



REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF ANGEL ONE LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGMENT OF ANGEL ONE LIMITED WITH ANGEL SECURITIES LIMITED AND ANGEL CREST LIMITED AND THEIR RESPECTIVE SHAREHOLDERS PURSUANT TO SECTIONS 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON MONDAY, AUGUST 09, 2023 AT 2:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY.

Members Present:

- | | |
|-------------------------------------|-------------|
| 1. Mr. Muralidharan Ramachandran | Chairperson |
| 2. Ms. Mala Todarwal | Member |
| 3. Mr. Krishnaswamy Arabadi Sridhar | Member |
| 4. Mr. Kalyan Prasath | Member |
| 5. Mr. Arunkumar Nerur Thiagarajan | Member |

1. Background:

- 1.1 A meeting of Committee of Independent Directors ("**ID Committee**") of the Company was held on August 09, 2023 to inter-alia, consider and recommend the draft Scheme of Arrangement of Angel One Limited ("**Transferor Company**" or "**Company**") with Angel Securities Limited ("**ASL**"/"**Transferee Company 1**") and Angel Crest Limited ("**ACL**"/"**Transferee Company 2**") and their respective shareholders ("**the Scheme**") under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, Section 2(42C), read with other applicable provisions of the Income-tax Act, 1961 (as amended) and other applicable laws including Securities and Exchange Board of India ("**SEBI**") (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**") and as amended from time to time.



CSO, Corporate Office & Regd Office:
601, 8th Floor, Ackruti Star, Central Road, MIDC,
Andheri East, Mumbai - 400093.
T: (022) 4000 3600
F: (022) 4000 3609
E: support@angellone.in
www.angellone.in

Angel One Limited
(Formerly Known as Angel Broking Limited)
CIN: L67120MH1996PLC101709
SEBI Registration No Stock Broker: INZ000161534,
CDSL: IN-DP-384-2018, PMS: INP000001546,
Research Analyst: INH000000164, Investment Advisor: INA000008172,
AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.





- 1.2 Under the Scheme, Business Undertaking 1 and Business Undertaking 2 of Transferor Company shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred to and vested in and/ or deemed to be transferred to and vested in Transferee Company 1 and Transferee Company 2 respectively, as a going concern, on slump sale basis for purchase consideration as set out hereinafter, such that Transferee Company 1 and Transferee Company 2 becomes entitled to all the rights, title and interest pertaining to the Business Undertaking 1 and Business Undertaking 2 respectively.
- 1.3 The Scheme which shall be presented before the jurisdictional bench of NCLT under Section 230 to 232 and other applicable provisions of Companies Act, 2013 has been drawn up to be in compliance with Section 2(42C) and other applicable provisions of Income Tax Act, 1961 and other applicable laws including SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Circular and as amended from time to time.
- 1.4 In terms of Para 2(i) of SEBI Circular, a report from the ID Committee is required recommending the draft Scheme, taking into consideration inter alia that the Scheme is not detrimental to the shareholders of the listed entity. This report of ID Committee is made in order to comply with the requirements of Para 2(i) of the SEBI Circular.

2. Documents perused by the ID Committee

- 2.1 The following documents were placed before the ID Committee –
- a) Draft Scheme, duly initialed by the Chairman for the purpose of identification;
- b) Valuation report dated August 09, 2023 ("**Valuation Report**") issued by SSPA & Co., Chartered Accountant, and a Registered Valuer, ("**the Valuer**") who in his report has recommended the following;

"Transfer the Business Undertaking 1 to ASL and Business Undertaking 2 to ACL at a consideration of INR 590 crores and INR 1310 crores 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 "



CSO, Corporate Office & Regd Office:
601, 6th Floor, Ackruti Star, Central Road, MIDC,
Andheri East, Mumbai - 400093.
T: (022) 4000 3600
F: (022) 4000 3609
E: support@angelone.in
www.angelone.in

Angel One Limited
(Formerly Known as Angel Broking Limited)
CIN: L67120MH1996PLC101709
SEBI Registration No Stock Broker: INZ000161534,
CDSL: IN-DP-384-2018, PMS: INP000001546,
Research Analyst: INH000000164, Investment Advisor: INA000008172,
AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.





- c) Fairness opinion dated August 09, 2023 of Fortress Capital Management Services Pvt. Ltd., SEBI Registered Merchant Banker providing the fairness opinion on the Valuation Report;
- d) Certificate of S.R. Batliboi & Co. LLP, Statutory auditors of the Company dated August 09, 2023, confirming that the accounting treatment prescribed in the Scheme is in compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and other generally accepted accounting principles; and
- e) Other presentations, reports, documents and information made to / furnished before the ID Committee pertaining to the draft Scheme.

3. Rationale of the Proposed Scheme:

The ID Committee noted the rationale of the Scheme, which inter-alia is as follows:

Over the course of time, Angel One Group has grown into a diversified fintech business, which consists of multiple offerings across equity, commodity and currency derivative broking, margin trading facility, depository services, distribution of mutual funds, bonds and insurance products, along with research analyst and investment advisory services. The Group, through its flagship company, Angel One Limited, recently received an in-principle approval from the Securities and Exchange Board of India (SEBI) to act as a sponsor and to set up a mutual fund.

The strategic businesses, which are core focus areas for the Group include:

- (1) Broking across equity, commodity and currency derivative segments, margin trading facility, depository services;
- (2) Distribution of third party manufactured financial products viz: Mutual Funds, Insurance (Life and General), primary market securities, Loan Products, Bonds, Credit Cards etc;
- (3) Develop and launch various Mutual fund schemes through its proposed AMC.



CSO, Corporate Office & Regd Office:
601, 6th Floor, Ackruti Star, Central Road, MIDC,
Andheri East, Mumbai - 400093.
T: (022) 4000 3600
F: (022) 4000 3609
E: support@angelone.in
www.angelone.in

Angel One Limited
(Formerly Known as Angel Broking Limited)
CIN: L67120MH1996PLC101709
SEBI Registration No Stock Broker: IN2000161534,
CDSL: IN-DP-384-2018, PMS: INP000001546,
Research Analyst: INH000000164, Investment Advisor: INA000008172,
AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.





Each of these strategic businesses has and will continue to acquire critical mass, requiring flexibility and independence to grow faster in the ever-evolving digital, technology and innovation-driven environment. Each of the aforesaid Strategic businesses may have differentiated strategies and amongst other things, operate under different market dynamics and growth trajectory. The nature and competition involved in each business is distinct from others.

Angel One Group has an extensive client base, which has been acquired and nurtured through two distinct channels: (i) a resilient network of APs/ Affiliates and (ii) direct acquisition of clients facilitated by its digital marketing and sales efforts, organic sourcing, client referrals and through Digital Referral Associates (DRAs), through its cutting-edge digital platforms. Each of the aforesaid channels have different dynamics and growth trajectory with distinct areas of focus. Considering the diversity and the substantial client base of each of these business channels, it is now being felt that the two channels should be managed under separate entities, to enable them to grow further and become leading players under the respective customer segments, thus enabling the focused offerings for their respective client base. Angel One Limited already employs a sophisticated approach to discern and track the acquisition, engagement and progression of clients under each of the aforesaid channels enabling a thorough understanding of their respective growth trajectories.

In order to further enhance operational efficiency and optimize the management bandwidth across strategic businesses within the Angel One Group, a decision has been made to streamline the business under each of these two channels into two separate legal entities. This will enable the provision of dedicated management and resources for each specific channel. The primary objective is to foster growth and establish increased and focused control over the businesses acquired from each channel. To achieve this, the Transferor Company has proposed to transfer its business driven by clients acquired through its network through APs/ Affiliates along-with those Affiliates, to Transferee Company 1 and its business driven by clients acquired directly to Transferee Company 2.



CSO, Corporate Office & Regd Office:
601, 8th Floor, Ackruti Star, Central Road, MIDC,
Andheri East, Mumbai - 400093.
T: (022) 4000 3600
F: (022) 4000 3609
E: support@angelone.in
www.angelone.in

Angel One Limited
(Formerly Known as Angel Broking Limited)
CIN: L67120MH1996PLC101709
SEBI Registration No Stock Broker: INZ000161534,
CDSL: IN-DP-384-2018, PMS: INP00001546,
Research Analyst: INH000000164, Investment Advisor: INA000008172,
AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.





The transfer of Business Undertakings to its two wholly owned subsidiaries ('WOSs') represents a strategic step by the Angel One Group towards achieving a more focused and efficient organizational structure. This reorganization will enable the group to capitalize on specific market opportunities across both channels while preserving the value within the Group.

The Transferor Company has developed a Super App through which it provides a complete suite of financial services to its clients across all channels. The Super App has capability to evaluate and offer insightful analysis through its robust and seamless artificial intelligence and data analytics capabilities, significantly enhancing customer experience across the board. The Super App is evolving into a comprehensive platform for all financial services being offered to the clients. The Transferor Company intends to continue housing the Super App in the flagship company.

As a holding company, the Transferor Company intends to serve as a flagship company for all its subsidiaries and promote business excellence within the group by providing best-in-class services such as research analyst and investment advisory, tech-infrastructure and development, product development, facility management, lead generation for clients and AP, call center and contact center operations, data analytics and strategic analysis, governance and business support services. Additionally, the Transferor Company is committed to enhancing its brand equity and promoting the business of the two business undertakings by leveraging its reputation of trust and reliability.

The transfer of the Business Undertakings to the WOSs will enable the management of the respective businesses to concentrate their resources and managerial bandwidth entirely on the specific client profiles, resulting in operational efficiencies, better overall synergies and most importantly a much better curated experience for the client base, leading to cost efficiencies and significant scalability, focused strategies, better coordination and cohesiveness in their working and standardized business processes.



CSO, Corporate Office & Regd Office:
601, 6th Floor, Ackruti Star, Central Road, MIDC,
Andheri East, Mumbai - 400093.
T: (022) 4000 3600
F: (022) 4000 3609
E: support@angelone.in
www.angelone.in

Angel One Limited
(Formerly Known as Angel Broking Limited)
CIN: L67120MH1996PLC101709
SEBI Registration No Stock Broker: INZ000161534,
CDSL: IN-DP-384-2018, PMS: INP000001546,
Research Analyst: INH000000164, Investment Advisor: INA000008172,
AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.





The proposed restructuring pursuant to the said Scheme is expected, inter alia, to result in the following benefits:

- a) Enhance competence and to make it future ready for exploring other product offerings within the financial service domain and strengthen focused growth;
- b) Establish targeted workforce and management for achieving the higher growth and expansion across each undertaking;
- c) Promote exclusive goal-driven-culture for respective undertakings and build result focused teams;
- d) Enhance investors and stakeholders' benefits with thorough visibility into the performance, prospects, and strategies across both the undertakings.

4. Salient Features of the Proposed Scheme:

The ID Committee noted the salient features of the Scheme, which inter-alia are as under:

4.1 The Scheme provides for:

- a. Transfer and vesting of Business Undertaking 1 and Business Undertaking 2 of the Transferor Company to the Transferee Company 1 and Transferee Company 2 respectively as a going concern on slump sale basis (as defined under section 2(42C) of the Income-tax Act, 1961);
- b. Issue and allotment of CCPS to the Transferor Company by Transferee Company 1 in accordance with Clause 12 of the Scheme of Arrangement;
- c. Issue and allotment of CCPS to the Transferor Company by Transferee Company 2 in accordance with Clause 21 of the Scheme of Arrangement;
- d. Transfer of all the assets and liabilities including know your customer (KYC) data, all the contracts/ agreements with authorised persons and such other items as provided in the Scheme of Arrangement;



CSO, Corporate Office & Regd Office:
601, 6th Floor, Ackruti Star, Central Road, MIDC,
Andheri East, Mumbai - 400093.
T: (022) 4000 3600
F: (022) 4000 3609
E: support@angelone.in
www.angelone.in

Angel One Limited
(Formerly Known as Angel Broking Limited)
CIN: L67120MH1996PLC101709
SEBI Registration No Stock Broker: INZ000161534,
CDSL: IN-DP-384-2018, PMS: INP000001546,
Research Analyst: INH000000164, Investment Advisor: INA000008172,
AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.





pursuant to the provisions of Section 230 to 232 and other applicable provisions of Companies Act, 2013 read with the rules made thereunder and the applicable provisions of Income-tax Act, 1961 including Section 2(42C) thereof and other applicable laws.

- 4.2 Pursuant to the sanction of the Scheme by the relevant benches of the NCLT and satisfaction of other conditions specified in the Scheme, the Scheme shall become effective from Appointed Date.
- 4.3 Upon the coming into effect of the Scheme, Business Undertaking 1 and Business Undertaking 2 of the Transferor Company shall, without any further act, instrument or deed be transferred to and vested in or be deemed to have been transferred to and vested as going concern in the Transferee Company 1 and Transferee Company 2 respectively, pursuant to the applicable provisions of the Act on and from the Appointed Date.

The Transferee Company 1 and Transferee Company 2 pursuant to the sanction of the Scheme by Hon'ble NCLT, will issue and allot its CCPS to the Transferor Company.

- 4.4 The Transferor Company, Transferee Company 1 and Transferee Company 2 shall follow the method of accounting as per applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 as notified under Section 133 of the Companies Act, 2013, as may be amended from time to time and relevant clarifications issued by Institute of Chartered Accountants of India, to the extent applicable.
- 4.5 The Scheme is required to be approved by the requisite majority in number and value of respective members and creditors, of the Transferor Company, Transferee Company 1 and Transferee Company 2 as may be directed by the NCLT subject to any dispensation that may be granted by the relevant bench of the NCLT.
- 4.6 The Scheme shall become effective from the Appointed Date but shall be operative from the Effective Date.

5. Scheme not detrimental to the shareholders of the Company

The ID Committee discussed upon the rationale and expected benefits of the Scheme. In view of various documents presented before the ID Committee including Valuation Report, Fairness Opinion etc., it is observed that this scheme of arrangement is in the best interest of the shareholders of the Company and not detrimental to the interest of the shareholders, including the minority shareholders of the company.



CSO, Corporate Office & Regd Office:
601, 6th Floor, Ackruti Star, Central Road, MIDC,
Andheri East, Mumbai - 400093.
T: (022) 4000 3600
F: (022) 4000 3609
E: support@angelone.in
www.angelone.in

Angel One Limited
(Formerly Known as Angel Broking Limited)
CIN: L67120MH1996PLC101709
SEBI Registration No Stock Broker: INZ000161534,
CDSL: IN-DP-384-2018, PMS: INP000001546,
Research Analyst: INH000000164, Investment Advisor: INA000008172,
AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.





In view of above, the ID Committee recommends the draft Scheme, inter alia, taking into consideration, impact of the Scheme on the shareholders and other stakeholders, to the Board of Directors of the Company, Stock Exchanges and SEBI for its approval.

This report of the ID Committee is made in order to comply with the requirement of the SEBI Circular after considering necessary documents.

**For and on behalf of
Angel One Limited
(Formerly known as Angel Broking Limited)**



**Muralidharan Ramachandran
(DIN: 08330682)
Chairperson of Independent Directors' Committee**

Date: August 09, 2023

Place: Mumbai



CSO, Corporate Office & Regd Office:
601, 6th Floor, Ackruti Star, Central Road, MIDC,
Andheri East, Mumbai - 400093.
T: (022) 4000 3600
F: (022) 4000 3609
E: support@angelone.in
www.angelone.in

Angel One Limited
(Formerly Known as Angel Broking Limited)
CIN: L67120MH1996PLC101709
SEBI Registration No Stock Broker: INZ000161534,
CDSL: IN-DP-384-2018, PMS: INP000001546,
Research Analyst: INH000000164, Investment Advisor: INA000008172,
AMFI Regn. No. ARN-77404, PFRDA, Regn. No.-19092018.