

STRICTLY PRIVATE & CONFIDENTIAL

August 9, 2023

To,
**The Audit Committee
The Board of Directors
Angel One Limited**
601, Ackruti Star,
Central Road, MIDC
Andheri (East), Mumbai 400 093

**The Board of Directors,
Angel Securities Limited**
601, Ackruti Star,
Central Road, MIDC
Andheri (East), Mumbai 400 093

**The Board of Directors,
Angel Crest Limited**
601, Ackruti Star,
Central Road, MIDC
Andheri (East), Mumbai 400 093

Sub: Fairness Opinion on the Value of Business Undertaking 1 and Business Undertaking 2 of Angel One Limited for the proposed slump sale through a Scheme of Arrangement

Dear Sir(s),

We refer to our engagement letter dated August 1, 2023 and discussion wherein the management of Angel One Limited ('AOL' or 'Transferor Company'), has requested Fortress Capital Management Services Private Limited (hereinafter referred to as "we" or "Fortress"), a SEBI Registered Category I Merchant Banker to give a Fairness Opinion on the Value of Business Undertaking 1 and Business Undertaking 2 (collectively referred to as 'Business Undertakings') of Angel One Limited, recommended by SSPA & Co., Chartered Accountants (hereinafter referred to as "Valuer") for the proposed slump sale to its wholly owned subsidiaries ('WOS') Angel Securities Limited (hereinafter referred to as 'ASL' or 'Transferee Company 1') and Angel Crest Limited (hereinafter referred to as 'ACL' or 'Transferee Company 2') respectively on August 9, 2023.

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Fortress Capital Management Services Pvt. Ltd. CIN : U67120MH2004PTC145815

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concern basis through a Scheme of Arrangement under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder ('Scheme') with the Appointed Date which shall be the effective date (the 'Appointed Date') (the 'Proposed Transaction'). AOL, ASL and ACL are collectively referred to as the 'Companies'.

1. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

1.1 Angel One Limited

1.1.1 Angel One Limited ('AOL' or 'Transferor Company') is a public listed company incorporated on August 8, 1996, under the Companies Act, 1956.

AOL is engaged in providing broking services (in stock, commodity and currency segments), margin trading facility, research services, depository services, and distribution of third-party financial products, through its digitally advanced mobile application, tablet and web platform to its clients under the brand 'Angel Broking'. AOL is a SEBI registered stock-broker and a member of the National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), National Commodities and Derivatives Exchange Limited (NCDEX), Multi Commodity Exchange of India Limited (MCX), Metropolitan Stock Exchange of India Limited (MSEIL) and a depository participant with Central Depository Services (India) Limited (CDSL). AOL is also registered with the Association of Mutual Funds in India (AMFI) as a mutual fund advisor.

The equity shares of AOL are listed on NSE and BSE.

1.1.2 The shareholding pattern of AOL as on June 30, 2023 is as given below:

Shareholder	No of Shares	% Holding
Promoters and Promoters Group	3,21,01,527	38.30%
Public	5,17,17,876	61.70%
Total	8,38,19,403	100.00%

1.1.3 The consolidated revenue from operations of Transferor Company for the financial year ('FY') 2022-23 is INR 3,001.58 crores and consolidated profit after tax of the Transferor Company for FY 2022-23 is INR 889.95 crores.



1.2 **Business Undertaking 1**

Business Undertaking 1 of AOL as defined in the draft scheme means all the contracts with registered Authorised Representatives ('AP') / Affiliates and all the client business acquired through the registered APs including the broking business, portfolio management services, research analyst, investment advisory, IPOs and bonds; depository participant business and ancillary and support services in relation thereto of the Transferor Company together with all the assets, properties, investments, contracts and liabilities of whatsoever nature and kind, and wheresoever situated, of the Transferor Company, in relation to and pertaining to Business Undertaking 1.

1.3 **Business Undertaking 2**

Business Undertaking 2 AOL as defined in the draft scheme means all the contracts with Digital Referral Agents (DRAs) and all the client business acquired directly with the help of diversified digital platforms such as performance marketing, referrals, DRAs including the broking business, portfolio management services, primary market securities and bonds, depository participant business and ancillary and support services in relation thereto of the Transferor Company together with all the assets, properties, investments, contracts and liabilities of whatsoever nature and kind, and wheresoever situated, of the Transferor Company, in relation to and pertaining to the Business Undertaking 2

1.4 **Angel Securities Limited**

Angle Securities Limited, incorporated on November 02, 1993, is a wholly owned subsidiary of AOL. Currently, ASL is a SEBI registered stock -broker and is a member of NSE, BSE, NCDEX and MCX. ASL is also registered with AMFI as a mutual fund advisor. The registered office of ASL is situated at 601, 6th Floor, Ackruti Star, Central Road, MIDC, Andheri East, Mumbai - 400093. As on date, ASL is not carrying out any business activity and does not have any significant business operations.

1.5 **Angel Crest Limited**

Angel Crest Limited, incorporated on April 26, 2023, is a wholly owned subsidiary of AOL. The registered office of ACL is situated at 601, 6th Floor, Ackruti Star, Central Road, MIDC, Andheri East, Mumbai - 400093. As on date ACL does not have any business operations



- 1.6 In this regard Valuer was appointed to recommend the Value of the Business Undertaking 1 and Business undertaking 2 for the Proposed Transaction.
- 1.7 Accordingly, we have been appointed in the capacity of SEBI Registered Category I Merchant Banker to give a Fairness Opinion on Value of the Business Undertaking 1 and Business Undertaking 2 for the Proposed Transaction recommended by the Valuer to comply with SEBI Guidelines.
- 1.8 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose, including obtaining the requisite statutory approvals.

2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- (a) Draft Scheme of Arrangement
- (b) Report dated August 9, 2023, issued by Valuer.
- (c) Such other information and explanations as we required and which have been provided by the Management including Management Representations and Valuer.

3. EXCLUSIONS AND LIMITATIONS

- 3.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects.
- 3.2 We have been represented by the Management of the Companies that the Companies have clear and valid titles of assets. No investigation on Companies' claim to the title of their assets has been made and their claim to such rights has been assumed to be valid.
- 3.3 Our work does not constitute verification of historical financials or include the working results of the Companies. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholders should vote or act in connection with the Scheme or any matter related therein.



- 3.5 The fee for the engagement and this report is not contingent upon the results reported.
- 3.6 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering of this Opinion shall be limited to the amount of fees received for rendering this Opinion as per our engagement.
- 3.7 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.8 Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 3.9 This Fairness Opinion (“Opinion”) is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on the Opinion including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this Opinion may affect the opinion and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion.
- 3.10 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion.
- 3.11 This Fairness Opinion has been issued for the sole purpose to facilitate the Companies to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 relating to Scheme of Arrangement by Listed Entities, it shall not be valid for any other purpose and should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event,



regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

3.12 Fortress nor its directors, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the fairness opinion is provided. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the fairness opinion.

4. REVIEW OF DOCUMENTS

For arriving at the opinion we have reviewed the following documents:

- Draft Scheme of Arrangement.
- Report dated August 9, 2023 of Valuer.
- Explanation and information provided by the Management of Companies and Valuer.

5. PROCEDURE ADOPTED BY VALUER

5.1. Post the proposed transfer of Business Undertaking 1 and Business Undertaking 2, all the shareholders of AOL are and will be the ultimate beneficial owners of ASL and of ACL in the same ratio (inter se) as they hold shares in AOL. Therefore, no valuation of Business Undertaking 1, Business Undertaking 2, ASL and ACL has been undertaken by the Valuer for the Proposed Transaction.

5.2. Considering that all shareholders of AOL are and will, upon transfer of Business Undertaking 1 and Business Undertaking 2, remain ultimate beneficial owners, directly/indirectly, in the wholly owned subsidiaries i.e. ASL and ACL in the same ratio (inter-se) as they hold shares in AOL, Valuer has recommended the Value / Consideration for Business Undertaking 1 and Business Undertaking 2 of Rs. 590 Crs and Rs. 1,310 Crs respectively, which shall be subject to change on account of changes in the working capital of the respective business undertaking as on the Appointed Date.



6. CONCLUSION

On the basis of and subject to the foregoing, to the best of our knowledge and belief and based on the information and explanation provided to us, in our opinion, since all the shareholders of AOL are and will, after the transfer of Business Undertaking 1 and Business Undertaking 2, remain ultimate beneficial owners, directly/indirectly, in the wholly owned subsidiaries i.e. ASL and ACL in the same ratio (inter-se) as they hold shares in AOL. Hence the Value / Consideration for Business Undertaking 1 and Business Undertaking 2 Rs. 590 Crs and Rs. 1,310 Crs respectively (which shall be subject to change on account of changes in the working capital of the respective business undertaking as on the Appointed Date) **recommended by Valuer is fair.**

Thanking you,

Yours faithfully,

For Fortress Capital Management Services Pvt. Ltd.

Hiten. M. Joshi



Authorized Signatory

Place: Mumbai

SEBI Registration No.: INM000011146