

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance research and advisory firm. SES assists investors to analyze governance practices including matters relating to sustainability, prevalent at listed entities and empower Investors to undertake meaningful engagement with Investee entities.

SES SERVICES

E-BRSR Tool: Online web-based platform to create **BRSR Report** by the Company and generate **XBRL** in seamless, cost and time effective manner
Already Subscribed by HDFC, Hero, M&M, L&T, UPL, Wipro, Reliance group and many others. [Read More](#)
Contact for Demo –
esgdata@sesgovernance.com

SES AIMS:

Designed primarily for Institutional investors to carry out their stewardship activities in an efficient manner.
[Read More](#)

Proxy Advisory:

Advises investors on the matters that require shareholder approval at listed entities and identify Governance issues. [Read More](#)

ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.
[Read More](#)

Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the governance practices with respect to global benchmarks. [Read More](#)

E-Ballot:

One stop solution for investors – Online Vote Management System to cater to requirements of Institutional Investors. [Read More](#)

Proxy Advisory Report (Addendum)

Angel One Ltd

COMPANY INFORMATION

BSE CODE: 543235

NSE SYMBOL: ANGELONE

ISIN: INE732I01013

Industry: Stockbroking & Allied

Email: investors@angelbroking.com

Phone: +91 22 4000 3600

Registered Office: 601, 6th Floor, Ackruti Star, Central Road, MIDC, Andheri East, Mumbai-400 093

MEETING DETAILS

Meeting Type: AGM

Meeting Date: 23rd June, 2023 at 10:30 AM

Venue: Video Conferencing (VC) facility or Other Audio-Visual Means (OAVM)

Notice Date: 29th May, 2023

Notice: [Click here](#)

Annual Report: [FY 2022-23](#)

SES PA Report (AGM): [Report](#)

E-VOTING DETAILS

e-Voting Platform: [NSDL](#)

Cut-off Date: 16th June, 2023

Remote E-voting:

- **Start:** 18th June, 2023
- **Ends:** 22nd June, 2023

ADDENDUM REPORT RELEASE DATE: 16th June, 2023

Research Analyst: Karishma Yadav

Conflict Disclosure: SES - No Conflict | Analyst - No Conflict



ADDENDUM

This addendum is being issued based on e-mail dated 15th June 2023, sent by Angel One Ltd ('the Company') with respect to Proxy Advisory Report ('[PA Report](#)') issued by SES in relation to the 27th AGM of the Company to be held on 23rd June, 2023.

SES is changing its recommendation from **AGAINST to **FOR** in case of resolution no. 1 and 2 (Adoption of Standalone Financial Statements and Adoption of Consolidated Financial Statements.), based on additional disclosure made by the Company via email.**

EXISTING RECOMMENDATION					
S. No.	Resolution	Type	SES Observation #	Rec.	Rationale
1.	Adoption of Standalone Financial Statements.	O	LC GC	AGAINST	Unpaid statutory dues for >2 years.
2.	Adoption of Consolidated Financial Statements.	O	LC GC	AGAINST	Unpaid statutory dues for >2 years.
REVISED RECOMMENDATION					
1.	Adoption of Standalone Financial Statements.	O	LC	FOR	Unqualified financial statements. No concern identified.
2.	Adoption of Consolidated Financial Statements.	O	LC	FOR	Unqualified financial statements. No concern identified.

O- Ordinary Resolution, Rec. - Recommendation

LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

BACKGROUND

SES, as per its policy, had e-mailed its Proxy Advisory Report to the Company on 13th June, 2023 in respect of 27th AGM of the Company.

Post release of the PA Report, the Company sent an email to SES on 15th June 2023. The text of the email has been reproduced at the end of this addendum. SES has also analysed the information provided by the Company and has provided appropriate response wherever required.

SES has reproduced the Company's response (*in blue italics*) and SES comments thereon (in black text).

SES' COMMENTS TO COMPANY RESPONSE

We would like to highlight that the payment of unpaid stamp duty for the past periods is an industry wide issue. We could not pay the stamp duty amount of Rs. 53.89 MN from the year 2011 to 2016 due to administrative inconvenience and ambiguity on the payment. The stamp duty collected from clients nowadays is being paid to the exchanges as a centralized mechanism, hence there is no window or option to deposit stamp duty related to a past period at present.

However, while we have separately earmarked this amount in our financial statements and are continuously exploring ways to pay this to the relevant authorities. In this endeavour we were able to deposit the stamp duty for one of the states last year. Basis our experience of this payout we are confident that the remaining amount of stamp duty will be deposited with other states by end of financial year 2023- 2024. It may be noted that this amount is just 0.25% of our net worth as on March 2023 and 0.45% of our annual profit before tax of FY 2023.

SES Comment:

At the time of report making/release, SES had raised governance concern with respect to default in undisputed statutory dues.



The Company, in its recent mail has provided adequate justification for non-payment of undisputed statutory dues stating that the same is on account of administrative inconvenience and that the remaining amount of stamp duty will be deposited by the end of financial year 2023- 2024. Therefore, **no concern is identified** in resolution #1 and #2.

Accordingly, SES has changed the recommendation from **AGAINST** to **FOR** in case of resolution no. 1 and 2.

Further, in the report, you are requested to make the following corrections:

Sr. No.	Section of the PA Report	Page No.	Particular	Correction / Remarks
1	Governance Snapshot	3	The company has not designated Lead ID	Mr. Muralidharan Ramachandran is designated Lead ID.
2	Major Disclosures	11	Comments on qualifications made by Statutory Auditors/ Secretarial Auditor	The Comments on qualifications and comments in the Secretarial Audit Report are stated in the Directors' Report forming part of the Annual Report.
3	Major Disclosures	11	Disclosure on appointment of a Chief Risk Officer in Annual Report.	The Company does not have a Chief Risk Officer as on date; hence the disclosure is not applicable. The Company has appointed a Head - Risk and Surveillance. The same is disclosed.
4	Director's time commitments	19	Board position and in committees	Mr. Majumdar was appointed on April 17, 2023, in the Company and was not a Director in any listed entity or a member of committee as on March 31, 2023. Refer page 85 of the Annual Report.
5	Director's performance	19	Mr. Amit Majumdar has attended 5 board meetings since his appointment on the Board, as per the Notice.	Number of Board meetings attended during the FY31 March 2023 – None Refer page 85 of the Annual Report.

SES Comments:

- The Company has not disclosed details of its Lead Independent Director (ID) in its Annual Report. However, the same has been disclosed by the Company and shareholders may take note of the abovementioned information w.r.t Lead ID. It is to be noted that the said disclosure also forms part of the Company's website.
- The Company in its Annual Report had stated that the Secretarial Auditors' Report for FY 2022-23 does not contain any qualification and therefore, SES has stated that the discussion regarding management comments is not applicable to the Company.
- SES scrutinizes regarding whether the Company has designated an official for risk management who shall be responsible for identifying, analysing, and mitigating internal and external risks of a Company and shall report to the Risk Management Committee (RMC). However, it has been mentioned above that, the Company does not have a Chief Risk Officer as on date, rather they have appointed a Head of Risk and Surveillance, which SES had taken into consideration.

Shareholders may note that Mr. Bhavin Parekh is the Head of Risk and Surveillance.
- In order to take the latest information regarding composition of committees, SES's data source includes the website of the Company, the Annual Report and Stock Exchange disclosures. Since, at the time of making/release of the Report, the website of the Company reflected the recent changes in the Board Composition, SES relied on the website for latest information. However, shareholders may take note of the committee membership of Mr. Amit Majumdar, as stated by the Company.
- Mr. Amit Majumdar was appointed on the Board w.e.f. 17th April, 2023 and hence, number of Board meetings held during FY 2022-23 is not applicable.



COMPANY'S EMAIL

This refers to your email of June 13, 2023 and our discussion earlier today on the captioned subject matter.

We have perused through the Proxy Advisory Report shared by your good self on the resolutions proposed for shareholders' approval in the ensuing Annual General Meeting.

We would like to highlight that the payment of unpaid stamp duty for the past periods is an industry wide issue. We could not pay the stamp duty amount of Rs. 53.89 MN from the year 2011 to 2016 due to administrative inconvenience and ambiguity on the payment. The stamp duty collected from clients nowadays is being paid to the exchanges as a centralized mechanism, hence there is no window or option to deposit stamp duty related to a past period at present.

However, while we have separately earmarked this amount in our financial statements and are continuously exploring ways to pay this to the relevant authorities. In this endeavour we were able to deposit the stamp duty for one of the states last year. Basis our experience of this payout we are confident that the remaining amount of stamp duty will be deposited with other states by end of financial year 2023- 2024. It may be noted that this amount is just 0.25% of our net worth as on March 2023 and 0.45% of our annual profit before tax of FY 2023.

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Disclaimer Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit initiative or its staff, has no financial interest in the companies covered in this report except for what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information



Stakeholders Empowerment Services

SEBI Reg. No. INH000000016

CIN No. -

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Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

