Valuation Report
10 November 2026

Valuation of equity shares, warrants and compulsorily convertible preference shares of IIFL Finance Limited ("IIFL")

Valuation Report

KPMG Valuation Services LLP

10 November 2026

KPMG Valuation Services LLP
2nd Floor, Block T2 (B Wing)
Lodha Excelus, Apollo Mills Compound,
N. M. Joshi Marg, Mahalaxmi,
Mumbai – 400 011 India

Telephone: +91 (22) 3989 6000
Fax: +91 (22) 3090 2210
Internet: www.kpmg.com/in
Email:indiawebsite@kpmg.com

Strictly private and confidential

IIFL Finance Limited
802, 8th Floor, Hubtown Solaris,
N. S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai – 400 069.

10 November 2026

Valuation Report for Determination of Value of Equity shares, Warrants and Compulsorily Convertible Preference Shares ("CCPS") of IIFL Finance Limited ("IIFL") under Section 62 of the Companies Act, 2013 and Regulation 164(1) read with Regulation 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

Dear Madam/Sirs,

We refer to the Engagement Letter dated 6 November 2026 entered into between IIFL Finance Limited ("IIFL" or the "Company" and, in its contractual capacity, the "Client") and KPMG Valuation Services LLP ("KPMG" or "we" or "us" or "our"), pursuant to which KPMG has been appointed to carry out a valuation of equity shares, warrants and compulsorily convertible preference shares ("CCPS") in accordance with Regulation 164(1) read with Regulation 166A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and as required under the Articles of Association of the Company as on the agreed date of the valuation ("Valuation Date") for compliance purposes ("Engagement").

BACKGROUND

IIFL Finance Limited is a listed, non-deposit-taking, middle-layer non-banking financial company registered with the Reserve Bank of India. The Company is engaged primarily in providing lending solutions to retail and small-business customers, including gold loans, business loans and loans against property. IIFL, together with its subsidiaries, operates a diversified financial-services platform that also offers housing finance, microfinance and other lending and financial solutions. The Company and its subsidiaries serve customers across India through an extensive branch network and digital channels, with a focus on meeting the financing requirements of retail, self-employed, micro, small and medium-enterprise customers.

SCOPE AND PURPOSE OF THIS REPORT

We understand from the Client that they plan to raise funds through issuance of warrants and compulsorily convertible preference shares ("CCPS") on a preferential issue basis ("Proposed Transaction").

In this connection, the Client has requested us to determine the value of the equity shares, warrants and CCPS of IIFL in connection with the Proposed Transaction, having regard to Regulation 164(1) read with Regulation 166A of the SEBI ICDR Regulations and the other applicable provisions (the "Service") identified in this Report. The valuation has been undertaken as of 3 November 2026, being the "Valuation Date". For the limited purpose of determining the price under the SEBI ICDR Regulations and as per the requirements of the Articles of Association of the Company, 4 November 2026 has been considered as the "Relevant Date". To the extent mandatorily required under applicable laws of India, this Report may be produced before the judicial, regulatory or government authorities, stock exchanges and shareholders, in connection

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KPMG Valuation Services (a partnership firm with Registration No. 414) converted into Limited Liability partnership with LLP Registration No. AAP- 2732 with effect from May 13, 2019

Registered Office
8th Floor, Tower C, Building No. 10, DLF Cyber City, Phase II, Gurugram- 122002 India

with the Proposed Transaction. Further, this Report may be placed before the audit committee and the board of directors of the Company in connection with the Proposed Transaction.

The scope of our Service is to conduct a valuation of warrants and CCPS for the Proposed Transaction. To arrive at the valuation for Proposed Transaction, appropriate minor adjustments and rounding have been made in the values arrived by us.

We have considered financial information up to 30 September 2026 in our analysis and made adjustments for facts made known to us up to the date of our report, including taking into consideration current market parameters, which will have a bearing on the valuation analysis. the management of the Company ("Management") has informed us that it does not expect any events that are unusual or outside the ordinary course of business up to the effective date of the Proposed Transaction, other than the events specifically mentioned in this Report. We have relied on the above while performing the valuation analysis for the Proposed Transaction.

This Report dated 10 November 2026 ("Report Date") is our deliverable for the above Proposed Transaction.

This Report and the information contained herein is absolutely confidential. The Report will be used by the Client only for the purpose, as indicated in the Engagement Letter for which we have been appointed. The result of our valuation analysis and our report cannot be used or relied upon by the Client for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Company and its holding company, subsidiaries, joint ventures, associates, investees or group companies, if any, 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. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to KPMG. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.

The Report including, (for the avoidance of doubt) the information contained in it is absolutely confidential and intended only for the sole use and information of the Client. Without limiting the foregoing, we understand that the Client may be required to submit the Report to or share the Report as per terms agreed in the Engagement Letter, in connection with the Proposed Transaction. We hereby give consent to the disclosure of the Report to such recipients as permitted under the terms of the Engagement Letter, subject to the Client ensuring that any such disclosure shall be subject to the condition and understanding that:

- it will be the Client's responsibility to review the Report and identify any confidential information that it does not wish to or cannot disclose;
- we owe responsibility to only the Client, which has engaged us and nobody else, and to the fullest extent permitted by law;
- we do not owe any duty of care to anyone else other than the Client and accordingly that no one other than the Client is entitled to rely on any part of the Report;
- we accept no responsibility or liability towards any third party (including, the recipients as permitted under the terms of the Engagement Letter) with whom the Report may be shared or disclosed or who may have access to the Report pursuant to the disclosure of the Report to the recipients as permitted under the terms of the Engagement Letter. Accordingly, no one other than the Client shall have any recourse to us with respect to the Report;



- we shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by the Client or to whom the Client may disclose or directly or indirectly permit the disclosure of any part of the Report and that by allowing such disclosure we do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

It is clarified that reference to this Report in any document and/ or filing with aforementioned tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ professional advisors/ merchant bankers, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Board of Directors of the Client.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations 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 therein.

DISCLOSURE OF INTEREST/ CONFLICT

- KPMG is not affiliated with the Client in any manner whatsoever.
- We do not have any financial interest in the Company which is the subject of this Report.
- Valuers' fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this Report.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information shared with us during the course of the engagement:

- Historical consolidated and standalone audited financials of the Company for FY24, FY25 and FY26;
- Limited Review consolidated financial information of the Company for the six-month period ended 30 September 2026;
- Projected consolidated projections of the Company for the financial period ending FY27, FY28 and FY29;
- Details of the number of outstanding shares on fully diluted basis including Employee Stock Option Plan ("ESOP") as on the Valuation Date of the Company;
- Other relevant information and documents for the purpose of this engagement provided through emails or during discussions;
- Discussion with the Management in connection with their operations and its respective subsidiaries, past and present activities, future plans and prospects, share capital and shareholding of the Company;
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Client. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis and enquiries, as we considered necessary.

We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Management and representatives of the Company. The Client has been provided with the opportunity to review the draft report for this engagement to make sure that factual inaccuracies are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our network firms.



This Report, its content, and the results herein are specific to the purpose of valuation and the Valuation Date mentioned in the Report and agreed as per the terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This Report is issued on the understanding that the Management have drawn our attention to all the matters, which Management is aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the valuation of the Company for the Proposed Transaction as on the Valuation Date. Events and circumstances may have occurred since 30 September 2026 concerning the financial position of the Company or any other matter and such events or circumstances might be considered material by the Company or any third party. We have taken into account, in our valuation analysis, such events and circumstances occurring after 30 September 2026 as disclosed to us by the Company, to the extent considered appropriate by us based on our professional judgement. Further, we have no responsibility to update the Report for any events and circumstances occurring after the date of the Report. Our valuation analysis was completed on a date subsequent to 30 September 2026 and accordingly, we have taken into account such valuation parameters and over such period, as we considered appropriate and relevant, up to a date close to our Report Date.

The conclusions presented in this Report represent our conclusions based upon information received from the Company till this Report is issued and other sources and the said recommendation shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). You acknowledge and agree that you have the final responsibility for the determination of the consideration at which the proposed transaction shall take place and factors other than our Report will need to be taken into account in determining the valuation of the Company for the Proposed Transaction; these will include your own assessment of the Proposed Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of our engagement, we have carried out relevant analyses and evaluations through discussions, calculations and such other means, as may be applicable and available, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available, sourced from subscribed databases and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Client. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting/ financial/ commercial/ legal/ tax/ environmental due diligence or forensic/ investigation services and does not include verification or validation work. In accordance with the terms of our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical and projected financial information, if any, provided to us regarding the Company, its holding company, subsidiaries, associates, joint ventures or investees, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth, accuracy or completeness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not require us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Company. Also, with respect to explanations and information sought from the Company, we have been given to understand by the Company that Management has not omitted any relevant and material factors and that Management has checked the relevance or materiality of any specific information to the



present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of the Company. Management has indicated to us that Management understands that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Company and its impact on the Report.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheets of the Company, its holding company, subsidiaries, associates, joint ventures or investees, if any. Our conclusion of value assumes that the assets and liabilities of the Company reflected in the latest audited or provisional balance sheets remain intact as of the Report Date. No investigation of the Company's claims to title of assets has been made for the purpose of this Report and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The valuation analysis and result are governed by concept of materiality.

Our Report is not, nor should it be, it be construed as our opining or certifying the compliance of the Proposed Transaction with the provisions of any law/ standards including Company, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws/ standards or as regards any legal, accounting or taxation implications or issues arising from such Proposed Transaction.

Our Report is not, nor should it be construed as our recommending the Proposed Transaction or anything consequential thereto/ resulting therefrom. This Report does not address the relative merits of the Proposed Transaction as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Company, its shareholders or creditors regarding whether or not to proceed with the Proposed Transaction shall rest solely with them. We express no opinion or recommendation as to how the Board, shareholders or creditors of the Company should vote at any meetings of the shareholders or creditors to be held in connection with the Proposed Transaction. This Report does not in any manner address, opine on or recommend the prices at which the securities of the Company could or should trade following the announcement/ consummation of the Proposed Transaction. Our report and the opinion/ valuation analysis contained herein are not, nor should they be, it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

We express no opinion on the achievability of the forecasts, if any, relating to the Company, its subsidiaries, associates, joint ventures or investees and their respective businesses as provided by the Management. The future projections were made available to us by the Client. The assumptions used in their preparation, as we have been explained, are based on their present expectation of both – the most likely set of future business events and circumstances and the Management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

We have not conducted or provided an analysis or prepared a model for any individual assets/ liabilities and have wholly relied on information provided by the Company in that regard.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Transaction, without our prior written consent.

This Report is subject to the laws of India.

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Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

KPMG's responsibility is owed solely to the Client in accordance with the Engagement Letter. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person.

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and business information;
- Obtained data available in public domain;
- Undertook high level industry analysis and research based on publicly available market data;
- Discussions (over call/ emails/ conferences) with the Management to understand the business and fundamental factors that could affect its earning-generating capability including strengths, weaknesses, opportunities and threats analysis and historical financial performance;
- Selected internationally accepted valuation methodology or methodologies as considered appropriate by us, in accordance with the ICAI Valuation Standards and / International Valuation standards published by the International Valuation Standards Council;
- Determined valuation of the Company based on the selected methodology for the consideration of Board of Directors of the Company; and
- For the purpose of arriving at the valuation of the Company we have considered the basis of value as 'Fair Value' and the premise of value adopted is 'Going Concern'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.

SHARE CAPITAL DETAILS OF THE COMPANY

As at the Report Date, the paid-up equity share capital of IIFL is INR 85,40,18,826 consisting of 42,70,09,413 equity shares of face value of INR 2/- each fully paid up. The shareholding pattern of IIFL is as follows:

Category	No of Shares	% shareholding
Promoter & Promoter Group	10,56,74,667	24.7%
Public	32,13,34,746	75.3%
Total	**42,70,09,413**	**100.00%**

Note:

Further, after considering outstanding shares under ESOPs, we have considered 42,91,55,250 equity shares of INR 2/- each on fully diluted basis for the purpose of valuation analysis.

APPROACH AND METHODOLOGY – BASIS OF TRANSACTION

Client proposes to issue warrants and CCPS of IIFL on a preferential issue basis. In this connection, the Client has appointed KPMG to determine the value of the equity shares of the Company having regard to Regulation 164(1) read with Regulation 166A of the SEBI ICDR Regulations and to assess the value of the warrants and CCPS proposed to be issued in the Proposed Transaction, based on the value of the underlying equity shares and the respective proposed terms of those instruments.

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BASIS OF VALUE

The Report has been prepared on the basis of "Fair Value" as at Valuation Date. The generally accepted definition of "Fair Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

PREMISE OF VALUE

The Report has adopted "Going Concern" as the premise of value in the given circumstances. The generally accepted definition of a going concern premise is the value of a business enterprise that is expected to continue to operate in the future.

We have carried out the valuation in accordance with the principles set out in the ICAI Valuation Standards/ International Valuation Standards, as applicable, to the purpose and terms of this engagement.
We have valued the Client to arrive at its per share value. The per share value concluded by us is used as an input to calculate the valuation of CCPS and warrants.

Valuation of Equity Shares

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the value of equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the valuation for the purpose of the Proposed Transaction, such as:

- Asset Approach - Net Asset Value (NAV) Method
- Income Approach – Dividend Discount (DDM) Method
- Market Approach - Market Price Method; Comparable Company Multiples (CCM) Method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Company, and other factors which generally influence the valuation of Company and its assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Asset Approach:
Net Asset Value Method: Under the asset approach, the net asset value (NAV) method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, inter alia, value of surplus/ non-operating assets.

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Income Approach:
Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Under the DDM, the value of equity is estimated by discounting the dividends expected to be distributed to equity shareholders during the explicit forecast period and the terminal value to the Valuation Date using an appropriate cost of equity. The resulting present value may be adjusted for surplus or non-operating assets and other relevant items, where applicable.

Market Approach:
Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

- Market Price Method: Under this method, the value of shares of a company is determined, inter alia as per Regulation 164(1) of the SEBI ICDR Regulations, subject to the element of speculative support that may be inbuilt in the market price.

- Comparable Company Multiples (CCM) Method: Under this method, one attempts to measure the value of the shares/ business of company by applying the derived market multiple based on market quotations of comparable public/ listed company, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company/ business (based on past and/ or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable company and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- Comparable Transaction Multiples (CTM) Method: Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been set out in Annexure 1 of this Report.

BASIS OF VALUATION

The basis of the Proposed Transaction would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by the Valuer. Though different values have been arrived at under each of the above approaches/ methods, for the purposes of arriving at valuation of the Company it is necessary to arrive at a single value for the shares of the Company involved in a transaction such as the Proposed Transaction.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market

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sentiment, etc. which are not evident from the face of the balance sheet but which will strongly influence the worth of a share. The determination of valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single valuation for the Company. While we have provided valuation for the Proposed Transaction based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the price of equity shares of IIFL. The final responsibility for the determination of the consideration at which the Proposed Transaction shall take place will be with the Board of Directors of IIFL who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

The valuation of the equity shares of the Company has been arrived at based on the various applicable approaches/ methods explained herein earlier and various qualitative factors relevant to the Company including the business dynamics and growth potential of the Company, having regard to information base, key underlying assumptions and limitations. The per share value concluded by us is used as an input to calculate the valuation of CCPS and warrants.

We have applied relevant methods discussed above, as considered appropriate, and arrived at the assessment of the value of warrants and CCPS of IIFL. To arrive at the valuation for the Proposed Transaction, suitable minor adjustments and rounding have been made in the values arrived at by us.

VALUATION

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we provide the following valuation of Equity Shares of IIFL:

Valuation Approach	IIFL	
	Value per Share (INR)	**Weight**
a) Income Approach	546.92	0%
b) Market Approach		
Market Price Method	*601.16*	*100%*
Comparable Company Multiples Method	*585.75*	*0%*
c) Asset Approach	370.93	0%
Value per Share (Weighted Average)	**601.16**	**100%**

Note: Numbers are rounded off to the nearest decimal
Note: Valuation is not an exact science, and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. In the current scenario, considering that value per share as per Regulation 164 SEBI ICDR Regulations is higher as compared to other methods/approaches, we have given 100% weightage to Market Price Method pursuant to Regulation 166A which mandates price which is higher of Market Price Method and other Methods/approaches as per independent valuation framework.
Source: Management Inputs, Capital IQ, NSE, KPMG Analysis

We understand from the Management that they are planning to issue warrants and CCPS, both of which would be convertible into equity shares of IIFL. The issuance of these warrants and CCPS will be subject to SEBI ICDR Regulations and other applicable laws.

We have considered the above per share value as an input for valuation of warrants for Proposed Transaction. The warrants proposed to be issued by IIFL provide the allottee(s) with the right, but not the obligation, to exercise the warrants at any time during the stipulated exercise period. While the applicable lock-in restrictions reduce transferability and may warrant a discount for lack of marketability, the ability to exercise the warrants prior to expiry provides economic flexibility and gives rise to option value.

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Further, depending on the Company's capital requirements, regulatory considerations, promoter ownership objectives and prevailing market conditions, there may be commercial reasons for the relevant allottee(s) to exercise the warrants prior to the end of the stipulated exercise period. Accordingly, after considering the exercise price and other relevant proposed terms including illiquidity aspects, the value of the warrants has been considered equivalent to the value of the underlying equity shares. Based on the valuation methodology outlined above, Management inputs, the proposed terms of the warrants and relevant market data, the estimated value per warrant has therefore been considered equivalent to the value per equity share of IIFL.

We have considered the above per share value as an input for valuation of CCPS for Proposed Transaction. The CCPS are mandatorily convertible into equity shares within the stipulated period and we understand that there is no option available to either the CCPS holders or the Company to avoid such conversion. The proposed terms of the CCPS provide terms for dividend payment, subject to the conditions specified therein. Considering the mandatory conversion, the agreed conversion terms and the adjustment mechanism to provide it payout on par with comparable financing instruments, it has been considered reasonable to conclude that the value of the CCPS would materially be similar to the value of the underlying equity shares.

Our Report is based on the equity share capital structure of IIFL prior to the issuance of warrants and CCPS as mentioned earlier in this Report. Any variation in the equity capital of the Company may have material impact on the valuation of the Company.

Respectfully submitted,

For KPMG Valuation Services LLP
Registered Valuer Entity under Company
(Registered Valuers and Valuation) Rules, 2017
IBBI Registration No. IBBI/RV-E//06/2020/115
Asset class: Securities or Financial Assets

KPMG Valuations Services LLP

Mahek Vikamsey, Partner
Registered Valuer: IBBI/RV/05/2019/11313
Date: 10 November 2026

ANNEXURE 1- APPROACH TO VALUATION

Valuation of IIFL

Given the nature of the Client and the fact that the Company has provided projected financials, we have evaluated the applicability of Dividend Discount Method under the Income Approach to arrive at the value of IIFL.

For the purpose of DDM valuation, the dividend cash flow forecast is based on projected distribution of dividend as obtained through management estimates. While carrying out this engagement, we have relied on historical information made available to us by the Management and the projected estimates of distribution of dividend as estimated by Management. Although we have read, analyzed and discussed the projected estimates containing future dividend distribution for the purpose of undertaking a valuation analysis, we have not commented on the achievability of these assumptions / projections for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of the assignment. We have assessed and evaluated the reasonableness of the estimates based on procedures such as analyzing industry data, historical performance, expectations of comparable companies, analyst reports etc.

However, we have not given any weightage to the Income Approach considering that the value per share under this approach is lower than the price determined as per SEBI ICDR Regulations.

In the present case, the shares of IIFL are listed on BSE Limited and the National Stock Exchange of India Limited ("**NSE**") and there are regular transactions in its equity shares with reasonable volume. The equity shares of IIFL are frequently traded on NSE in terms of Regulation 164(5) of the SEBI ICDR Regulations. In the circumstances, the share price of IIFL on NSE, being the stock exchange on which the highest trading volume in respect of the equity shares of IIFL has been recorded during the preceding 90 trading days prior to the relevant date, has been considered in terms of Regulation 164(1) read along with Regulation 166A of SEBI ICDR Regulations. Accordingly, higher of the below two methods has been taken for determining the value of IIFL under the Market Price Method:

- the volume weighted average price for 90 trading days preceding the Relevant Date,
- the volume weighted average price for 10 trading days preceding the Relevant Date,

For the present valuation analysis, we have considered it appropriate to apply Market Approach to arrive at the value of the equity shares of the Company for the purpose of the Proposed Transaction.

Considering the availability of comparable listed peer set in the business carried out by IIFL, we have also applied the Comparable Company Multiples method under the Market Approach to arrive at the value of the shares of Client.

However, we have not given any weightage to Comparable Company Multiples method under the Market Approach considering that the value per share under this approach is lower than the price determined as per SEBI ICDR Regulations.[1]

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[1] As per Master Circular on (i) Scheme of Arrangement by listed entities and (ii) relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated 20 June 2023, "The issuance of shared under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time."
As per regulation 164(1) of Chapter V of SEBI ICDR Regulations, 2018, Pricing of a frequently traded shares for a preferential issue shall not be less than higher of (a) 90 trading days VWAP of the related equity shares quoted on the recognized stock exchange or (b) 10 trading days VWAP of the related equity shares quotes on the recognized stock exchange. Considering that IIFL Finance Limited is a frequently traded share on a recognized stock exchange and the price per share is highest using Market Price Method as compared to Comparable Companies Multiple Method, we have used Market Price Method to value IIFL Finance Limited given the purpose and nature of the Proposed Transaction.



Although net asset value is a relevant reference for a financial-services business, it may not fully capture differences in asset quality, profitability, growth prospects, capital adequacy, funding profile and the market's assessment of the Company's future earnings. Accordingly, the Asset Approach has been considered as a corroborative reference and has not been assigned weight in the final conclusion

As mentioned earlier, IIFL has ESOPs outstanding as at Valuation Date which will convert into variable number of equity shares upon exercise. As guided by the Management, we have considered probability adjusted ESOPs provided by the Management for arriving at fully diluted number of shares of IIFL.



ANNEXURE 2 – CALCULATION OF MARKET PRICE METHOD

DATE	VOLUME	VALUE
3-Nov-26	1,827,435	1,011,984,572
2-Nov-26	1,872,900	1,021,799,319
30-Oct-26	1,647,970	888,041,160
29-Oct-26	1,842,099	1,017,208,164
28-Oct-26	845,383	448,362,173
27-Oct-26	1,416,967	743,185,035
26-Oct-26	1,363,061	716,192,060
23-Oct-26	2,538,691	1,362,336,538
22-Oct-26	2,620,804	1,501,892,755
21-Oct-26	3,019,545	1,811,736,574
19-Oct-26	1,788,198	1,105,296,407
16-Oct-26	6,386,524	3,869,852,322
15-Oct-26	2,117,426	1,261,207,233
14-Oct-26	1,645,081	987,563,606
13-Oct-26	1,008,152	611,868,728
12-Oct-26	1,417,498	865,098,853
9-Oct-26	2,000,049	1,190,480,338
8-Oct-26	1,555,838	896,480,466
7-Oct-26	1,169,032	690,915,900
6-Oct-26	1,097,013	656,140,922
5-Oct-26	1,622,026	969,597,884
1-Oct-26	1,821,159	1,071,388,626
30-Sep-26	1,194,083	720,273,580
29-Sep-26	2,559,619	1,545,044,192
28-Sep-26	1,208,016	724,241,839
25-Sep-26	843,724	520,218,729
24-Sep-26	929,076	579,423,333
23-Sep-26	3,608,407	2,279,127,393
22-Sep-26	1,734,500	1,066,719,572
21-Sep-26	1,001,538	606,473,997
18-Sep-26	2,243,955	1,358,963,327
17-Sep-26	2,722,029	1,621,703,787
16-Sep-26	1,242,412	718,613,446
15-Sep-26	2,152,091	1,256,335,674
11-Sep-26	2,661,025	1,606,273,523
10-Sep-26	2,214,842	1,345,252,413
9-Sep-26	4,680,660	2,861,138,976
8-Sep-26	6,784,526	4,368,356,357
7-Sep-26	4,742,061	3,093,402,526
4-Sep-26	2,119,359	1,382,264,920
3-Sep-26	5,167,110	3,348,057,083
2-Sep-26	4,480,751	2,863,782,993
1-Sep-26	1,501,350	956,948,585

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DATE	VOLUME	VALUE
31-Aug-26	1,485,055	961,652,753
28-Aug-26	1,785,071	1,163,327,305
27-Aug-26	2,283,168	1,466,792,160
26-Aug-26	2,114,553	1,396,177,078
25-Aug-26	8,288,695	5,530,806,061
24-Aug-26	3,800,142	2,645,872,359
21-Aug-26	11,453,570	7,735,742,689
20-Aug-26	1,236,843	794,060,162
19-Aug-26	1,564,558	985,268,528
18-Aug-26	1,373,767	863,870,320
17-Aug-26	743,878	468,968,222
14-Aug-26	967,374	613,069,356
13-Aug-26	2,075,606	1,311,515,031
12-Aug-26	959,585	596,811,126
11-Aug-26	1,026,272	642,015,371
10-Aug-26	1,267,266	788,784,687
7-Aug-26	1,048,214	638,455,682
6-Aug-26	1,097,633	669,245,362
5-Aug-26	911,506	557,953,896
4-Aug-26	2,042,867	1,254,083,257
3-Aug-26	2,681,421	1,640,889,012
31-Jul-26	2,476,256	1,522,870,371
30-Jul-26	3,846,347	2,346,368,179
29-Jul-26	2,448,855	1,458,025,735
28-Jul-26	2,903,322	1,701,722,915
27-Jul-26	1,874,996	1,069,989,442
24-Jul-26	1,476,692	820,881,116
23-Jul-26	5,906,518	3,362,108,621
22-Jul-26	3,377,417	1,938,185,866
21-Jul-26	2,676,994	1,524,918,836
20-Jul-26	1,501,476	838,307,894
17-Jul-26	2,053,028	1,140,621,405
16-Jul-26	4,570,537	2,572,065,753
15-Jul-26	1,333,321	724,101,243
14-Jul-26	1,091,269	594,685,251
13-Jul-26	1,230,264	683,738,761
10-Jul-26	1,836,478	1,015,152,275
9-Jul-26	4,193,206	2,269,887,342
8-Jul-26	2,043,494	1,073,292,880
7-Jul-26	740,728	388,972,591
6-Jul-26	1,178,614	619,694,269
3-Jul-26	1,297,722	679,871,649
2-Jul-26	1,964,134	1,007,020,349
1-Jul-26	1,133,505	567,974,058
30-Jun-26	1,951,219	984,529,727
29-Jun-26	4,133,474	2,047,839,711
25-Jun-26	2,838,935	1,465,169,594

KPMG Valuations Services LLP

3rd November 2026 Date

Particulars	Volume	Value	INR
10 Trading Days VWAP	18,994,855	10,522,738,350	553.9783
90 Trading Days VWAP	210,699,830	126,664,602,125	601.1614
Higher of 10 Trading Days and 90 Trading Days			**601.1614**

