

CA Mukesh Kumar Jain

Registered Valuer – Securities & Financial Assets

(IBBI Registration No. IBBI/RV/03/2019/12285)

STRICTLY PRIVATE & CONFIDENTIAL

February 20, 2026

To,

**The Board of Directors / Audit Committee / Committee of Independent Directors /
Other Committees (duly constituted by the Company),
Capfin India Limited**

6th Floor, VB Capitol Building,
Range Hills Road, Opp. Hotel Symphony,
Bhoslenagar, Shivajinagar, Aundh, Pune, Haveli,
Maharashtra, India, 411007

Sub: Fair valuation of equity share of Capfin India Limited for the proposed issue of equity shares in accordance with the provisions of SEBI ICDR Regulations (*defined hereinafter*)

Dear Sir / Madam,

I, CA Mukesh Kumar Jain, Registered Valuer – Securities or Financial Assets (hereinafter referred to as “the Valuer” or “I”) has been appointed by the management of Capfin India Limited [CIN: L74999PN1992PLC243323] (hereinafter referred to as “CIL” or “the Company”) for fair valuation of equity share of the Company on a preferential basis in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (“SEBI ICDR Regulations”).

I am a Registered Valuer as notified under Section 247 of the Companies Act, 2013. I hereby further state that I have carried out the valuation exercise in my capacity as an independent valuer. I further state that I am not related to the Company or its promoters or its director or their relatives. As on the date of this report, I have no interest or conflict of interest with respect to the valuation exercise under consideration.

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, valuation approach and exclusions to my scope of work.

The report is structured as under:

1. Purpose of Valuation
2. Background
3. Sources of Information
4. Valuation Approach
5. Recommendation
6. Exclusions and Disclaimers

1. PURPOSE OF VALUATION

- 1.1 I understand that the management of Capfin India Limited is contemplating issue of equity shares of the Company on preferential basis for fund raising. The aforesaid transaction is to be in accordance with the applicable provisions of the Companies Act, 2013 and rules & regulations framed in this regard (to the extent applicable) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time and other applicable SEBI Regulations, if any (“Proposed Issue”).
- 1.2 In this regard, CA Mukesh Kumar Jain, Registered Valuer – Securities or Financial Assets has been appointed by the Company for fair valuation of equity share of the Company as on December 31, 2025 (‘Valuation Date’) in accordance with Regulation 166A and Chapter V read with other relevant regulations of the SEBI ICDR Regulations for the purpose of the proposed preferential issue of equity shares of the Company. The relevant date for the purpose of this report, as confirmed by the management of the Company is February 20, 2026 (“Relevant Date”).
- 1.3 The valuation exercise is undertaken in accordance with the Indian Valuation Standards issued by the Institute of Chartered Accountants of India (ICAI), wherever applicable as per procedures laid down therein.

2. BACKGROUND

2.1 CAPFIN INDIA LIMITED (“CIL”)

2.1.1 Capfin India Limited is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India and incorporated in 1992. The Company is engaged in the business of lending and investment activities, primarily providing financial assistance to corporates as well as non-corporate clients across India. It operates as a base-layer, non-deposit taking NBFC and is listed on BSE.

2.1.2 The Company is presently engaged in the provision of commercial and business loan services aimed at addressing the varied and evolving funding requirements of its clientele.

2.1.3 The summarized fully diluted equity shareholding pattern (including warrants) of CIL as on 31st December 2025 is as under:

Category of the Shareholder	No. of shares (FV INR 10)	Shareholding (%)
Promoter & Promoter Group	19,44,558	62.97%
Public	9,93,672	32.18%
No. of outstanding warrants*	1,50,000	4.86%
Total	30,88,230	100.00%

*The warrants are held by Promoter & Promoter Group.

Source: <https://www.bseindia.com>

3. SOURCES OF INFORMATION

3.1. For the purpose of the valuation exercise, I have relied upon the information(s) provided by the management of the Company and information(s) available in the public domain:

- Audited financial statements of CIL for the period ended 31st March 2025, as provided by the management of the Company.
- Limited Reviewed financial statements of CIL for the period 1st April 2025 to 31st December 2025 as provided by the management of the Company.
- Latest shareholding pattern of CIL based on information available in the public domain and as provided by the management of the Company.
- Market price and volume information of CIL as available BSE.
- Other relevant details of the Company such as its history, past and present activities, future plans and prospects, and other relevant information; and
- Such other information and explanations as required and which have been provided by the management of CIL.

Besides the above information and documents, there may be other information provided by the Company which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Company has been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.

4. VALUATION APPROACH

- 4.1. “Value is a word of many meanings”. The term “value” can have different connotations depending upon the purpose for which it is intended to be used. The valuation of equity shares of any company would need to be based on a fair value concept. The purpose of fair value is to enable valuer to exercise his discretion and judgement in light of all circumstances, in order to arrive at a value, which is fair to all parties.
- 4.2. In case of companies listed on stock exchanges, the preferential issue of shares shall be undertaken in compliance with the provisions of SEBI ICDR Regulations, for fair valuation of equity shares of the Company.
- 4.3. In the present case, the equity shares of the Company are not frequently traded as per the definition provided under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for a period of more than 90 days as on the Relevant Date.

“Frequently traded shares” means shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of the shares of the issuer.

The relevant regulation i.e., 164(1) in case of frequently traded shares for more than 90 days provides that the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:

- *the 90 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date; or*
- *the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*
- *Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.*

- 4.4. The management of the Company has represented that the proposed preferential issue of equity shares may not tantamount to change of control of the Company. However, the management has represented that the proposed allotment pursuant to preferential issue of shares shall not be more than five percent of the post issue fully diluted share capital of the Company. Accordingly, the provisions of the said regulations are not applicable to the Company and the pricing (floor price) of the proposed preferential issue of equity shares is required to be undertaken in the manner prescribed in the said SEBI ICDR Regulations.
- 4.5. For the purpose of the valuation, generally the following valuation approaches are adopted:
- (a) the 'Underlying Asset' approach;
 - (b) the 'Income' approach; and
 - (c) the 'Market' approach.
- 4.6. 'Underlying Asset' approach
- (a) In case of the 'Underlying Asset' approach, the value per equity share is determined by arriving at the Net Assets (Assets *less* Liabilities) of the Company. The said approach is considered taking into account fair value of assets and liabilities, to the extent possible, the respective asset would fetch or liability is payable as on the Valuation Date. The following adjustments be made to arrive at the fair value per equity share as per the 'Underlying Asset' approach at fair values:
 - The fair value of quoted shares/securities held by the Company, if any, be considered at market value of such shares/securities;
 - The fair value of unquoted quoted shares/securities held by the Company, if any, in other entities be arrived at as per suitable approach to that entity to arrive at fair value of investments held by the Company;
 - The fair value of immovable properties, if any, held by the Company be considered at market value / ready reckoner value as on the Valuation Date, made available by the management of the Company;
 - Adjustments may be made to book value of any other assets for their recoverability on conservative basis after taking into account the management representations and their estimate of the recoverability of the same;
 - Liabilities of the Company be considered at their respective book values or their payable amounts as on the Valuation Date; and
 - Potential contingent liability, if any, be considered based on the discussions with the management and their reasonable estimate of the outflow on account of the same.

- (b) Alternatively, the value may be determined considering the book value of the net assets (Assets less Liabilities) of the Company and/or replacement cost basis, to the extent possible.

I have considered it appropriate to apply the 'Underlying Asset' approach for the present valuation exercise of the Company, as the valuation is primarily based on the fair value of its underlying assets. This approach is considered relevant in view of the nature of the Company's business and asset base, and it appropriately reflects the intrinsic value of the Company on a going concern basis, without any intention of disposing of its material operating assets.

4.7. 'Income' approach

Under the 'Income' approach, the equity shares of the Company can be valued using Discounted Cash Flow (DCF) Method – FCFF approach or FCFE approach or such other approaches and Profit Earning Capacity Value ("PECV") Method.

DCF Method – FCFF Approach (for instance)

- (i) Under the DCF method, the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and other adjustments are discounted at the Weight Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- (ii) Using the DCF method involves determining the following:
- *Estimating the future free cash flows:*
Future free cash flows are the cash flows expected to be generated by the entity that are available to the providers of entity's capital. The free cash flows under the FCFF method are determined by adjusting the profit after tax for depreciation and other non-cash items, interest (net-off tax), incremental working capital requirements and capital expenditure.
 - *Time frame of such cash flows:*
The time frame for free cash flows is determined by separating the value of the business in the explicit projection period and the post explicit projection period.
 - *Appropriate discount rate (WACC):*
Under DCF-FCFF method, the time value of money is recognized by applying a discount rate viz. WACC to the future free cash flows to arrive at their present value as on the date of valuation. WACC is considered as the most appropriate discount rate in the DCF method, since it reflects both the business and the financial risk of

the Company. In other words, WACC is generally the weighted average of the Company's cost of equity capital and debt. Normally, in stable growth companies, the cost of equity is determined by using Capital Asset Pricing Model ("CAPM").

- *Terminal or perpetuity value:*

The perpetuity value of an ongoing business is determined as present value of the estimated future free cash flows by capitalizing the free cash flows of the last year of the explicit projection period into perpetuity using an appropriate rate of return and perpetual growth rate.

- *Valuation of Investment in other entities:*

The investment of the Company in other entities is to be valued as per the valuation methodologies suitable to that entity.

- *Value for equity shareholders:*

The value of business so arrived considering the Net Present Value of the explicit period and terminal or exit value is adjusted for net of cash & cash equivalents, surplus assets, investments, borrowings, etc. as on the Valuation Date to arrive at the value for equity shareholders as on the Valuation Date.

The Company has not provided any projected financial statements or forward-looking information. Further, there is no material business activity currently being undertaken. Accordingly, I am of the view that the Income Approach may not be appropriate for the present valuation exercise to determine the fair value per equity share of the Company.

Profit Earning Capacity Value ("PECV") Method

Under the Income Approach, the Profit Earning Capacity Value ("PECV") Method is widely used to determine the value of a business based on its maintainable earnings.

The PECV Method is based on the premise that the value of a business is driven by its ability to generate sustainable profits over the long term. Accordingly, greater emphasis is placed on normalized and maintainable earnings rather than short-term fluctuations in financial performance. This method is particularly relevant for financial institutions, where profitability, capital efficiency, and return ratios are key drivers of value.

In applying this method, appropriate adjustments have been made to the historical financial results of the Company to arrive at the maintainable profits, after considering normalization for non-recurring, extraordinary, and non-operating items. The maintainable profit has been

determined after evaluating the historical performance, business outlook, growth characteristics, and sustainability of earnings.

Further, an appropriate capitalization rate / multiple has been applied to the maintainable profits, taking into consideration various factors including the risk profile of the business, growth prospects, return on equity (“ROE”), return on assets (“ROA”), net interest margin (“NIM”), asset quality, scale of operations, and industry dynamics. This capitalization reflects the expected return required by investors, considering the nature and risk of the business.

Additionally, the PECV Method inherently captures the income-generating capability of the Company, and therefore, the resulting value is considered reflective of the intrinsic economic value of the business on a going concern basis.

Historically the Company is incurring losses continuously, I have not applied the Income Approach using the Profit Earning Capacity Value (“PECV”) Method to arrive at the equity value of the Company as at the Valuation Date.

4.8. ‘Market’ Approach

(a) Market Price Method (“MP Method”)

The market price of an equity share is the barometer of the true value of the Company in case of listed companies. The market value of shares of the Company quoted on a recognised stock exchange, where quotations are arising from regular trading reflects the investor’s perception about the true worth of the listed companies. The valuation is based on the principles that market valuations arising out of regular trading captures all the factors relevant to the Company with an underlying assumption that markets are perfect, where transactions are being undertaken between informed buyers and informed sellers on the floor of the recognised stock exchange.

However, as the stock markets and stock prices are subject to volatility, and as the equity shares of the Company have not been frequently traded as per the definition provided under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and considering the proposed transaction, in my opinion, it is thought appropriate to arrive at the market price as per Regulation 165 under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2018 for infrequently traded shares listed on a recognised stock exchange as on the relevant date.

“Frequently traded shares” means shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of the shares of the issuer.

The Regulations provide that where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies. Accordingly, the value can not be derived using this method.

Comparable Companies Multiple (“CCM”) method

Under the CCM method, the value of the equity share of a company is determined based on publicly available information of the market valuations of the comparable companies on the basis of multiples derived from such market information.

Based on my analysis and professional judgment and considering that the Company is listed on a recognised stock exchange and the valuation is being conducted on a going concern basis, I have evaluated the applicability of various valuation methodologies. And, in my opinion, the Comparable Companies Multiple (CCM) method may be appropriate for the current valuation exercise, as there are comparable companies available in the public domain that are sufficiently comparable in terms of the nature or size of operations, financial parameters and risks associated with the markets in which the Company operates. Accordingly, I have applied the said method for the purpose of current valuation exercise.

(b) Comparable Transaction Multiple (“CTM”) Method

Under the CTM method, the value of the equity share of a company is determined considering the past transaction of similar companies as well as the market value of comparable companies that have an equivalent business model to the company being valued.

Under the CTM method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the

subject company. Due to different purposes of investments, transaction rationale and synergy benefits, different control premiums and minority discounts are embedded in the transaction values. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples of comparable transactions include premiums and discounts for which information is not available in the public domain. Due to lack of information on premium and discount of comparable transactions, I have not applied the said method for the purpose of current valuation exercise.

- 4.9. The equity value so arrived at under any of the approaches is divided by the outstanding number of equity shares as on the date of valuation to arrive at the value per equity share of the Company.
- 4.10. It is universally recognized that the valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including nature of its business, overall objective of the transaction and the purpose of valuation.

5. RECOMMENDATION

- 5.1. It is recognized that valuation of any company or assets as a matter is inherently subjective and subject to various factors, which are difficult to predict and beyond control. Valuation exercise involves various assumptions with respect to the specific industry, general business and economic conditions, which are beyond the control of the Companies. The assumptions and analysis of market conditions, comparables, prospects of the industry as a whole and the Company, which influences the valuation of companies are subject to change over a period of time and even differ between the valuers at the given point of time.
- 5.2. I have been given to understand by the management of the Company that the Articles of Association ('AOA') of the Company does not categorically provide for any clause in relation to method of determination which results in a floor price higher than that determined under the SEBI ICDR regulations. The floor price of equity share of a infrequently traded listed company should be in accordance with pricing provisions of Chapter V of the SEBI ICDR Regulations, as amended from time to time.
- 5.3. In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including exclusions and disclaimers given below), in my opinion, price per equity share considering the 'Underlying Asset' approach, 'Market

Price Method’ and ‘Income’ approach – DCF method and by providing appropriate weight to each of the method in the ultimate analysis, would be as under:

Valuation Approach	CIL	
	Value per Equity Share (INR)	Weight
Asset Approach – Net Asset Value Method (i) <i>(Annexure-A)</i>	32.52	50%
Income Approach (ii)	0.0	0%
Market Approach – Market Price Method (iii)	0.0	0%
Market Approach – CCM Method (iv) <i>(Annexure -B)</i>	33.24	50%
Market Approach – CTM Method (v)	NA	NA
Relative Value per Share	32.88	

NA stands for Not Applicable / Not Adopted

Accordingly, the floor price of the equity share of the Company having face value of INR 10/- each in terms of SEBI ICDR Regulations as at Relevant Date is INR 32.88/- (Indian Rupees Thirty Two Point Eight Only) per equity share.

6. EXCLUSIONS AND DISCLAIMERS

- 6.1. The report is subject to the exclusions and disclaimers 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.
- 6.2. No investigation of the Company’s claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of legal nature.
- 6.3. A valuation of this nature involves consideration of various factors based on prevailing stock market, financial, economic and other conditions including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Company has drawn my attention to all material information, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on my opinion, on the fair value of the equity shares of the Company, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 6.4. The recommendation is based on the estimates of future financial performance as projected by the management of the Company, which represents their view of reasonable expectation at the

point of time when they were prepared, after giving due considerations to the commercial and financial aspects of the Company and the industry in which the Company operates. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the projected financial statements may vary from those contained in the statement and the variation may be material. The fact that I have considered the projections in this valuation exercise should not be construed or taken as me being associated with or a party to such projections.

- 6.5. The work does not constitute certification of the historical financial statements including the working results of the Company referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the Valuation Date mentioned in the report is as per agreed terms of the engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 6.6. This valuation report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Company and other parties connected thereto.
- 6.7. In the course of the valuation, I was provided with both written and verbal information. I have evaluated the information provided to me by the Company through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise. I do not express any opinion or offer any assurance regarding accuracy or completeness of any information made available to me. Any inadvertent or typographical errors in the report may be ignored by the reader of this report. Further, the same may not have any impact on the recommendation of valuation exercise.
- 6.8. The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this report.
- 6.9. The information contained herein and the report is confidential. Any person/party intending to provide finance/invest in the shares/securities/instruments/businesses of the Company, 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. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only after obtaining prior permission in writing.

- 6.10. This report is prepared exclusively for the use of the Company solely for the purpose of assisting the Company, under consideration, in recommending floor price per equity share of the Company. Further, the fees for this engagement is not contingent upon the results arrived under this valuation exercise.
- 6.11. The decision to carry out the transaction (including consideration thereof) lies entirely with the management / Board of Directors / Committees of the Board of the Company and the work and the finding shall not constitute recommendation as to whether or not the management / the Board of Directors / Committees of the Board of the Company should carry out the proposed issue.
- 6.12. By its very nature, valuation work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, opinion on the valuation exercise may differ due to application of the facts and assumptions, formulas used and numerous other factors. There is, therefore, no indisputable single value or standard methodology for arriving at the value per equity share. Although my conclusions are in my opinion reasonable, it is quite possible that others may not agree.
- 6.13. CA Mukesh Kumar Jain, nor his employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report is issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Company referred herein or any person connected thereto.

Thanking you,
Yours faithfully,



The stamp is circular with a blue border. The text inside the stamp reads: 'MUKESH KUMAR JAIN' at the top, 'IBBI No. IBBI/RV/03/2019/12285' in the center, and 'REGISTERED VALUER' at the bottom.

CA MUKESH KUMAR JAIN

REGISTERED VALUER – Securities or Financial Assets

IBBI Registration No. IBBI/RV/03/2019/12285

Membership No. 502822

UDIN: 26502822YRDODD3833

Date: February 20, 2026

Place: Raipur

Annexure - A

NAV Per share For Capfin India Limited

(Amount in INR Lakhs)

Particulars	As at	As at
	31.12.2025	31.12.2025
	Fair Value	Book Value
ASSETS		
Financial Assets		
Cash and Cash Equivalents	101.66	101.66
Loans	120.42	120.42
Investments	375	375
Others Financial Assets	2.44	2.44
Total Financial Assets (A)	599.52	599.52
Non-Financial Assets		
Deferred Tax assets	31.45	31.45
Total Non-Financial Assets (B)	31.45	31.45
Total Assets(A+B)=C	630.97	630.97
Less:		
Liabilities		
Financial Liabilities		
Trade payables	4.78	4.78
Other Payables	2.18	2.18
Provisions	2.21	2.21
Total Financial Liabilities(D)	9.18	9.18
Non-Financial Liabilities		
Other Non-Financial Liabilities	-	-
Total Non-Financial Liabilities (E)	-	-
Total Liabilities (D+E) =G	9.18	9.18
Net Asset Value		
Net worth (C-G) = F	621.79	621.79
Add:		
Inflow on account of warrants issuance (including Securities Premium)	382.50	382.50
Adjusted Net Asset Value	1,004.29	1,004.29
Total no. of fully diluted shares	30,88,230.00	30,88,230.00
Value per Equity Share (INR) December 31, 2025	32.52	32.52

Annexure - B

Comparable Company Multiple ('CCM') Method

Comparable Companies

For the purpose of our valuation analysis, we have considered a set of comparable listed companies which, in our view, are broadly comparable to the Company, including UGRO Capital Limited, Home First Finance Company India Limited, and Poonawalla Fincorp Limited. These companies have been selected based on their classification as Non-Banking Financial Companies ("NBFCs") with specialized or niche lending focus. The selection also takes into consideration various qualitative and quantitative parameters such as industry orientation, risk profile, scale of operations, and growth characteristics, along with key financial metrics including Net Interest Margins ("NIM"), Gross Non-Performing Assets ("GNPA"), disbursement trends, Assets Under Management ("AUM"), Return on Equity ("ROE"), and Return on Assets ("ROA"), among others, to ensure reasonable comparability for valuation purposes.

Comparable Company Multiple

Some of the commonly used multiples under the Comparable Companies Method ("CCM") include Price to Earnings ("P/E"), Enterprise Value to EBITDA ("EV/EBITDA"), Return on Equity ("ROE"), and Price to Book Value ("P/BV").

Multiples based on EBITDA are generally not considered appropriate for valuing financial institutions, given the integral role of interest income and interest expense in their core operations. Accordingly, valuation of financial institutions is predominantly undertaken using equity-based multiples. Further, the growth of financial institutions is primarily driven by the expansion of their balance sheet—particularly the size of the loan book and total assets rather than operating leverage.

Among equity-based multiples, P/BV is considered more reliable valuation benchmarks for financial institutions. P/BV is closely linked to ROE, which is a key performance and valuation metric for such entities.

Additionally, the assets of financial institutions are marked-to-market or otherwise periodically re-measured on an ongoing basis, which implies that book value is a reasonable approximation of the underlying economic value of the business. Consequently, equity value derived using book-based and earnings-based multiples is considered reflective of the intrinsic value of financial institutions.

Considering the above, we have applied P/BV multiple of listed comparable companies, as set out above, to arrive at the equity value of CIL as at the Valuation Date.

For the comparable companies:

- The P/BV multiple has been computed by dividing the Market Price per Share (“MPS”) by the respective Book Value per Share (“BVPS”).

The MPS of the comparable companies has been determined based on the volume-weighted average price (“VWAP”) of the respective shares over the sixty (60) trading days immediately preceding the Valuation Date.

The BVPS of the comparable companies has been computed by dividing the net worth as at 30 September 2025 by the number of equity shares outstanding as at 30 September 2025.

Based on our analysis, the mean P/BV multiple of the comparable companies have been considered as the base comparable multiples. These multiples have been discounted by 60% to account for company-specific and qualitative differences, including, inter alia, liquidity, net interest margin (“NIM”), gross non-performing assets (“GNPA”), return on equity (“ROE”), return on assets (“ROA”), scale of operations, and size of assets under management (“AUM”).

The resulting company-specific P/BV multiple have been applied to the standalone book value and profits of CIL as at 30 September 2025 to arrive at the equity value of CIL as at the Valuation Date under the CCM.

Calculation of Value per share for Capfin acc to P/BV		Amount in INR lakhs
Mean P/BV multiple of comparable companies	A	2.59x
Less: Company specific discount	B	60%
Adjusted P/BV multiple of comparable companies	C=A*(1-B)	1.04x
Standalone net worth/ book value of Capfin as at 30th September 2025	D	621.79
Equity value of Capfin as at the Valuation Date	E= C*D	644.05
Adjustments:		
Add: Inflow on account of warrants issuance (including Securities Premium)	F	382.50
Adjusted Equity value of Capfin as at Valuation date	G=E+F	1,026.55
Number of equity shares outstanding on a fully diluted basis as at the Valuation Date	H	30,88,230
Value per equity share (INR per share)	I=G/H	33.24