

July 27, 2023

To,  
The Board of Directors

**MOTILAL OSWAL FINANCIAL SERVICES  
LIMITED**  
Motilal Oswal Tower, Rahimtullah Sayani  
Opposite Parel ST Depot, Prabhadevi  
Mumbai - 400 025

**GLIDE TECH INVESTMENT ADVISORY PRIVATE  
LIMITED**  
Motilal Oswal Tower, Rahimtullah Sayani  
Opposite Parel ST Depot, Prabhadevi  
Mumbai - 400 025

**MOTILAL OSWAL WEALTH LIMITED**  
Motilal Oswal Tower, Rahimtullah Sayani  
Opposite Parel ST Depot, Prabhadevi  
Mumbai - 400 025

**Sub.: Fairness opinion on Fair Share Entitlement and the value of the B&D Undertaking contained in the Fair Share Entitlement Report in relation to the 'Proposed Scheme of Arrangement'**

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited (referred to as “Sundae” or “We”), refer to the engagement letter dated **July 21, 2023**, wherein we have been requested to provide a fairness opinion on valuation report to be issued by valuer w.r.t. the proposed Scheme of Arrangement between Motilal Oswal Financial Services Limited (hereinafter called (“The Transferor Company” Or “The Resulting Company” Or “MOFSL”), Glide Tech Investment Advisory Private Limited (hereinafter called (“The Transferee Company” Or “GLIDE”), Motilal Oswal Wealth Limited (hereinafter called (“The Demerged Company” Or “MOWL”) and their respective shareholders.

## SCOPE AND PURPOSE OF THIS REPORT

The Company has appointed Mr. Girish Kaushik, Registered Valuer – Securities or Financial Assets having registration number IBBI/RV/06/2018/10398 (referred to as “Valuer”) for recommendation of Fair Share Entitlement for the Proposed Scheme of Arrangement and our scope is restricted to examine the valuation report issued by the Valuer and issue our independent opinion as to the fairness Fair Share Entitlement and the value of the B&D Undertaking contained in the Fair Share Entitlement Report in relation to the ‘Proposed Scheme of Arrangement’ (“**Fairness Opinion**”).

All terms not specifically defined in this fairness opinion shall carry the same meaning as in the valuation report.

## BRIEF BACKGROUND OF THE COMPANIES

### **Motil Oswal Financial Services Limited, the “Transferor Company” or the “Resulting Company” or “MOFSL”**

Motil Oswal Financial Services Limited is a public limited company incorporated under the provisions of the Companies Act, 1956 under the corporate identification number L67190MH2005PLC153397

and is listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). It is a SEBI registered Trading Member registered with BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), Multi Commodity Exchange of India Limited (“MCX”) and National Commodity & Derivatives Exchange Limited (“NCDEX”).

It is also a SEBI registered Depository Participant registered with Central Depository Services (India) Limited, (“CDSL”) and National Securities Depository Limited (“NSDL”) and execute transactions in capital markets/equity derivatives/commodity derivatives/ currency derivatives segments on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. Besides stock broking, it also offers a bouquet of financial products and services to its client base. It is registered with the SEBI as Research Analyst and with various other bodies / agencies like Insurance Regulatory and Development Authority (“IRDA”), Association of Mutual Funds in India (“AMFI”), Central Registry of Securitisation Asset Reconstruction and Security Interest of India (“CERSAI”), KYC Registration Agencies (“KRA”)(CDSL Ventures Limited (“CVL”), DotEx International Ltd (KRA Division) (“Dotex”), NSDL Database Management Limited (“NDML”) , Computer Age Management Services (“CAMS”) and Karvy Data Management Services (“Karvy”)) etc.

The authorised, issued, subscribed and paid-up share capital of the Transferor Company or the Resulting Company as on 31 March, 2023 is as under:

| Share Capital  | INR                   |
|--|-----------------------|
| <b>Authorised Capital</b>                              |                       |
| 1,12,00,00,000 equity shares of INR 1 each             | 1,12,00,00,000        |
| 62,00,000 preference shares on INR 100 each            | 62,00,00,000          |
| <b>TOTAL</b>   | <b>1,74,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b>    |                       |
| 14,79,47,126 equity shares of INR 1 each fully paid up | 14,79,47,126          |
| <b>TOTAL</b>   | <b>14,79,47,126</b>   |

Subsequent to the above date, there has been change in the issued, subscribed and paid-up share capital of the Transferor Company or the Resulting Company on allotment of shares pursuant to exercise of ESOPs. The issued, subscribed and paid-up share capital of the Transferor Company or the Resulting Company as on the date of this Scheme is as below:

| Share Capital                               | INR                   |
|---|-----------------------|
| <b>Authorised Capital</b>                   |                       |
| 1,12,00,00,000 equity shares of INR 1 each  | 1,12,00,00,000        |
| 62,00,000 preference shares on INR 100 each | 62,00,00,000          |
| <b>TOTAL</b>                                | <b>1,74,00,00,000</b> |

|  |                     |
|--|---------------------|
| <b>Issued, Subscribed and Paid-up Share Capital</b>    |                     |
| 14,79,51,126 equity shares of INR 1 each fully paid up | 14,79,51,126        |
| <b>TOTAL</b>   | <b>14,79,51,126</b> |

**Glide Tech Investment Advisory Private Limited, the “Transferee Company” or “GLIDE”**

Glide Tech Investment Advisory Private Limited is a private limited company incorporated under the provisions of the Companies Act, 2013 under the corporate identification number U65990MH2019PTC333563. Glide has initiated the process to change its main object clause which will inter-alia include to carry out the B&D business.

The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31<sup>ST</sup> March, 2023 is as under:

| <b>Share Capital</b>                                | <b>INR</b>          |
|---|---------------------|
| <b>Authorized Capital</b>                           |                     |
| 1,00,00,000 equity shares of INR 10 each            | 10,00,00,000        |
| <b>TOTAL</b>  | <b>10,00,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                     |
| 70,00,000 equity shares of INR 10 each              | 7,00,00,000         |
| <b>TOTAL</b>  | <b>7,00,00,000</b>  |

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferee Company.

Transferee Company is the wholly owned subsidiary of Transferor Company or the Resulting Company.

**Motilal Oswal Wealth Limited, the “Demerged Company”**

Motilal Oswal Wealth Limited is a public limited company incorporated under the provisions of the Companies Act, 1956 under the corporate identification number U67110MH2002PLC135075. It has requisite license from SEBI for doing business of portfolio management services and is carrying the business of distribution of all kinds of financial instruments including portfolio management services, mutual funds, alternative investment funds, private equity funds and providing financial and investment advisory services and wealth management services in accordance with the applicable laws.

The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on 31<sup>ST</sup> March, 2023 is as under:

| <b>Share Capital</b>                  | <b>INR</b> |
|---------------------------------------|------------|
| <b>Authorized Capital</b>             |            |
| 15,00,000 equity shares of INR 1 each | 15,00,000  |

|   |                  |
|---|------------------|
| <b>TOTAL</b>  | <b>15,00,000</b> |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                  |
| 8,13,200 equity shares of INR 1 each                | 8,13,200         |
| <b>TOTAL</b>  | <b>8,13,200</b>  |

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up capital of the Demerged Company.

Demerged Company is the wholly owned subsidiary of Transferor Company or the Resulting Company. MOFSL is the flagship company of the Motilal Oswal Group (“the Group”).

Glide and MOWL are wholly owned subsidiaries of MOFSL.

## **SUMMARY OF PROPOSED TRANSACTION**

Subject to the terms and conditions contained in Draft Scheme of Arrangement shared with us, the Proposed Scheme of Arrangement will be implemented in three parts:

### **Part 1:**

Transfer of Broking and Distribution (“B&D”) Undertaking of the Transferor Company into the Transferee Company by way of Slump Sale;

### **Part 2:**

Demerger of Wealth Business Undertaking of the Demerged Company into the Resulting Company.

MOFSL, GLIDE and MOWL are collectively referred as the Companies.

## **SOURCE OF INFORMATION AND REPRESENTATIONS**

For the purpose of forming our opinion on the Fair Share Entitlement Report, we have relied on the discussions with the Management and the following information and documents made available to us:

- Fair Share Entitlement Report dated July 27, 2023 by Mr. Girish Kaushik (Registered Valuer – Securities or Financial Assets)
- Management certified draft scheme
- Necessary explanations and information from the management of Company.
- Discussion with the Valuer.
- Other information as available in public domain.

We have obtained explanations and information considered reasonably necessary for our exercise, from the executives of the company. Our analysis considers those facts and circumstances present at the date of this Fairness Opinion.

## EXCLUSIONS AND LIMITATIONS

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the company for the purpose of this opinion. With respect to the estimated financials, if any, provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the management of the company. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the business. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of the business (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the business and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the business. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the business for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the business with respect to these matters. In addition, we have assumed that the Proposed Scheme of Arrangement will be approved by the appropriate authorities, if any, and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

We understand that the managements of the business during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary approvals for the Proposed Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that the business may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving the business or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to the purchaser for providing a fairness opinion on the proposed transaction and will receive professional fees for our services. In the ordinary course of business, Sundae is engaged in merchant banking business including corporate advisory, re-structuring, valuations, etc. We may be providing various other unrelated independent professional advisory services to the purchaser and seller in the ordinary course of our business.

It is understood that this letter is solely for the benefit of and use by the Board of Directors of the purchaser for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is

not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law- Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to the purchaser underlying decision to effect to the proposed transaction or as to how the holders of equity shares of the purchaser should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of the purchaser will trade following the announcement of the transaction or as to the financial performance of the purchaser following the consummation of the transaction. In no circumstances however, will Sundae or its associates, directors or employees accept any responsibility or liability to any third party. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with the purchaser.

## OUR OPINION

With reference to above and based on information and explanation provided by the management of purchaser, after analyzing the Draft Scheme of Arrangement, and based on our examination of the Valuation report and our independent analysis and subject to the exclusions and limitations mentioned hereinabove and to the best of our knowledge the opinions are as follows:

### Part 1:

In case where transfer of Broking and Distribution (“B&D”) Undertaking of the Transferor Company into the Transferee Company by way of Slump Sale.

#### Valuation of Broking and Depository (“B&D”) Business / Undertaking

| Valuation Approach            | Broking and Distribution Undertaking |        |
|-------------------------------|--------------------------------------|--------|
|                               | Value of Undertaking                 | Weight |
| Asset Approach                | Rs. 1,763,903,932                    | 100%   |
| Income Approach               | NA                                   | NA     |
| Market Approach               | NA                                   | NA     |
| Relative Value of Undertaking | Rs. 1,763,903,932                    |        |

#### Valuation of equity shares of Glide

| Valuation Approach       | Glide           |        |
|--------------------------|-----------------|--------|
|                          | Value per share | Weight |
| Asset Approach           | Rs. 10.00       | 100%   |
| Income Approach          | NA              | NA     |
| Market Approach          | NA              | NA     |
| Relative Value per share | Rs. 10.00       |        |

**Recommendation by Valuer:** The Purchase Consideration shall be discharged by Glide by issuing 176,390,393 (Seventeen Crore Sixty-Three Lakhs Ninety Thousand Three Hundred Ninety-Three only),

rounded off, fully paid-up equity shares (“New Equity Shares”) having face value of INR 10/- (Rupees Ten) each to MOFSL.

Further, Glide is an existing wholly owned subsidiary of MOFSL and will continue to be a wholly owned subsidiary post effectiveness of the Scheme of Arrangement. Hence, the beneficial economic interest of the shareholders of MOFSL in Glide will remain identical after the demerger

**Part 2:** In case of Demerger of Wealth Business Undertaking of the Demerged Company into the Resulting Company.

The Resulting Company do not propose to issue any shares to the shareholders of the Demerged Company since the entire issued, subscribed and paid-up capital of Demerged Company is held by the Resulting Company and hence, there is no change in the beneficial ownership of the shareholders of respective companies.

Therefore, no fair share entitlement is recommended for Part 2 of the Proposed Scheme of Arrangement in the Fair Share Entitlement Report by the valuer.

**Based on the information, data made available to us, including the Fair Share Entitlement Report of Mr. Girish Kaushik, Registered Valuer – Securities or Financial Assets having registration number IBBI/RV/06/2018/10398, to the best of our knowledge and belief, the Fair Share Entitlement and the value of the B&D Undertaking contained in the Fair Share Entitlement Report in relation to the ‘Proposed Scheme of Arrangement’, in our opinion, is fair and reasonable.**

The aforesaid Scheme of Arrangement shall be subject to the receipt of approvals from Hon'ble National Company Law Tribunal, Mumbai Bench and other statutory authorities as may be required. The detailed terms and conditions are more fully set forth in the Draft Scheme of Arrangement. Sundae has issued this Fairness Opinion with the understanding the Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion shall not stand good in case the final Scheme of Arrangement alters the transaction.

***For Sundae Capital Advisors Private Limited  
(SEBI Regn. No. INM000012494)***

***NitiN Somani  
Director***