



October 04, 2024

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.
Maharashtra, India.
Scrip Code: 505725

SUBJECT: Intimation of order received from Hon'ble National Company Law Tribunal, Ahmedabad Bench, approving the Scheme of Arrangement in terms with Section 230 – 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

We wish to inform you that, the Scheme of Arrangement under section 230 – 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited ('Amalgamating Company') and, Algoquant Fintech Limited ('Resulting Company / Amalgamated Company') their respective shareholders and creditors, has been approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ('NCLT').

An Online order from NCLT received today on October 04, 2024 is attached herewith as Annexure, which was pronounced by the NCLT on October 03, 2024.

This is for your information and records.

**Thanking You,
For Algoquant Fintech Limited**

BARKHA Digitally signed by
SIPANI BARKHA SIPANI
Date: 2024.10.04
18:21:44 +05'30'

Barkha Sipani
Company Secretary & Compliance officer
M. No: A57896

Algoquant Fintech Limited

Registered Office- Unit no. 705, 7th Floor Iscon Elegance, Prahlad Nagar, Ahmedabad, Gujarat-380015 | **CIN-** L74110GJ1962PLC136701
Email ID: investors@algoquantfintech.com | **Mobile:** +91-9910032394 | **Website:** www.algoquantfintech.com

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT - 2



ITEM No.301

C.P.(CAA)/31(AHM)2024 in
C.A(CAA)/70(AHM)2023

Orders under Section 230-232 of Co.Act,2013

IN THE MATTER OF:

Growth Securities Private Limited
Algoquant Investments Private Limited
Algoquant Fintech Limited

.....Applicant

.....Respondent

Order delivered on: 03/10/2024

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 order.

The order is pronounced in open Court vide separate sheet.

-SD-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

-SD-

CHITRA HANKARE
MEMBER (JUDICIAL)



**THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD (COURT - II)**

**CP(CAA)/31(AHM)2024
in
CA(CAA)/70(AHM)2023**

[Company Petition under Sections 230-232 of the Companies Act, 2013 read with the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016]

In the matter of Scheme of Arrangement

Memo of Parties

In the matter of:

Growth Securities Private Limited
(CIN: U74899GJ1996PTC119714)
A 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-382355.

.... Demerged Company

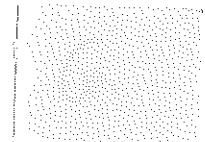
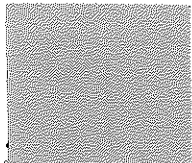
AND

Algoquant Investments Private Limited
(CIN: U67120GJ1983PTC136550)
A Company Incorporated under the
Provisions of Companies Act, 1956
Having its registered office at
Unit No. 705, ISCON Elegance,
S. G. Highway, Satellite,
Pralhadnagar, Ahmedabad-380015.

...Transferor Company

AND

Algoquant Fintech Limited
(CIN: L74110GJ1962PLC136701)
A Company Incorporated under the
Provisions of Companies Act, 1956



Having its registered office at
Unit No. 705, 7th Floor of ISCON Elegance,
Developed at Plot No.24,
Pralhadnagar, Ahmedabad-380015

....Transferee Company/
Resulting Company

Order pronounced on 03.10.2024

Coram:

Mrs. Chitra Hankare, Member (Judicial)


Dr. Velamur G. Venkata Chalapathy, Member (Technical)

Appearance:

For the Applicant: Ms. Vaibhavi Parikh, Adv.
For the Income Tax : Ms. Bhumi Gandhi, Adv. for
Ms. Maithili D. Mehta, Adv.
For the RoC : Ms.Rupa Sutar, Dy. RoC
For that RD: Mr. Shiv Pal Sing

JUDGMENT

1. The petition has been filed under Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with companies (Compromise, Arrangement and Amalgamation) Rules, 2016 seeking sanction to the proposed Scheme of Amalgamation with effect from 01.04.2023.
2. An affidavit in support of the petition has been sworn by Mr. Devansh Gupta behalf of the petitioner company duly authorized vide Board Resolution passed in the meeting of Board of Directors dated 10.03.2023 of the petitioner company.
3. The petitioner companies had filed joint Company Application before this Tribunal being



CA(CAA)/70(AHM)2023, this Tribunal had allowed the aforesaid company application and directed the Demerged Company to convene and hold separate meetings of secured and unsecured creditors, directed the Transferor Company to convene and hold meeting unsecured creditors and directed the Transferee Company to convene and hold meetings of equity shareholders, secured creditors and unsecured creditors with 45 days from the date of passing of the order and gave further directions to comply with various stipulations contained in the order dated 04.04.2024 including filing of the Chairman's Report in respect of the meetings. Further directed for issuance of notice to Statutory/Regulatory Authorities as well as other Sectoral Regulators who may have significant bearing on the operation of the petitioner companies.


4. In compliance of the order dated 04.04.2024, the Petitioner Companies filed service affidavit dated along with proof of notices sent to the aforesaid statutory/regulatory authorities. In addition, the chairman filed affidavits regarding service of notice as well as publication of notice in newspapers.
5. The Chairman filed report of the aforesaid meetings by way of affidavit on 24.05.2024 along with the report of Scrutinizer. As per the Chairman's report, the secured and unsecured creditors of Applicant Company No.1, unsecured creditors of Applicant Company No.2 and equity shareholders, secured creditors and unsecured creditors of Applicant Company No.3 who attended the

meetings unanimously approved the proposed Scheme, according to the reports of the Chairman.

6. After complying with all the directions given in the order dated 04.04.2024, the Second Motion Petition was filed before this Tribunal by the Petitioner Companies on 27.05.2024, for sanction of the proposed Scheme by this Tribunal.
7. This Tribunal vide order dated 13.06.2024 directed the Petitioner Companies to issue notice to the Statutory/Regulatory Authorities viz. (i) the Central Government through the office of the Regional Director, [North Western Region], Ministry of Corporate Affairs (MCA) (ii) the Registrar of Companies, Gujarat, (MCA) (iii) the Official Liquidator (for Transferor Company), (iv) the jurisdictional Income-Tax office having jurisdiction over the companies indicating specifically there Permanent Account No. (PAN) in the communication as well as other sectorial Regulators, if any, who may govern the working of the respective Companies involved in the Scheme. This Tribunal had also directed the Petitioner Companies for paper publication to be made in "Indian Express" in English and in "Divya Bhaskar" in vernacular language, both in Ahmedabad edition.
8. In compliance of order dated 13.06.2024, Petitioner Companies filed affidavit of service in respect of service of notice upon the statutory/regulatory authorities along with proof of service as well as proof of publication of notice of hearing of the petition.



9. In response to the notice served upon the Regional Director (RD), the Regional Director filed its report along with report of the Registrar of Companies (RoC). The OL filed its report. The Income Tax Department filed its report. There were no other replies received on notices received by various regulators. The Statutory Authorities who appeared did not raise any specific objection to the scheme. There has been no objection to the scheme proposed by the petitioners by any stakeholders/regulatory authorities.
10. The petitioners have filed an affidavit in response to the replies filed by the statutory authorities. The specific replies to relevant comments are:
- a) For the RD: The Petitioners undertake to comply and pay difference amount of fees, which is payable in compliance with the provisions of Sec 232(3)(i) of the Companies Act on the enhanced Authorised capital, if any pursuant to the scheme coming in to effect;
 - ii) The petitioners filed an additional affidavit dated 18.04.2024 that they have complied with the observation letter dated 17.10.2023 issued by BSE Ltd
 - iii) There was no change or discrepancy in the scheme of arrangement enclosed to the Company Application CA(CAA) No.70 of 2023 and this application.
 - iv) There were no CIRP proceedings or winding up petition pending against petitioner companies;




v) Details of assets and liabilities of the de-merged undertaking (Stock Broking Business Undertaking of the Petitioner De merged Company) as on 1 April 2023 is submitted.

v) The petitioners have confirmed that they will maintain all the books and accounts of the petitioner companies in confirmation of Sec 239 of the Act and ensure all statutory compliance of all applicable laws on sanctioning of the scheme and petitioner companies shall not be absolved from any manner from any of its statutory liabilities in any manner.

vi) The petitioner companies would pay the stamp duty applicable on transfer of property/assets and also comply with Sec 232(5) of the Act and further undertake to comply with the Income Tax/GST and other laws on implementation of the scheme and also pay requisite fees/cost to the Central Government as may be directed.


b) For the compliance to ROC's reply dated 19 June 2024, the petitioners have given para wise comments, the signification observations and compliance are given below:

i) As regards the status of the company, whether it complies with Sec 45 IA of the RBI Act, 1934, the petitioners have stated that as per the Statutory Auditors report for the year ended 2022-23 the Transferor company has not conducted any Non Banking Financing or Housing Finance Activities during the year without obtaining a Certificate of




Registration from the RBI and it does not qualify as a Core Investment Company. With the scheme of arrangement (amalgamation) proposed this would take care of the observation of RoC

- ii) As regards the Secured Creditors of the demerged company, it is stated by the petitioners that there were 2 secured creditors and as per the Index of Charge available in the MCA's website there are 4 open secured charge holders and the variance is due to 2 Secured Charge holders viz Canara Bank and Global Fincap Limited in relation to a guarantee facility availed, which was not utilised and there was no liability towards them as there was no draw down and only 2 secured creditors to whom Petitioner 1 has a liability as on 30.09.2023. Further as regards the Transferee Company, Petitioner No.3 as on the cut-off date 30.09.2023, there were 2 Secured Creditors which is certified by the Independent CA and taken on record by this Tribunal as per orders dated 04.04.2024. The Transferee Company has clarified that the charges outstanding as per MCA website, there is only 1 Open secured charge holder being Axis Bank and hence both the Petitioner 1 and Petitioner 3 stated that they have complied with Sec 82/77 of the Companies Act 2013 read with Rule 8 of the Companies (Register of Charges) Rules, 2014. The Petitioners have also by affidavit complied with the queries raised satisfactorily.




c) As regards the observations of the Income Tax Department, petitioners have stated that there are no proceedings pending against petitioners and upon sanction of the scheme and from effective date, any potential income tax demands/and or proceedings arising in relation to the Demerged Undertaking of the Demerged Company, shall be transferred to and vested with the Resulting Company which satisfies the requirement of the Income tax department. As regards the demands with respect to the Petitioner No.3 (resulting company), it has filed Rectification Applications under Sec 154 of the Income Tax Act, 1961 before the concerned Assessing Authority with respect to demand raised in the A Y 2021-2022 and 2018-19 which is pending adjudication. As the Transferee Company undertakes to abide by the orders of the tax authorities including discharge of the tax dues, if any, that devolve on it upon this matter reaching finality, the compliance affidavit reply to the Income Tax Department is observed to be satisfactory.

d) As regards the observations of the Official Liquidator in representation dated 24.06.2024, the petitioners undertake to comply with the provision of Sec 239 of the Companies Act, 2013. The petitioners also undertake that the Transferor Company shall ensure statutory compliance of all applicable laws on sanction of the scheme, and not be absolved from any statutory liabilities. Further, the company will be




dissolved without winding up in terms of Sub Sec 3(d) of Sec 232 of Companies Act and all fees, if any paid would be set off by payable fee of the transferee company on its authorised capital subsequent to amalgamation and cost of Rs.20,000 would be to the Official Liquidator would be paid, comply with the requirements of filing with concerned Superintendent of Stamps for the purpose of adjudication of stamp duty, if any payable by the transferee company. It also undertakes in terms of Sec 232(5) to file the certified copy within 30 days to the Registrar of Companies from the date of approval of the scheme. There are no pending investigations in relating to any of the Petitioner Companies under Sec 210 to 225 of the Companies Act and/or Sec 235 to 251 of the Companies Act.

11. ***Our Observations:*** On the basis of the above facts and submissions made by the Learned Counsel and by considering the entire facts and circumstances of the company petition and on perusal of the Scheme and the proceedings, it appears that the requirements of the provisions of Sec 230 and Sec 232 are satisfied by the petitioner companies. We are of the considered view that the proposed Scheme of Arrangement and reconstruction is bonafide and in the interest of the shareholders and creditors. In the result, Company Petition No. CP (CAA)31 of 2024 in CA (CAA) 70 of 2023 can be allowed. It is further submitted that provisions of the Competition Commission, Reserve Bank of India



and any other statutory authorities are not applicable to the Petitioner Companies (other than specified in the application).

12. The Scheme envisages a Scheme of Arrangement amongst the petitioner companies and their respective shareholders involving De-merger of De-merged undertaking of the De-merged Company (Growth Securities Private Limited) with the Resulting Company (Algoquant Fintech Limited) (as defined in the scheme- Part B) and Amalgamation of Amalgamating (Transferor) Company (Algoquant Investments Private Limited) with the Amalgamated (Transferee) Company (Algoquant Fintech Limited) in the manner set out in the Scheme – Part C) and reorganisation of Equity Share Capital of the Resulting Company (Transferee Company) in the manner set out in the Scheme - Part D) i.e. issuance of bonus equity shares (Scheme).
13. Notwithstanding the above, if there is any deficiency found, or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal to the scheme will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, Directors and Officials of the Petitioners.
14. While approving the scheme as above, we further clarify that this order should not be construed as an order in granting any exemption from payment of stamp duty, taxes including income tax, GST etc., or any other charges, if any, including to the market regulators of





stock exchange or payment systems, and payment in accordance with law or in respect of any permission/compliance with any other requirement which may be specifically required under any law.

15. This Tribunal orders as under:-

ORDER

- i) The Company Petition CP (CAA) No. 31 of 2024 connected with CA(CAA) No.70 of 2023 is allowed.
- ii) The Scheme of Arrangement proposed in this application in Para 25 and annexed as “Annexure-G” is hereby sanctioned and it is declared that the same shall be binding on the Petitioner Companies and its shareholders and creditors (Secured and Unsecured) and all the Petitioner Companies as per the Scheme.
- iii) It is declared that the Petitioner 1, De-merged undertaking of the Demerged company in terms of the scheme stands transferred subject to the provisions of Part B and Part F of the scheme and stands vested of the same with the Transferee resulting Company, subject to the existing encumbrances in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders). The Transferee Company (Resulting Petitioner No.3) would ensure that any compliance or pending litigations/liabilities of the demerged undertaking is taken over and discharged as per applicable law.
- iv) It is declared that the Petitioner Transferor Company shall be dissolved without winding up.

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- v) All the properties rights and powers of the Transferor Company specified in the schedule of assets and all the other property, rights and powers of Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 232 of the Companies Act, 2013 be transferred to and vested in the Transferee Company for all the estates and interest of the Transferor Company therein.
- vi) Compliance, if any, to be in terms of any regulation by any authority or bodies or under FEMA, market regulator including clearing and Payment System, RBI Act or any other Acts, pending if any of the Transferor company or due to the sale of assets (slump sale) without winding up of the transferee company, will be made by the Transferee Company within the next 6 months of the order. Issue of Bonus Shares proposed will be subject to Compliance with Regulation 37 of SEBI (LODR) Regulations 2015 and any other law and compliance if any, that will be applicable. The Resulting Company will comply with all the regulatory requirements including regulatory filings before RoC and any other authority as applicable.
- vii) The Petitioner companies are directed to comply with the observations of the Regional Director and the Registrar of Companies in their representation. Further, they will abide by any such directions from the other statutory/other authorities to whom notices were issued on the scheme. The petitioner companies




are directed to comply with Sec 2(19AA) of the Income Tax on approval of the scheme of demerger as per provisions. Further the petitioner companies are directed to amend the charge Index of the Ministry of Corporate Affairs (MCA) 21 portal appropriately by retaining or deleting the charges outstanding of petitioners as per their audited balance sheet and financial statements, pursuant to the scheme coming in to effect to the satisfaction of all creditors.

- viii) The petitioner companies shall comply with the Income Tax Assessment under appeal outstanding for the financial years mentioned of the Transferee Company and no relief or concession is granted in this regard for the assessable dues, if any, to be paid as on date of the scheme.
- ix) All the property, rights and powers of the Demerged Undertaking of the Demerged Company specified in the schedule hereto and all the other property, rights and powers of the Demerged Undertaking of the Demerged Company be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Sec 232 of the Act, be transferred to and vested in the Resulting Company for all the assets and interest of the Demerged Undertaking of the Demerged Company therein.
- x) All proceedings, if any, now pending against the Demerged Undertaking of the Demerged Company be continued by or against the Resulting Company.




- xi) All proceedings, if any, now pending against the Transferor Company be continued by or against the Transferee Company.
- xii) All workers/employees of all the Demerged Undertaking of the Demerged Company shall be deemed to become the workers/employees of the Resulting Company with effect from the Appointed date, and shall stand absorbed in the Resulting Company in accordance with the Scheme without any interruption of service and on terms and conditions no less favourable than those on which they are engaged by the Demerged Undertaking of the Demerged Company, as on the Effective Date.
- xiii) All workers/employees of all the Transferor Company shall be deemed to become the workers/employees of the Transferor Company with effect from the Appointed date, and shall stand absorbed in the Transferor Company in accordance with the Scheme without any interruption of service and on terms and conditions no less favourable than those on which they are engaged by Transferor Company, as on the Effective Date.
- xiv) All the liabilities and duties of the Petitioner Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 232 of the Companies Act, 2013 become the liabilities and duties of the Transferee Company. All proceedings now pending, if any, by or against the Petitioner Transferor Company be continued by or against the Transferee Company as per the terms of the Scheme. All workers / employees of the Transferor



Company shall be deemed to become the workers /employees of the Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company as on the Effective Date.

- xv) The Petitioner Companies within 30 days of the date of receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the entire Undertaking of the Demerged Undertaking of the Demerged Company shall stand transferred to the Resulting Company.
- xvi) All concerned authorities to act on copy of this order along with the Scheme authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the certified copy of this order along with the Scheme immediately.
- xvii) The Petitioner Companies are directed to lodge a copy of this Order and the approved Scheme and Schedule of Assets of the Demerged Undertaking of the Demerged Company as well as the Transferor Company duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for adjudication of stamp duty, if any, within 60 days from the date of the Order.

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- xviii) The Petitioner Companies are further directed to file a copy of this order along with the copy of the Scheme with the concerned the Registrar of Companies, electronically, along with e-form INC-28 in addition to physical copy within 30 days from the date of issuance of the certified copy of the Order by the Registry as per relevant provisions of the Act.
- xix) The legal fees and expenses of the office of the Regional Director are quantified at Rs. 50,000/-in respect of the Petitioner Companies. The said fees to the Regional Director shall be paid by the Petitioner Transferee Company.
- xx) The legal fees and expenses of the office of the Official Liquidator are quantified at Rs. 20,000/-in respect of the Petitioner Transferor Company. The said fees to the Regional Director shall be paid by the Petitioner Transferee Company.
- xxi) All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the authenticated copy of this order along with Scheme immediately.
- xxii) Income Tax Department will be free to examine the aspect of any tax payable as a result of the sanction of the Scheme and if it is found that the Scheme of Arrangement ultimately results in tax avoidance or is not in accordance with the applicable provisions of Income Tax Act, then the Income Tax Dept. shall be at liberty to initiate appropriate course of action as per law. Any

sanction of the Scheme of Arrangement under Sections 230-232 of the Companies Act, 2013 shall not adversely affect the rights of Income Tax Department or any past, present or future proceedings and the sanction of the scheme shall not come in its way for the appropriate course of action as per law for the tax liabilities, if any.

xxiii) Any other authority which is statutorily authorised to regulate/supervise the petitioners and their business are not forbidden on sanction of the scheme to proceed with action pending, if any, not brought to the notice of this Tribunal.

xxiv) Any person aggrieved shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

16). The Company Petition CP (CAA) No. 31 of 2024 connected with CA(CAA) No. 70 of 2023 is disposed of.

-SD-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd-

CHITRA HANKARE
MEMBER (JUDICIAL)