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The following table sets forth details of our AUM across our business verticals as of the dates indicated:

Particulars	March 31, 2026		March 31, 2025		March 31, 2024	
	Amount (₹ million)	(% of AUM)	Amount (₹ million)	(% of AUM)	Amount (₹ million)	(% of AUM)
Corporate loans	1,38,527.61	68.75%	127,200.05	75.48%	119,564.02	78.51%
SME and Other loans	15,524.65	7.70%	13,846.85	8.22%	13,313.33	8.74%
Retail loans	47,447.61	23.55%	27,478.80	16.31%	19,422.96	12.75%
Total AUM	201,499.87	100.00%	168,525.70	100.00%	152,300.31	100.00%
Company's Investment*	44,085.89	21.88%	32,983.01	19.57%	27,633.87	18.14%

*Company's investment (%) = Company's holding of SRs in a particular trust / total outstanding SRs of a particular trust*100.
Any decrease in our AUM may cause a decline in our fees and therefore our revenue from operations, and consequently, our profit. For further details, please refer to risk factor 1 on page 24 of the RHP

2. Non-compliance with RBI's observations: In the last three Fiscals, RBI has conducted two off-site assessments and inspections for supervisory evaluation and one select scope inspection under the SARFAESI Act. Subsequent to the first and second off-site assessment and inspection, the RBI issued the inspection and risk assessment report on February 15, 2024 (the "IRAR") and August 6, 2025, respectively, with major supervisory concerns such as (i) non-compliance with the provisions of the Regulatory Framework for Asset Reconstruction Companies dated October 11, 2022; (ii) deficiency in succession planning policy; (iii) deficiency/ absence of certain policies pertaining to acquisition, resolution, expected credit loss, dividend distribution, KYC, outsourcing and business continuity plan and (iv) Deficiency in minutes of the meetings of the Board and committees of the Board.

Subsequently, in connection with the IRAR, we received follow-on queries from RBI dated June 12, 2025, setting out follow-on observations such as (i) requiring us to conduct root cause analysis of all the cases wherein the settlement was approved below the realizable sale value of securities; (ii) submission of the status of documents collected from the seller institutions where there was a delay in collection; (iii) submission of the status of automation of corporate business and financial statements along with relevant approvals and timelines for completion and (iv) submission of root cause analysis of deviations from the acquisition policy on account of approval sought from the executive committee instead of the Board for acquiring 8 out of 30 assets during Fiscal 2023.

Our Company through its letter dated June 24, 2025 responded to RBI and provided its action/ compliance on RBI's follow-on observations. Subsequent to the RBI's audit for Fiscal 2025, we received a communication from the RBI dated April 15, 2026 setting out certain supervisory observations. While the RBI has not levied any penalty or taken any enforcement action for the above non-compliances, or in the preceding three Fiscals, and we have provided necessary clarifications or undertaken to ensure compliance with the above observations, we cannot assure that such steps will be satisfactory and that the RBI will not have further observations in the future or will not impose any penalties for non-compliances. For further details, please refer to risk factor 2 on page 26 of the RHP.

3. Competitive Bidding Process: We bid for stressed assets through a competitive bidding process, including the Swiss challenge and anchor process, where stressed assets are assigned upon satisfaction of the prescribed qualifying criteria. The table below provides details of the total number of bids in value terms in which we participated and won in the relevant Fiscals:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Bids participated (₹ million)	75,150.77	57,512.40	56,801.11
Bids won (₹ million)	59,588.00	39,758.71	20,689.82
Percentage of Bids won (%)	79.29%	69.13%	36.43%

If we are unable to acquire stressed assets through such bidding process, in a timely manner, or at all, it could adversely affect our business prospects, cash flows and results of operations. The table below sets forth details of stressed assets acquired from top five banks and financial institutions (in terms of assets acquired) in Fiscals 2026, 2025 and 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	% of Total acquisition for the year	Amount (₹ million)	% of Total acquisition for the year	Amount (₹ million)	% of Total acquisition for the year
Top 5 selling banks/ Financial institutions	40,024.24	67.17%	27,999.88	70.42%	16,390.02	79.22%

4. Inability to recover outstanding amounts from the stressed assets: The income and cash flow we generate from our stressed assets depends on various factors, including our ability to manage our stressed assets effectively. We utilize different resolution strategies targeted at maximizing the potential of recovery from the distressed assets we acquire.

The table below sets out details in relation to the collections and redemptions of SRs by the trusts managed by us for the years indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Opening AUM	168,525.70	152,300.31	162,234.83
Additions to AUM during the year	59,588.00	39,758.71	20,689.82
Redemption	26,381.17	22,233.11	29,534.71
Write-off	232.65	1,300.22	1,089.63
Closing AUM	201,499.87	168,525.70	152,300.31
Collections	34,843.91	38,826.55	36,781.46
Redemption % on opening AUM (%)	15.65%	14.60%	18.20%

The table below set out details of SRs issued, outstanding SR value, gross recovery, recovery during the year and gross recovery as a percentage of acquisition for the last three Fiscals, for our top 10 portfolios of stressed assets in each Fiscal:

Particulars	SRs issued (in ₹ million)	Outstanding SR value (in ₹ million)	Gross Recovery (in ₹ million)	Recovery (in ₹ million)	Gross Recovery as a Percentage of Acquisition (%)
Fiscal 2026	106,133.46	77,430.30	37,351.45	5,042.54	35.19%
Fiscal 2025	83,107.98	60,663.59	32,308.91	16,939.08	38.88%
Fiscal 2024	72,051.69	58,163.71	19,234.37	9,316.16	26.70%

We are required to obtain recovery ratings from SEBI registered rating agencies on the SRs issued by trusts which are managed by us. The recovery ratings indicate the extent of recovery expected within the timeframe (on a present value basis) stipulated in the RBI guidelines (five years, extendable to eight). Further, the valuation of an ARC's investments in SRs assets and

its management fees are linked to the recovery ratings of the SRs. Set forth below are details of the recovery ratings assigned to the rated SRs issued by the trusts managed by us, as of the dates indicated:

Particulars	Percentage of outstanding rated AUM		
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2024
RR1+ ⁽¹⁾ /RR1 ⁽²⁾	32.83%	34.32%	34.33%
RR2 ⁽³⁾	54.75%	44.95%	45.30%
RR3 ⁽⁴⁾	10.49%	17.65%	15.81%
RR4/ RR5 ⁽⁵⁾	1.93%	3.08%	4.56%
Total	100.00%	100.00%	100.00%
Unrated ⁽⁶⁾	Rating is under process		

- (1) RR1+: Indicates 150% and above recovery of outstanding face value of SRs.
(2) RR1: Indicates 100% to 150% recovery of outstanding face value of SRs.
(3) RR2: Indicates 75% to 100% recovery of outstanding face value of SRs.
(4) RR3: Indicates 50% to 75% recovery of outstanding face value of SRs.
(5) RR4: Indicates 25% to 50% recovery of outstanding face value of SRs; RR5: Indicates 0% to 25% recovery of outstanding face value of SRs.
(6) An unrated portfolio is on account of new acquisitions which are in the process of being rated.

Note: For SRs over 8 years, the ratings are compulsorily withdrawn based on guidelines prescribed by RBI, except in certain exceptional circumstances, as prescribed by the RBI. In accordance with the guidelines prescribed by RBI, the above table includes certain SRs, where the SRs issued by the trusts managed by us are over 8 years, but where the RBI guidelines allow for such SRs to be rated.

While as of March 31, 2026, March 31, 2025 and March 31, 2024, 98.07%, 96.92% and 95.44%, respectively of the rated SRs issued by the trusts managed by us were rated RR3 and above, if the percentage of SRs rated RR4/RR5 were to increase, it will impact the quality of our AUM and have an adverse effect on our business, results of operations, financial condition and cash flows.

5. Dependence on corporate loans business vertical: A significant portion of our stressed assets are under our corporate loans business vertical (representing 68.75%, 75.48% and 78.51% of our AUM as of March 31, 2026, March 31, 2025, March 31, 2024, respectively). The following table sets forth details of our corporate loan AUM as of the dates indicated:

Particulars	March 31, 2026		March 31, 2025		March 31, 2024	
	Amount (₹ million)	(% of AUM)	Amount (₹ million)	(% of AUM)	Amount (₹ million)	(% of AUM)
Corporate loans	138,527.61	68.75%	127,200.05	75.48%	119,564.02	78.51%
Total AUM	201,499.87	100.00%	168,525.70	100.00%	152,300.31	100.00%

Set out below are details of our top 10 corporate portfolios for Fiscals 2026, 2025 and 2024

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	(% of AUM)	Amount (₹ million)	(% of AUM)	Amount (₹ million)	(% of AUM)
Top 10 corporate portfolios	68,967.97	22.09%	51,274.47	30.43%	51,388.40	33.74%

*The amounts are measured at outstanding book value.

6. Inability to make accurate stressed asset acquisition decisions: In determining the price for the acquisition of stressed assets, we have to consider various factors, including our expectation of recovery, competition, collateral values, sectors in which the corporate borrowers operate for our corporate loan portfolio and profiles of the borrowers which constitute the pool of stressed assets. We have implemented a comprehensive credit assessment and risk management framework to evaluate potential acquisitions, determine the recovery potential of the assets and manage risks inherent in our operations. Our diligence to evaluate a portfolio includes legal due diligence to assess the enforceability of the security, conducting site visits to understand the value and marketability of the security and diligence on borrowers. Our IT systems collect data from various government databases, which enables us to conduct verification checks on borrowers. For details, see "Our Business- Our Strengths- Expertise in Acquiring Stressed Assets with Increasing Investment in SRs" on page 176 of the RHP.

7. Significantly rely on information technology systems: Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis. Our financial, accounting and other data processing systems, management information systems and our corporate website may fail to operate adequately or become disabled as a result of events beyond our control, including a disruption of electrical or communications services. Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, applications and interfaces, may be open to being hacked or compromised by third parties. The intention of these attacks could be to steal our data or information, or to shut down our systems and only release them for a fee.

8. Stricter regulations and guidelines issued by regulatory authorities in India, including the RBI.: As an asset reconstruction company, we are required to comply with various laws and regulatory requirements including the SARFAESI Act, the IBC and RBI Master Directions under which we are required to comply with certain compliances and conditions. To carry out the business of securitization or asset reconstruction, we are mandated to obtain a certificate of registration from the RBI under SARFAESI Act, 2002.

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