

STRICTLY PRIVATE & CONFIDENTIAL

August 09, 2023

To,
The Audit Committee / Board of Directors,
Angel One Limited
601, 6th Floor, Ackruti Star,
Central Road, MIDC,
Andheri East,
Mumbai – 400093.

To,
The Board of Directors,
Angel Securities Limited
601, 6th Floor, Ackruti Star,
Central Road, MIDC,
Andheri East,
Mumbai – 400093.

To,
The Board of Directors,
Angel Crest Limited
601, 6th Floor, Ackruti Star,
Central Road, MIDC,
Andheri East,
Mumbai – 400093.

Dear Sir(s)/ Madam(s),

Re: Report on recommendation of value of Business Undertaking 1 and Business Undertaking 2 of Angel One Limited for the proposed slump sale through a Scheme of Arrangement

Angel One Limited (hereinafter referred to as 'AOL' or 'Transferor Company') intends to transfer its Business Undertaking 1 and Business Undertaking 2 (hereinafter collectively referred to as 'Business Undertakings') to its wholly owned subsidiaries ('WOS') viz. 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 via a slump sale on going concern basis, through the 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 (hereinafter referred to as 'Appointed Date') (hereinafter referred to as the 'Proposed Transaction').

(AOL, ASL and ACL are hereinafter collectively referred to as 'the Companies').



We have been given to understand by the management of AOL, ASL and ACL (hereinafter collectively referred to as the 'Management') that the Scheme shall be implemented by the Transferor Company with the Transferee Company 1 and Transferee Company 2 (in its capacity as a WOS of the Transferor Company).

1. SCOPE AND PURPOSE OF THIS REPORT

- 1.1 We refer to the engagement letter dated August 01, 2023, whereby, SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Registered Valuer' or 'We') has been appointed by the Management to issue a report ('Report') containing recommendation of value of Business Undertaking 1 and Business Undertaking 2 for the Proposed Transaction.
- 1.2 For this purpose, SSPA has been requested to issue a report containing recommendation of value of the Business Undertaking 1 and Business undertaking 2 for the Proposed Transaction.

2. BRIEF BACKGROUND

2.1. ANGEL ONE LIMITED

- 2.1.1 Angel One Limited ('AOL' or 'Transferor Company') is a public listed company incorporated on August 08, 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 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 Association of Mutual Funds in India (AMFI) as a mutual fund advisor.

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



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

Name of the shareholder	Shares	% of holding
Promoters & Promoter Group	3,21,01,527	38.30%
Public	5,17,17,876	61.70%
Total	8,38,19,403	100.00%

2.1.3 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.

2.2. **BUSINESS UNDERTAKING 1**

'Business Undertaking 1' of AOL as defined in the draft Scheme means all the contracts with registered Authorised Representatives ('APs') / Affiliates and all the client business acquired through the registered APs / Affiliates 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 Business Undertaking 1.

2.3. **BUSINESS UNDERTAKING 2**

'Business Undertaking 2' of 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.

2.4. **ANGEL SECURITIES LIMITED**

ASL, 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. ASL, as on date, is not carrying out any business activity and does not have any significant business operations.



2.5. ANGEL CREST LIMITED

ACL, 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. ACL does not have any business operations as on date.

3. REGISTERED VALUER - SSPA & CO., CHARTERED ACCOUNTANTS

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.

We are a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

4. SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

- (a) Draft Scheme of Arrangement.
- (b) Such other information and explanations as we required and which have been provided by the Management, including Management Representations.

5. PROCEDURES ADOPTED FOR RECOMMENDATION

In connection with this engagement, we have adopted the following procedures:

- Obtained financial and qualitative information from the Management.
- Discussions with the Management to understand the business and fundamental factors that affect the Business Undertakings.
- Arriving at the recommendation.

6. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS, AND DISCLAIMERS

- 6.1. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents



referred to herein and in the context of the purpose for which it is made. Further, our report containing recommendation of value of Business Undertakings is in accordance with ICAI Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.

- 6.2. This report has been prepared for the Board of Directors of AOL, of ASL and of ACL solely for the purpose of recommending the value of Business Undertaking 1 and Business Undertaking 2 for the Proposed Transaction.
- 6.3. The report assumes that the Companies / Business Undertakings complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies / Business Undertakings 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 provided to us.
- 6.4. The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 6.5. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies and / or its auditors / consultants, is that of the Management. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Companies / Business Undertakings. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.
- 6.6. Our work does not constitute an audit, due diligence, or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided to us by the Companies through broad inquiry, analysis, and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or



would not afford reasonable grounds upon which to base the report.

- 6.7. This report 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 Business Undertakings and any other matter, which may have an impact on the Report including any significant changes that have taken place or are likely to take place in the financial position of the Business Undertakings. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.
- 6.8. We are independent of the Companies and have no current or expected interest in the Companies or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 6.9. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation, and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Transaction.
- 6.10. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies / Business Undertakings 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.
- 6.11. The decision to carry out the Proposed Transaction (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Transaction.
- 6.12. Our Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to National Company Law Tribunal /regulatory/statutory authority for obtaining requisite approvals. The Report 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 SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 6.13. SSPA nor its partners, managers, employees make any representation or warranty,



express or implied, as to the accuracy, reasonableness or completeness of the information, based on which this report is issued. We owe responsibility only to the client that has appointed us under the terms of the engagement letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

7. RECOMMENDATION

- 7.1. We have been given to understand by the Management that they are considering a proposal to transfer the Business Undertaking 1 to ASL and Business Undertaking 2 to ACL at a consideration of INR 590 crores and INR 1,310 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.
- 7.2. 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, of Business Undertaking 2, of ASL and of ACL has been undertaken for the Proposed Transaction.
- 7.3. In our opinion, the above is fair 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.
- 7.4. Accordingly, valuation approaches as indicated in the format (as attached herewith as **Annexure I** to this report) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

8. CONCLUSION

As mentioned in Para 7.1 above, the consideration for the proposed transfer of the Business Undertaking 1 to ASL and Business Undertaking 2 to ACL, as recommended by the Management, is INR 590 crores and INR 1,310 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.

In our opinion, the above is fair 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.

Thanking you,
Yours faithfully,

For SSPA & CO.

Chartered Accountants

ICAI Firm registration number: 128851W

IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126

Parag S. Ved



Parag Ved

Partner

ICAI Membership No. 102432

Registered Valuer No.: IBBI/RV/06/2018/10092

UDIN: 23102432BGUALV5159

Place: Mumbai

For the Proposed slump sale of Business Undertaking 1 into ASL

Valuation Approach	Business Undertaking 1		ASL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per share	NA		NA	

NA = Not Adopted/ Not Applicable

For the Proposed slump sale of Business Undertaking 2 into ACL

Valuation Approach	Business Undertaking 2		ACL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per share	NA		NA	

NA = Not Adopted/ Not Applicable

