Part C New Equity Shares**'), whose names appear in the Register of Members (or records of the registrar and transfer agent) of the Amalgamating Company:

*"8278 (Eight Thousand Two Hundred Seventy-Eight) equity shares of AFL of INR 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares AIPL of INR 100.00/- each, fully paid-up."*

Issuance of Bonus Equity Shares:

Upon Part B and Part C of the Scheme becoming operative on the Effective Date, the Resulting Company / Amalgamated Company shall issue and allot by way of bonus, to each equity shareholder whose name is recorded in the Registrar of Members of the Resulting Company / Amalgamated Company and/or the records of the depository(ies) as equity shareholder of Resulting Company / Amalgamated Company as on the Record Date, being any date post giving effect to Clause 13 and Clause 21 of Part B and Part C of the Scheme, respectively ("Part D Record Date"), in the following ratio:

*"1 (One) new bonus fully paid-up equity share having face value of INR 2/- (Indian Rupees Two) ("Bonus Shares") for every 2 (Two) equity shares of AFL having face value of INR 2/- (Indian Rupees Two) each fully paid-up, held by a shareholder of AFL as on Part D Record Date."*

**PRE-SCHEME AND POST-SCHEME SHAREHOLDING PATTERN**

| S.N. | Particulars                 | Pre-Scheme number of shares | % Holding of Pre-Issue |
|------|-----------------------------|-----------------------------|------------------------|
| 1    | Promoter and Promoter Group | 52,746                      | 100%                   |
| 2    | Public                      | -                           | -                      |
|      | <b>Total</b>                | <b>52,746</b>               | <b>100</b>             |

**Note:** post Scheme the Company shall stand dissolved without being liquidated or wound-up.

**DETAILS OF STATUTORY AUDITOR**

**DETAILS OF MERCHANT BANKER**





Name: O P BAGLA & CO LLP  
 Firm Registration Number: 000018N/N500091  
 Registered Office: B-225, 5<sup>th</sup> Floor, Okhla Indl. Area,  
 Phase-I, New Delhi- 110020  
 Phone: 011-47011850

Name: Fintellectual Corporate Advisors Private Limited  
 Firm registration Number.: INM000012944  
 Registered office: 204, Kanisha Shopping Complex  
 Mayur Vihar, Phase I Extension Delhi- 110091  
 Phone: 011-48016991

### STANDALONE FINANCIAL INFORMATION

Amount (Rupees in Lakh)

| S.N. | Particulars   | As of and for the<br>Nine months period<br>ended December 31,<br>2023<br>(Unaudited) | As of and for the year ended   |                                |                                |
|------|---|--|--------------------------------|--------------------------------|--------------------------------|
|      |   |  | March 31,<br>2023<br>(Audited) | March 31,<br>2022<br>(Audited) | March 31,<br>2021<br>(Audited) |
| 1    | Total income from operations (net)                      | 128.78   | 6.55                           | 8.83                           | 11.77                          |
| 2    | Net Profit/(loss) before tax and extraordinary items    | 41.97  | 3.48                           | 0.46                           | 10.51                          |
| 3    | Net Profit/(loss) after tax and extraordinary items (A) | 31.48  | 2.36                           | 0.30                           | 7.76                           |
| 4    | Equity Share Capital (Face Value of ₹100 per share) (B) | 52.75  | 52.75                          | 52.75                          | 52.75                          |
| 5    | Reserves and Surplus (Other Equity)                     | 317.73   | 286.25                         | 283.88                         | 283.58                         |
| 6    | Net Worth* (C)  | 370.47   | 339.00                         | 336.63                         | 336.63                         |
| 7    | Basic and Diluted Earnings per Share (₹)                | 6.00   | 4.48                           | 0.57                           | 14.71                          |
| 9    | Return on Net Worth (%) [(A/C) x 100]                   | 8.49   | 0.70                           | 0.09                           | 2.31                           |
| 10   | Net asset value per share (₹) [C/(B/100)]               | 702.36   | 642.65                         | 638.16                         | 638.16                         |

### CONSOLIDATED FINANCIAL INFORMATION

Amount (Rupees in lakhs)

| S.N. | Particulars  | As of and for the nine<br>months period ended<br>December 31, 2023<br>(Unaudited) | As of and for the year ended |                                |                                |
|------|--|---|------------------------------|--------------------------------|--------------------------------|
|      |  |   | March 31, 2023<br>(Audited)  | March 31,<br>2022<br>(Audited) | March 31,<br>2021<br>(Audited) |
| 1    | Total income from operations (net)                   | 4463.46   | 1371.01                      | 1711.42                        | 532.80                         |
| 2    | Net Profit/(loss) before tax and extraordinary items | 644.26  | (645.41)                     | 343.18                         | 225.91                         |
| 3    | Net Profit/(loss)                                    | 535.65  | (290.73)                     | 343.18                         | 380.73                         |



|    |   |         |          |         |         |
|----|---|---------|----------|---------|---------|
|    | after tax and extraordinary items (A)                   |         |          |         |         |
| 4  | Equity Share Capital (Face Value of ₹100 per share) (B) | 52.75   | 52.75    | 52.75   | 52.75   |
| 5  | Reserves and Surplus (Other Equity)                     | 2235.79 | 1933.54  | 1892.45 | 1195    |
| 6  | Net Worth* (C)  | 4198.49 | 3645.52  | 3568.58 | 2225.56 |
| 7  | Basic and Diluted Earnings per Share (₹)                |         |          | 337.81  | 380.41  |
|    | From continuing operation                               | 542.03  | (334.19) | 18.78   | --      |
|    | From discontinuing operations                           | 14.77   | (48.01)  |         |         |
| 9  | Return on Net Worth (%) [(A/C) x 100]                   | 12.76   | (9.31)   | 9.62    | 17.11   |
| 10 | Net asset value per share (₹) [C/(B/100)]               | 7959.83 | 6910.96  | 6765.08 | 4219.07 |

#### INTERNAL RISK FACTORS

The below mentioned Risk factors include the Risk factors for the Company:

The Company is not an active investor in equity market; it continues to hold certain investments in its subsidiary Company which are accordingly measured at cost. Hence, do not have any specific internal risk factors Although some of the other General Risk factors are as follows:

1. Business Risk: AIPL has been incorporated with an objective to make investments in equity market. The completion of the scheme is subject to the approval of the shareholders, creditors and authorities including the NCLT. In Case the scheme does not get effected due to any approvals or otherwise, this would impact AIPL's ability to commence its business operations.

2. Compliance risk: This business segment is subject to SEBI laws and regulations. Any failure to act in accordance with the applicable laws and regulation may expose to legal penalties, other legal actions under the respective laws.

3. IT Risk: IT systems are critical and most important to conduct the daily transaction in this equity investment business. IT interruptions and system failures could have massive adverse effect on companies working.

4. Operational risk: system failures, manpower issues are major risk to slowdown or shut the companies working.



5. Strategic Risk: A strategic risk occurs when a company's business strategy is faulty or its executives fail to follow a business strategy at all. If a strategic risk occurs the company may fail to reach its goals due to strategic risks.

### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

#### A. Total number of outstanding litigations against the company and amount involved:

| Name of Entity                         | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigations | Aggregate amount involved lakhs) |
|--|----------------------|-----------------|-------------------------------------|---|----------------------------|----------------------------------|
| <b>AIPL</b>                            |                      |                 |                                     |   |                            |                                  |
| By AIPL                                | Nil                  | NA              | Nil                                 | Nil   | Nil                        | Nil                              |
| Against AIPL                           | Nil                  | 2               | Nil                                 | Nil   | Nil                        | 1.71                             |
| <b>Directors</b>                       |                      |                 |                                     |   |                            |                                  |
| By the Directors of AIPL               | Nil                  | NA              | Nil                                 | Nil   | Nil                        | Nil                              |
| Against the Directors of AIPL          | Nil                  | 1               | Nil                                 | Nil   | Nil                        | 5.88                             |
| <b>Promoter (other than Directors)</b> |                      |                 |                                     |   |                            |                                  |
| By the Promoter of AIPL                | Nil                  | NA              | Nil                                 | Nil   | Nil                        | Nil                              |
| Against the Promoter of AIPL           | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                              |
| By the holding company                 | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                              |
| Against the holding company            | Nil                  | Nil             | Nil                                 | Nil   | Nil                        | Nil                              |

#### B. Brief details of top 5 material outstanding litigations against the company and amount involved:

| S.N. | Particulars  | Litigation Under                        | Status                                  | Amount Involved (Rs. Lakhs) |
|------|--|---|---|-----------------------------|
| 1.   | Income Tax Department has issued a higher refund to Mr. Devansh Gupta, Directors of the Company, for F.Y. 2022-23, than the amount computed in the ITR. The amount of refund computed in ITR with interest u/s 244A is Rs. 18.49 lakhs and the amount received from Income Tax department is Rs. 24.37 lakhs. Therefore, Mr. Devansh Gupta needs to refund the excess amount received i.e. Rs. 5.88 lakhs to the department. | Section 143(1) of Income Tax Act, 1961. | Payment to be made by Mr. Devansh Gupta | 5.88                        |



**C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in the last 5 financial years including outstanding action, if any - None**

**D. Brief details of outstanding criminal proceedings against Promoters – Not Applicable**

**ANY OTHER IMPORTANT INFORMATION OF THE COMPANY: NIL**

#### **DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Disclosure Document is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Disclosure Document are true and correct.

For and on behalf of **Algoquant Investments Private Limited**



**Name: Devansh Gupta**

**Designation: Director**

**Date: 12.04.2024**

**Place: New Delhi**

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AHMEDABAD**  
**COURT - 2**

ITEM No.309  
**C.A.(CAA)/70(AHM)2023**

**Order under SectionS 230-232 of Co. Act, 2013**

**IN THE MATTER OF:**

Growth Securities Pvt Ltd.  
(De-Merged Co.)  
Algoquant Investments Pvt Ltd.  
(Transferor Co.)  
Algoquant Fintech Ltd.  
(Resulting/ Transferee Co.)

**.....Applicants**

**Order delivered on: 04/04/2024**

**Coram:**

**Mrs. Chitra Hankare, Hon'ble Member(J)**  
**Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)**

**ORDER**

The case is fixed for pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

Sd/-

**DR. V. G. VENKATA CHALAPATHY**  
**MEMBER (TECHNICAL)**

Sd/-

**CHITRA HANKARE**  
**MEMBER (JUDICIAL)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD  
DIVISION BENCH  
COURT-2**

**CA(CAA)/70(AHM)2023**

[Application under Sections 230-232 and read with Section 66 and other applicable sections and provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016].

Scheme of Arrangement

Between

Growth Securities Private Limited  
(Applicant Company No.1/De-Merged Company)

And

Algoquant Investments Private Limited  
(Applicant Company No.2/Transferor Company)

And

Algoquant Fintech Limited  
(Applicant Company No.3/Resulting Company/  
Transferee Company)

And

Their Respective Shareholders and Creditors

**Order Pronounced on 04.04.2024**

**Coram:**

**Mrs. Chitra Hankare, Member(J)**

**Dr. Velamur G Venkata Chalapathy, Member(T)**

### **Memo of Parties**

**Growth Securities Private Limited**

(CIN: U74899GJ1996PTC119714)

A Private Limited Company incorporated under the provisions of Companies Act, 1956 Having its Registered Office at: Unit No. 503 A-B, 504 A-B, 5<sup>th</sup> Floor, Tower A WTC, Block No. 51, Road 5E, Zone-5 GIFT City, Gandhinagar-382 355

... Applicant Company No.1/  
De-Merged Company

**Algoquant Investments Private Limited**

(CIN: U67120GJ1983PTC136550)

A Private Limited Company incorporated under the provisions of Companies Act, 1956 Having its Registered Office at: Unit No. 705, ISCON Elegance, S.G. Highway, Satellite, Prahaladnagar, Ahmedabad-380 015

.... Applicant Company No.2/  
Transferor Company

**Algoquant Fintech Limited**

(CIN: L74110GJ1962PLC136701)

A Public Limited Company incorporated under the provisions of Companies Act, 1956 Having its Registered Office at: Unit No. 705, 7<sup>th</sup> Floor of ISCON Elegance developed at Plot No. 24, Prahaladnagar, Ahmedabad-380 015

....Applicant Company No.3/  
Resulting Company/  
Transferee Company

**Appearance:**

For Applicants: Ms. Vaibhavi Parikh, Advocate.

**JUDGMENT**

1. This is a joint Company Application viz., CA(CAA)/70(AHM)/2023 filed by three Applicant Companies, namely Growth Securities Private Limited (Demerged Company), Algoquant Investments Private Limited (Transferor Company) and Algoquant Fintech Limited (Resulting Company/Transferee Company) under Sections 230-232 and read with Section 66 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Arrangement (hereinafter referred to as the “Scheme”) proposed by the Applicant Companies.
2. The Appointed Date as specified in the Scheme is 01.04.2023. This application is filed on 19.12.2023.
3. It is represented that the registered offices of all the Applicant Companies are situated within the territorial jurisdiction of Registrar of Companies, Ahmedabad, Gujarat, which is falling under the jurisdiction of this Tribunal.
4. The Board of Directors of all the Applicant Companies have approved the Scheme of Arrangement through Board Resolutions dated 10.03.2023 passed in their respective Board Meetings. Affidavits in support of the above application were sworn by Mr. Himanjal Jagdishchandra Brahmbhatt, on behalf

of Demerged Company, Mr. Dhruv Gupta on behalf of Transferor Company and Mr. Devansh Gupta on behalf of Resulting Company/Transferee Company. The above-named authorised representatives for the Applicant Companies have been authorised vide Board Resolutions dated 10.03.2023 of the Applicant Companies.

5. It is submitted that the Scheme of Arrangement involves Demerger of Stock Broking Business undertaking of the Demerged Company i.e. Growth Securities Pvt. Ltd. into the Resulting Company i.e. Algoquant Fintech Ltd, Amalgamation/Merger of Transferor Company i.e. Algoquant Investments Pvt. Ltd. into Transferee Company/Resulting Company i.e. Algoquant Fintech Ltd, reorganisation of equity share capital and change in authorized share capital of the Resulting Company.

6. **Growth Securities Private Limited/Demerged Company**

- (i) From the certificate of incorporation filed, it is evident that the Applicant Company No.1/Demerged Company is a private limited company incorporated under the provisions of the Companies Act, 1956 on 19.07.1996 and its registered office is situated in Gandhinagar in the State of Gujarat. It is engaged in the business of stock broking wherein it operates as stock broker having trading membership of National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE"), and Multi Commodity Exchange of India Limited ("MCX") Self-Clearing Membership of NSE Clearing Limited ("NCL") and Clearing/ Self Clearing Membership of Indian Clearing Corporation Limited ("ICCL"), Depository

Participant with Central Depository Services Limited ("CDSL"), Mutual Fund Distributor registered with Association of Mutual Funds in India, and also acts as a service provider and offers an IT enabled trading portal/platform to its clients (collectively referred to as "Stock Broking Business"). Apart from Broking Business, it earns rental income from the leasing of surplus (which is in excess of Demerged Company's own requirements) immovable property owned by it, which is not part of its Stock Broking Business ("Remaining Undertaking"). Presently, entire 100% shareholding in the Demerged Company is held by Individual Promoters (hereinafter referred to as "Promoters").

- (ii) The details of share capital as on 30.09.2023 is as under:

| <b>Authorised Share Capital</b>              | <b>Amount in INR</b> |
|--|----------------------|
| 10,00,000 Equity Shares of Rs. 10/- each     | 1,00,00,000          |
| Total  | 1,00,00,000          |
| Issued, Subscribed and Paid-Up Share Capital | Amount in INR        |
| 3,00,000 Equity Shares of Rs. 10/- each      | 30,00,000            |
| Total  | 30,00,000            |

- (iii) There are 2 (two) equity shareholders and both the equity shareholders have given their consent affidavits. The Chartered Accountant has certified the number and value of the equity shareholders.



- (iv) There are 2 (two) secured creditors having total outstanding amount of Rs.15,28,32,458/- as on 30.09.2023 and both the secured creditors have given their consent. The Chartered Accountant has certified the number and value of the secured creditors.
- (v) There are 193 (one hundred ninety three) unsecured creditors having total outstanding amount of Rs.14,23,61,872/- as on 30.09.2023. The Chartered Accountant has certified the number and value of the unsecured creditors.

Applicant Company No.1/Demerged Company is seeking dispensation of meetings of its equity shareholders and secured creditors as well as seeking directions for holding and convening meeting of its unsecured creditors through Video Conferencing (VC) / Other Audio-Visual Means (OVAM) with the facility of remote e-voting.

7. **Algoquant Investments Private Limited/Transferor Company**

- (i) From the certificate of incorporation filed, it is evident that the Applicant Company No.2/Transferor Company is a Private Company incorporated under the provisions of Companies Act, 1956 on 28.02.1983. Presently, its registered office is situated at Ahmedabad, in the State of Gujarat. It is engaged in undertaking investments in securities of group companies (not being banking or insurance business in contravention of Banking

Regulations Act 1949 or Insurance Act, 1938). It is the holding company of Transferee Company (Amalgamated) and qualifies as a shareholder under promoter and promoter group and holds 51.92% shareholding of the Transferee Company. Presently, 100% shareholding in the Transferor Company is held by Algoquant Financials LLP, (and only 1 share is held by Mr. Devansh Gupta as a nominee of Algoquant Financials LLP in order to fulfil the statutory requirement) which in turn is held by the Promoters.

- (ii) The details of share capital as on 30.09.2023 is as under:

| <b>Authorised Share Capital</b>              | <b>Amount in INR</b> |
|--|----------------------|
| 1,00,000 Equity Shares of Rs. 100/- each     | 1,00,00,000          |
| Total  | 1,00,00,000          |
| Issued, Subscribed and Paid-Up Share Capital | Amount in INR        |
| 52,746 Equity Shares of Rs. 100/- each       | 52,74,600            |
| Total  | 52,74,600            |

- (iii) There are 2 (two) equity shareholders and both the equity shareholders have given their consent affidavits. The Chartered Accountant has certified the number and value of the equity shareholders.
- (iv) There are no secured creditors. The Chartered Accountant has certified that there are no secured creditors as on 30.09.2023.
- (v) There are 6 (six) unsecured creditors as on 30.09.2023 having total outstanding amount of Rs.3,36,15,220/-. The

unsecured creditors representing 83.33% in number and 98.69% in value have given their consent in affidavits.

Applicant Company No.2/Transferor Company is seeking dispensation of meetings of its equity shareholders and unsecured creditors.

8. **Algoquant Fintech Limited/Resulting-Transferee Company**

- (i) From the certificate of incorporation filed, it is evident that the Resulting/Transferee Company is a Public Limited Company and incorporated under the Companies Act, 1956 on 25.01.1962. Its registered office is presently situated in the State of Gujarat. Presently, it is engaged in the business of trading in financial instruments using various trading algorithms. Its equity shares are listed on the BSE Ltd. It is a subsidiary of Transferor Company.
- (ii) The details of share capital as on 30.09.2023 is as under:-

| <b>Authorised Share Capital</b>                                  | <b>Amount in INR</b> |
|--|----------------------|
| 1,15,00,000 Equity Shares of Rs. 2/- each                        | 2,30,00,000          |
| 20,000 Redeemable Cumulative Preference Shares of Rs. 100/- each | 20,00,000            |
| Total  | 2,50,00,000          |
| Issued, Subscribed and Paid-Up Share Capital                     | Amount in INR        |
| 80,36,000 Equity Shares of Rs. 2/- each                          | 1,60,72,000          |
| Total  | 1,60,72,000          |

- (iii) There are 2,232 (two thousand two hundred thirty two) equity shareholders. The Chartered Accountant has certified the number and value of the equity shareholders.
- (iv) There are 2 (two) secured creditors having total outstanding amount of Rs.3,10,45,272/-as on 30.09.2023 and both the secured creditors have given their consent. The Chartered Accountant has certified the number and value of the secured creditors.
- (v) There are 127 (one hundred twenty seven) unsecured creditors having total outstanding amount of Rs.24,74,86,109/- as on 30.09.2023. The Chartered Accountant has certified the number and value of the unsecured creditors.

Applicant Company No.3/Resulting Company-Transferee Company is seeking dispensation of meeting of its secured creditors as well as seeking directions for holding and convening meetings of its equity shareholders and unsecured creditors through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) with the facility of remote e-voting.

- 9. The Statutory Auditors of the applicant companies have certified that the Accounting Treatment proposed in terms of clauses 14,15 and 24 of the Scheme is in conformity with the applicable accounting standards.
- 10. The Applicant Companies have placed on record the proposed Fair Share Entitlement Ratio/Valuation Report dated

09.03.2023 issued by Mr. Manish Manwani, Registered Valuer, (Regn No. IBBI/RV/03/2021/14113).

11. It is submitted that there are no proceedings/investigation pending against the applicant companies under Sections 210-217, 219, 220, 223 to 227 of the Companies Act 2013 and / or Sections 235 to 251 of the Companies Act, 1956. It is further submitted that there is no winding up petition pending against the applicant companies.
12. The applicant companies have placed on record in their board meetings the Observation Letter dated 17.10.2023 of Bombay Stock Exchange (BSE).
13. It is further submitted that it not necessary to send notice to SEBI, Reserve Bank of India and the Competition Commission of India or any other sectoral authorities.
14. Heard Ld. Counsel for the applicant companies and also perused the joint company application and the documents annexed therewith including observation letter of BSE dated Oct 17, 2023. It is observed that SEBI vide its letter dated Oct 16, 2023 has given certain comments on the draft scheme of amalgamation proposed. The applicant companies have not stated in the application that the same has been complied and has been placed before its board on submitting this application.
15. Applicant Company No.1/Demerged Company is seeking dispensation of meeting of its Secured Creditors. On perusal of the record, it is observed that one of the secured creditors, i.e.



Kotak Mahindra Prime Ltd., has given consent affidavit but there is no board resolution/authority letter/power of attorney is produced on record along with the consent affidavit. Applicant Company No.3/Resulting Company/Transferee Company is also seeking dispensation of meeting of its secured creditors. It is observed that one of the secured creditors, i.e. Axis Securities Ltd., has given consent in affidavit but there is no board resolution/authority letter/power of attorney is produced on record along with the consent affidavit. Further another secured creditor, i.e. Axis Bank Ltd., has given No Objection Certificate (NOC) to the Scheme. That NOC is not by way of proper affidavit. In view of the same, dispensation sought for not conducting the meetings of the secured creditors are not allowed for Applicant No.1 (Demerged company) and the Applicant No.3 (Resulting / Transferee / Amalgamated Company) and it is directed to convene the same for approval of the scheme. The Applicant No.2 (Transferor Company) is also directed to convene the meeting of all unsecured creditors for approval of the scheme.

16. Taking into consideration, the company application and the documents filed therewith as well as the position of law, this Tribunal propose to issue the following order:-

**ORDER**

- i. Company Application, i.e. CA(CAA)70/(AHM)/2023, is allowed subject to compliance of the directions issued hereunder:

- ii. Applicant Company No.3 (Resulting Company / Transferee Company) is directed to file compliance affidavit in respect of the observation of BSE & SEBI issued vide letter/s dated Oct 17 2023 (Observation Letter) and Oct 16, 2023 duly approved by its board within 15 days of this order and before convening the meetings.
- iii. **Applicant Company No.1/ Growth Securities Private Limited/Demerged Company**
- a) Meeting of Equity Shareholders is hereby dispensed with in view of their consent affidavits.
  - b) Applicant Company No.1 is directed to convene and hold separate meetings of its Secured Creditors and Unsecured creditors through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM) on any convenient date but within 45 days, from the date of this order.
- iv. **Applicant Company No.2/Algoquant Investments Private Limited/ Transferor Company**
- a) Meeting of Equity Shareholders is hereby dispensed with in view of their consent affidavits.
  - b) Since there are no secured creditors, the question of holding meeting of secured creditors does not arise.
  - c) Applicant Company No.2 is directed to convene and hold meeting of its unsecured creditors

through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM) on any convenient date but within 45 days, from the date of this order.

v. **Applicant Company No.3/Algoquant Fintech Limited/ Resulting Company/Transferee Company**

a) Applicant Company No.3 is directed to convene and hold separate meetings of equity shareholders, secured creditors and unsecured creditors through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM) within 45 days, any convenient date, from the date of this order.

vi. The quorum for the meetings of shareholders, secured creditors and unsecured creditors will be determined by the Chairman in such a manner that members/creditors present in the meetings represent at least 25% in number and 50% in value as a whole of the class of members/creditors) respectively as the case may be.

In case the quorum is not present within half an hour from the time appointed for holding the meetings, then the Chairman shall adjourn the meetings to the same day in the next week at the same time and place. The intimation about the adjourned meetings should be given to each member/creditor as the case may be through e-mail or by any other mode. If the quorum is

still not present on such adjourned date, then the Chairman may furnish a report to that effect to NCLT within seven days thereafter.

- vii. In light of the MCA Circulars, it is directed that the voting by the secured creditors, equity shareholders and unsecured creditors shall be carried out through remote e-voting and e-voting during the time of the VC/OAVM convened meetings;
- viii. At least 1 (one) month before VC/OAVM meetings, advertisements about convening of the aforesaid meetings, indicating the day, the date and time, shall be published in English Daily, 'The Indian Express' (All editions) in English language and Gujarati translation thereof in 'Divya Bhaskar' (All editions). The publication shall indicate the time within which the copies of the Scheme shall be made available to the concerned persons free of charge from the registered office of the concerned Applicant Companies. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act read with Sections 230-232 of the Act can be obtained free of charge at the registered office of the concerned Applicant Companies in accordance with second proviso to sub-section (3) of Section 230 of the Act and Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (hereinafter referred to as the "Rules").

- ix. At least one month before the date of the aforesaid meetings, respective notices convening the said meetings, indicating the day, the date and time aforesaid, together with a copy of the Scheme, a copy of the statement required to be furnished pursuant to Section 102 of the Act read with the provisions of Sections 230-232 of the Act and Rule 6 of the Rules, shall be sent to each of the secured creditors and unsecured creditors of the Demerged Company, unsecured creditors of the Transferor Company and the equity shareholders, secured creditors and unsecured creditors Resulting Company/Transferee Company at their respective registered or last known addresses either by Registered Post or Speed Post or by Courier or e-mail or through hand delivery. The notices shall be sent to the secured creditors and unsecured creditors of the Demerged Company, unsecured creditors of the Transferor Company and the equity shareholders, secured creditors and unsecured creditors Resulting Company/Transferee Company with reference to the list of the persons appearing on their record as on 19.12.2023.
- x. Mr. Indrajeet Singh, Practicing Advocate, Bar Council Reg. No.D/2620/2009 is appointed as the Chairman and in his absence Mr.Afnaan Siddiqui, Practicing Advocate, Bar Council Reg. No. D/2139/2018, is appointed as the Chairman of the aforesaid meetings including for any adjournment or adjournments thereof;



- xi. Mr. Sachin Khurana, Practicing Company Secretary, Membership No.F10098 is appointed as the scrutinizer of the aforesaid meetings.
- xii. The Chairman appointed for the aforesaid meetings shall issue the advertisements and send out the notices of the meetings referred to above. The Chairman is free to avail the services of the applicant companies or any agency for carrying out the aforesaid directions. The Chairman of the meetings shall have all powers under the Articles of Association of the applicant companies and also under the Rules in relation to conduct of meetings, including for deciding any procedural questions that may arise at the meetings or at adjournment or adjournments thereof proposed at the said meetings, amendments to the aforesaid Scheme or resolution, if any, proposed at the aforesaid meetings by any person(s) and also procedural questions in respect of proposed amendment(s) to the aforesaid Scheme or resolution, if any, and to ascertain the outcome of the meetings of secured creditors and unsecured creditors of the Demerged Company, unsecured creditors of the Transferor Company and equity shareholders, secured and unsecured creditors of the Resulting Company/ Transferee Company by poll i.e remote e-voting and e-voting during the VC/OAVM meetings;]
- xiii. Remote e-voting and e-voting at the VC/OAVM meetings by the Authorised Representative shall be permitted provided that the resolution/authorization, etc.

authorizing its representative to attend the respective meetings is duly signed by the person entitled to attend and vote at the respective meetings and the same is sent to the concerned applicant companies through electronic mode. Since the meetings would be held through VC/OAVM, the facility for appointment of proxies will not be available;

- xiv. The number and value of the debts of the secured creditors and unsecured creditors and the number and value of the equity shares of the equity shareholders, shall be in accordance with the records or registers of the concerned applicant companies and where the entries in the records or registers are disputed, the Chairman of the aforesaid meetings shall determine the number or value, as the case may be, for purposes of the meetings and his decision in that behalf shall be final;
- xv. Chairman to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings of the concerned applicant companies and report to this Tribunal that the directions regarding the issue of notices and the advertisement of the meetings, have been duly complied with as per Rule 12 of the Rules;
- xvi. It is further ordered that the Chairman shall report to this Tribunal on the result of the said meetings in Form No. CAA.4, verified by his affidavit as per Rule 14 of the Rules in Form No. CAA.4 within 7 (seven) days after the

conclusion of the meetings. The reports of Chairman for the applicant companies shall be filed before this Tribunal by the Chairman himself;

- xvii. We direct the applicant companies to pay a sum of Rs.50,000/- to the Chairman (or in his absence to the substitute mentioned in the order) and a sum of Rs.25,000/- to the Scrutinizer as their fees.
- xviii. In compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (CAA) Rules, 2016, the Applicant Companies shall send a notice in Form No. CAA.3 along with a copy of the Scheme of Amalgamation, explanatory statement and the disclosures mentioned under Rule 6 shall be sent to **(i)** the Central Government through Regional Director, North-Western Region; **(ii)** Reserve Bank of India; **(iii)** Official Liquidator (for Transferor Company only) **(iv)** Registrar of Companies, Gujarat; and **(v)** Income Tax Department along with full details of the Assessing Officer and PAN number of all the applicant companies, with copy also to the Principal Chief Commissioner of Income Tax office **(vi)** National Stock Exchange of India Limited (NSE) **(vii)** BSE Limited (BSE), **(viii)** Securities and Exchange Board of India (SEBI), **(ix)** Multi Commodity Exchange of India Limited (MCX) **(x)** NSE Clearing Limited (NCL) **(xi)** Indian Clearing Corporation Limited (ICCL), **(xii)** Central Depository Services Limited (CDSL), and to such other sectoral /regulatory authorities who may govern/regulate/supervise the working of the applicant

companies, stating that representations, if any, to be made by them shall be made within a period of 30 (Thirty) days from the date of receipt of such notice, failing which it shall be presumed that they have no objection to make on the proposed Scheme. The aforesaid authorities who desire to make any representation under Section 230(5) of the Act, shall send the same to the Tribunal within a period of 30 (Thirty) days from the date of receipt of such notice, failing which it will be deemed that they have no representation to make on the proposed scheme of arrangement.

- xx. The applicant companies shall file a compliance affidavit with the Registry with regard to the directions given in this order.

17. Company Application is disposed off accordingly.

Sd/-

**DR. V. G. VENKATA CHALAPATHY**  
**MEMBER (TECHNICAL)**

Sd/-

**CHITRA HANKARE**  
**MEMBER (JUDICIAL)**

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