

**9. Risk related to Seasonality :** Our business is subject to seasonality as we generally see a surge in activity during the fourth quarter as banks and financial institutions sell stressed assets on their books before the end of the financial year to improve asset quality and meet regulatory provisioning norms. The second quarter also sees higher transaction volumes and asset acquisition due to banks and financial institutions conducting half-yearly financial assessments giving rise to a sale in stressed assets. Economic downturns lead to higher defaults, and increased stressed asset acquisitions whereas economic recovery improves corporate balance sheets and retail financial health reduces the formation of new stressed assets. For instance, the Indian economy has witnessed a notable improvement in the financial health of companies over the past few fiscal years. (Source: CRISIL Report) This upward trend is attributed to the concerted efforts of Indian banks to rectify their balance sheets, coupled with enhanced collection efficiency. (Source: CRISIL Report) The gross non-performing assets levels of large borrowers (with aggregate exposure of ₹ 50 million and above to any single SCB) in SCBs has significantly declined from 14.3% in Fiscal 2019 to 1.2% in Fiscal 2026. (Source: CRISIL Report) Set out below is data in connection with GNPA and write-offs by SCBs:

| Particulars                                               | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | Fiscal 2025 |
|-----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| GNPA of SCBs                                              | 9,336.1     | 8,960.8     | 8,350.5     | 7,424.0     | 5,718.5     | 4,807.0     | 4,316.3     |
| 1) Change in NPA -growth/(fall) compared to previous year | (1,025.8)   | (375.3)     | (610.3)     | (926.5)     | (1,705.5)   | (911.5)     | (490.7)     |
| 2) Annual Write-offs of SCBs                              | 2,362.7     | 2,341.7     | 2,027.8     | 1,749.7     | 2,091.4     | 1,702.7     | 1,372.6     |
| Changes in GNPA + write-offs (1+2)                        | 1,336.9     | 1,966.4     | 1,417.5     | 823.1       | 386.0       | 791.2       | 881.9       |

Note: Numbers are rounded off to nearest billion up to one decimal point. For Fiscal 2024, annual write-offs have been directly sourced from the RBI database but for Fiscal 2025, annual write off has been calculated by applying write-off to gross NPA ratio on total gross NPAs, since annual write off data was directly not available.  
Source: RBI, CRISIL Intelligence.

- 10. Risk related to Restated Consolidated Financial Information:** While preparing our Restated Consolidated Financial Information, we consolidate those trusts in which our outstanding investment in security receipts is more than 25% as subsidiaries in accordance with Ind AS 110 and our accounting policies. We consolidate all line items in relation to such trusts identified as subsidiaries including investment in security receipts, management fee recoverable from trusts, and other operating income, in accordance with applicable accounting standards. Trusts in which our outstanding investments in security receipts is between 20% and 25% are considered as associates in our Restated Consolidated Financial Information in accordance with Ind AS 110 and our accounting policies. For such trusts, we consolidate only the share of profit/loss of the associate in our Restated Consolidated Financial Information, in accordance with applicable accounting standards. The assets and liabilities of the trusts are legally distinct from our Company's assets and liabilities and are held for the benefit of the SR Holders. The consolidation of the results of the trusts with those of our Company in our Restated Consolidated Financial Information may impact our financial metrics.
- 11.** Our Company will not receive any proceeds from the Offer. The Selling Shareholders shall be entitled to proceeds from the Offer for Sale.
- 12.** The Price/Earnings ratio based on Basic and Diluted EPS for Fiscal 2026 on consolidated and standalone basis for our company at the lower end of the price band (i.e. Floor Price) is 12.20 times and 12.85 times respectively and at the upper end of the price band (i.e. Cap Price) is 10.52 times and 11.08 times respectively. There are no listed companies which are comparable in size to the Company in India or globally in the same industry.
- 13.** Highest average cost of acquisition of Equity Shares for the Selling Shareholders in the Offer is ₹ 84, and Offer Price at the upper end of the price band is ₹ 139 per Equity Share.
- 14.** The weighted average return on net worth for last three fiscal years on consolidated and standalone is 12.94% and 13.67%.
- 15. Details of the weighted average cost of acquisition of specified securities held of our Promoters (also the Promoter Selling Shareholders), Investor Selling Shareholder and the Other Selling Shareholder as on the date of the Red Herring Prospectus and as on one year prior to the date of the Red Herring Prospectus:**

| Period                              | No. of Equity Shares of face value ₹10 each as on date of the Red Herring Prospectus | Weighted average cost of acquisition per Equity Share as on the date of the Red Herring Prospectus (in ₹)* | Weighted average cost of acquisition per Equity Share one year prior to the date of the Red Herring Prospectus* (₹) |
|-------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Promoters</b>                    |                                                                                      |                                                                                                            |                                                                                                                     |
| Avenue India Resurgence Pte. Ltd.** | 226,566,265                                                                          | 55.62                                                                                                      | Nil                                                                                                                 |
| State Bank of India**               | 64,816,980                                                                           | 36.76                                                                                                      | Nil                                                                                                                 |

| Period                              | No. of Equity Shares of face value ₹10 each as on date of the Red Herring Prospectus | Weighted average cost of acquisition per Equity Share as on the date of the Red Herring Prospectus (in ₹)* | Weighted average cost of acquisition per Equity Share one year prior to the date of the Red Herring Prospectus* (₹) |
|-------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Investor Selling Shareholder</b> |                                                                                      |                                                                                                            |                                                                                                                     |
| Lathe Investments Pte Ltd.          | 16,244,858                                                                           | 84.00                                                                                                      | Nil                                                                                                                 |
| <b>Other Selling Shareholder</b>    |                                                                                      |                                                                                                            |                                                                                                                     |
| The Federal Bank Limited            | 4,139,300                                                                            | 35.43                                                                                                      | Nil                                                                                                                 |

\*As certified by J. Kala & Associates, Chartered Accountants (FRN: 118769W), by way of their certificate dated September 1, 2026.  
\*\*Also the Promoter Selling Shareholder

- 16. Details of the weighted average cost of acquisition of all shares transacted in the last one year, eighteen months and three years preceding the date of the Red Herring Prospectus is as follows:**

| Period                                                                | Weighted average cost of acquisition per Equity Share (in ₹)* | Upper end of the price band (₹139) is 'X' times the weighted average cost of acquisition | Range of acquisition price per Equity Share: lowest price – highest price (in ₹) |
|-----------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Last one year preceding the date of the Red Herring Prospectus        | Nil                                                           | NA                                                                                       | Nil                                                                              |
| Last eighteen months preceding the date of the Red Herring Prospectus | Nil                                                           | NA                                                                                       | Nil                                                                              |
| Last three years preceding the date of the Red Herring Prospectus     | Nil                                                           | NA                                                                                       | Nil                                                                              |

\*As certified by J. Kala & Associates, Chartered Accountants (FRN: 118769W), by way of their certificate dated September 1, 2026.

- 17. The three BRLMs associated with the Offer have handled 88 public issues in the current financial year and preceding two financial years, out of which 26 issues closed below the offer price on the listing date**

| Name of the BRLMs                                                         | Total Public Issues | Issues closed below the issue price on listing date |
|---------------------------------------------------------------------------|---------------------|-----------------------------------------------------|
| IIFL Capital Services Limited (formerly known as IIFL Securities Limited) | 29                  | 9                                                   |
| IDBI Capital Markets & Securities Limited                                 | 6                   | 1                                                   |
| JM Financial Limited                                                      | 30                  | 10                                                  |
| Common Issues of above BRLMs*                                             | 23                  | 6                                                   |
| <b>Total</b>                                                              | <b>88</b>           | <b>26</b>                                           |

\*Issue handled where there are common BRLMs

ADDITIONAL INFORMATION FOR INVESTORS

- 1) The Company has not undertaken any pre-IPO placement.  
2) There have not been any transactions of shares aggregating up to 1% or more of the paid-up equity share capital of the Company by Promoter(s) and Promoter Group(s) from the DRHP filing till date.  
3) The Pre-Offer shareholding as on date of the Red Herring Prospectus for Promoters, members of our Promoter Group, top 10 Shareholders (other than the Promoters and members of the Promoter Group) and other public shareholders of the Company is set out below:

| S. No.                                           | Name of the Shareholder                  | Pre-Offer shareholding as on the date of the Red Herring Prospectus |                         | Post-Offer shareholding as at Allotment <sup>(A)</sup>            |                                   |                                                                   |                                   |
|--------------------------------------------------|------------------------------------------|---------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------|-----------------------------------|
|                                                  |                                          | Number of Equity Shares of face value of ₹ 10 each                  | Shareholding (in%)      | At the lower end of the Price Band (₹132)                         |                                   | At the upper end of the Price Band (₹139)                         |                                   |
|                                                  |                                          |                                                                     |                         | Number of Equity Shares of face value of ₹ 10 each <sup>(B)</sup> | Shareholding (in%) <sup>(C)</sup> | Number of Equity Shares of face value of ₹ 10 each <sup>(B)</sup> | Shareholding (in%) <sup>(C)</sup> |
| <b>Promoters</b>                                 |                                          |                                                                     |                         |                                                                   |                                   |                                                                   |                                   |
| 1.                                               | Avenue India Resurgence Pte. Ltd.        | 226,566,265                                                         | 69.73%                  | 201,742,355                                                       | 62.09%                            | 201,742,355                                                       | 62.09%                            |
| 2.                                               | State Bank of India                      | 64,816,980                                                          | 19.95%                  | 53,853,918                                                        | 16.58%                            | 53,853,918                                                        | 16.58%                            |
| <b>Promoter Group (other than the Promoters)</b> |                                          |                                                                     |                         |                                                                   |                                   |                                                                   |                                   |
| 3.                                               | Nil <sup>1</sup>                         | -                                                                   | -                       | -                                                                 | -                                 | -                                                                 | -                                 |
| <b>Public Shareholders (Top 10 shareholders)</b> |                                          |                                                                     |                         |                                                                   |                                   |                                                                   |                                   |
| 4.                                               | Lathe Investment Pte. Ltd.               | 16,244,858                                                          | 5.00%                   | -                                                                 | -                                 | -                                                                 | -                                 |
| 5.                                               | Karnataka Bank Limited                   | 8,562,600                                                           | 2.64%                   | 85,62,600                                                         | 2.64%                             | 8,562,600                                                         | 2.64%                             |
| 6.                                               | The South Indian Bank Limited            | 4,139,300                                                           | 1.27%                   | 41,39,300                                                         | 1.27%                             | 4,139,300                                                         | 1.27%                             |
| 7.                                               | The Federal Bank Limited                 | 4,139,300                                                           | 1.27%                   | 34,39,184                                                         | 1.06%                             | 3,439,184                                                         | 1.06%                             |
| 8.                                               | Sudhamoy Khasnobis                       | 100,554                                                             | 0.03%                   | 1,00,554                                                          | 0.03%                             | 100,554                                                           | 0.03%                             |
| 9.                                               | Mudalageeri Sudhendranath                | 60,000                                                              | 0.02%                   | 60,000                                                            | 0.02%                             | 60,000                                                            | 0.02%                             |
| 10.                                              | Mihir Dilip Nanavati                     | 37,855                                                              | 0.01%                   | 37,855                                                            | 0.01%                             | 37,855                                                            | 0.01%                             |
| 11.                                              | S V Venkatakrishnan                      | 35,759                                                              | 0.01%                   | 35,759                                                            | 0.01%                             | 35,759                                                            | 0.01%                             |
| 12.                                              | Rina Saha                                | 32,476                                                              | 0.01%                   | 32,476                                                            | 0.01%                             | 32,476                                                            | 0.01%                             |
| 13.                                              | Progressive Star Finance Private Limited | 23,000                                                              | 0.01%                   | 23,000                                                            | 0.01%                             | 23,000                                                            | 0.01%                             |
| <b>Other Public Shareholders</b>                 |                                          |                                                                     |                         |                                                                   |                                   |                                                                   |                                   |
| 14.                                              | Nilesh Dinesh Shah                       | 17,320                                                              | Negligible <sup>2</sup> | 17,320                                                            | Negligible <sup>2</sup>           | 17,320                                                            | Negligible <sup>2</sup>           |
| 15.                                              | Shruti Kumar                             | 15,731                                                              | Negligible <sup>2</sup> | 15,731                                                            | Negligible <sup>2</sup>           | 15,731                                                            | Negligible <sup>2</sup>           |
| 16.                                              | Sanjay Vijay Sawant                      | 12,500                                                              | Negligible <sup>2</sup> | 12,500                                                            | Negligible <sup>2</sup>           | 12,500                                                            | Negligible <sup>2</sup>           |
| 17.                                              | Sandeep Bangia                           | 12,415                                                              | Negligible <sup>2</sup> | 12,415                                                            | Negligible <sup>2</sup>           | 12,415                                                            | Negligible <sup>2</sup>           |
| 18.                                              | Mehul M Gandhi                           | 11,816                                                              | Negligible <sup>2</sup> | 11,816                                                            | Negligible <sup>2</sup>           | 11,816                                                            | Negligible <sup>2</sup>           |
| 19.                                              | Manoj Gangwal                            | 11,648                                                              | Negligible <sup>2</sup> | 11,648                                                            | Negligible <sup>2</sup>           | 11,648                                                            | Negligible <sup>2</sup>           |
| 20.                                              | S K Amarnath                             | 7,150                                                               | Negligible <sup>2</sup> | 7,150                                                             | Negligible <sup>2</sup>           | 7,150                                                             | Negligible <sup>2</sup>           |
| 21.                                              | Pankaj Jain                              | 7,034                                                               | Negligible <sup>2</sup> | 7,034                                                             | Negligible <sup>2</sup>           | 7,034                                                             | Negligible <sup>2</sup>           |
| 22.                                              | Tshering Samdup                          | 6,845                                                               | Negligible <sup>2</sup> | 6,845                                                             | Negligible <sup>2</sup>           | 6,845                                                             | Negligible <sup>2</sup>           |
| 23.                                              | Aalok Dave                               | 6,700                                                               | Negligible <sup>2</sup> | 6,700                                                             | Negligible <sup>2</sup>           | 6,700                                                             | Negligible <sup>2</sup>           |

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