

REPORT OF THE AUDIT COMMITTEE OF RELIGARE FINVEST LIMITED RECOMMENDING THE SCHEME OF ARRANGEMENT BETWEEN RELIGARE ENTERPRISES LIMITED AND RELIGARE FINVEST LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON FEBRUARY 14, 2026, AT 8TH FLOOR, MAX HOUSE, BLOCK -A, DR. JHA MARG, OKHLA PHASE III, OKHLA INDUSTRIAL ESTATE, NEW DELHI-110020

1. BACKGROUND

1.1. A meeting of the Audit Committee of Religare Finvest Limited was held on February 14, 2026, *inter alia*, to consider and recommend to the Board of Directors of the Company, the proposed Scheme of Arrangement between Religare Enterprises Limited (“Demerged Company”/ “REL”) and Religare Finvest Limited (“Resulting Company”/“RFL”/“Company”) and their respective shareholders and creditors under sections 230 to 232 read with section 52 and 66 and other applicable provisions of the Companies Act, 2013 (“Act”) (“Scheme”) and in terms of the provisions of Companies Act, 2013, as amended from time to time (“Act”).

1.2. The following members of the Audit Committee were present during the Meeting:

Mr. Anil Prasad Verma	Chairperson (Independent Director)
Mr. Malay Kumar Sinha	Member (Independent Director)
Mr. Praveen Kumar Tripathi	Member (Independent Director)
Mr. Arjun Lamba	Member (Non- Executive Non-Independent Director)
Mr. Gurumurthy Ramanathan	Member (Non- Executive Non Independent Director)

1.3. REL is a Core Investment Company (“CIC”) and is a middle-layer NBFC. REL is primarily engaged in the business of insurance services and financial services including lending activities, broking activities, investment activities and ancillary and support services, directly or through its subsidiaries.

1.4. RFL is a middle-layer NBFC and is *inter alia*, engaged in the business of lending, investment, financial advisory services and distribution of third-party financial products.

1.5. In terms of the Act, a report from the Audit Committee recommending the draft Scheme is required, taking into consideration, *inter alia*, the Share Entitlement Ratio Report (*as defined hereinafter*), and commenting on the need for the Scheme, rationale of the scheme, synergies of business of the Companies involved in the Scheme, cost benefit analysis of the scheme and impact of Scheme on the Company and its shareholders. This report of the Audit Committee is made in compliance with the requirements of the Act.



- 1.6. The implementation of the Scheme is subject to the: (i) receipt of approvals from the Boards of the Company and REL; (ii) sanction of the Scheme by the jurisdictional National Company Law Tribunal or other applicable authority (“Tribunal”); (iii) receipt of necessary approvals from the Stock Exchanges, Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”), the shareholders and creditors, as may be directed by the Tribunal, and any other regulatory/ governmental authorities or person, as may be applicable; and (iv) satisfaction or waiver of such other conditions precedent as specified in the Scheme.
- 1.7. Words and expressions, used in capitalized form but not defined in this report, shall have the meaning ascribed to them in the Scheme.

2. SALIENT FEATURES OF THE SCHEME

2.1. The Audit Committee noted the brief particulars of the Scheme as under:

- (a) This Scheme is presented under Sections 230 to 232 read with Section 52 and 66 and other applicable provisions of the Act read with Section 2(19AA) and other applicable provisions of the Income-tax Act, as amended from time to time and include any statutory replacement or re-enactment thereof, and other Applicable Law (*as defined in the Scheme*), if any.
- (b) The Scheme provides for demerger of the Demerged Undertaking of the Demerged Company and vesting into the Resulting Company and also provides for various other matters consequent and incidental thereto or otherwise integrally connected thereto.
- (c) The Appointed Date for the Scheme is the Effective Date. Effective Date means the day or the last of the dates on which last of the conditions precedent set forth in Clause 20 (Conditions Precedent) of the Scheme are fulfilled, obtained, or waived (if permitted under Applicable Law), as applicable in accordance with this Scheme.
- (d) The Scheme is and shall be subject to satisfaction or waiver of conditions precedent specified therein, including:
- (i) Receipt of no-objection/ observation letter from the stock exchanges in relation to this Scheme under Regulation 37 of the SEBI LODR Regulations;
 - (ii) Approval of this Scheme by the requisite majority of [each class of] shareholders and creditors of the Demerged Company and Resulting Company as applicable, in each case as may be required under the applicable law and/or as may be directed by the Tribunal;
 - (iii) Sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act;
 - (iv) Approvals from RBI, SEBI or other appropriate authority for the Scheme including in respect of transfer of any of the subsidiaries and joint ventures forming part of the Demerged Undertaking (*as defined under the Scheme*) pursuant to the Scheme;
 - (v) Receipt of certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the RoC; and
 - (vi) The Boards of the Demerged Company and the Resulting Company having passed a resolution confirming the effectiveness of the Scheme after completion of last of the conditions precedent set out in Clause 20.1 to Clause 20.6 (both inclusive) of the Scheme.

- (e) Upon the Scheme becoming effective, all the assets, liabilities, contracts, employees, records etc. pertaining to the Demerged Undertaking of the Demerged Company shall stand transferred and vested with the Resulting Company as a going concern subject to and in accordance with the provisions of the Scheme.
- (f) As part of the Scheme, all assets, liabilities and reserves of the Demerged Undertaking will be taken over by the Resulting Company at the same book values as they had in the Demerged Company.

2.2. Need for the arrangement and rationale for the Scheme:

The Audit Committee noted the rationale for, and the benefits of, the proposed Scheme which, *inter alia*, are stated as follows:

- (i) The Demerged Company has interests in multiple businesses and business activities, amongst which are the businesses and activities comprising of the Demerged Undertaking. The business and activities forming part of the Demerged Undertaking are carried on by the Demerged Company directly or through its subsidiaries.
- (ii) Further growth and expansion of the businesses comprising of the Demerged Undertaking would require differentiated strategy aligned to its industry specific risks, market dynamics and growth trajectory.
- (iii) The nature and competition involved in the businesses comprising of the Demerged Undertaking is distinct from the other businesses and it is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.
- (iv) The following benefits shall accrue on demerger of the Demerged Undertaking into the Resulting Company:
 - (a) creation of an independent company focusing exclusively on the businesses undertaken by the Demerged Undertaking and exploring opportunities in the said sector;
 - (b) the independent company can attract different sets of investors, strategic partners, lenders and other stakeholders having a specific interest in the businesses undertaken by the Demerged Company;
 - (c) creation of an independent company facilitates more targeted and efficient regulatory compliance and supervision of the businesses comprising of the Demerged Undertaking;
 - (d) enable the formulation and implementation of risk management policies and internal compliance frameworks that will improve monitoring of risks associated with the businesses comprised of the Demerged Undertaking;
 - (e) will enable the Resulting Company to focus and enhance the business comprising of the Demerged Undertaking by streamlining the management structure and ensuring better management and governance control;
 - (f) given the unique characteristics of the businesses comprising of the Demerged Undertaking, creation of a separate publicly listed company for the Demerged Undertaking will enable the Resulting Company to pursue new growth opportunities,

attract and retain sector-focused talent and resources, and create sustainable value for shareholders; and

- (g) unlock the value of the businesses comprising of the Demerged Undertaking for the shareholders of the Demerged Company.

The Scheme is in the interests of all stakeholders of the Demerged Company and the Resulting Company.

2.3. Synergies of business of the Companies involved in the Scheme:

The background and information about REL and RFL are, *inter-alia*, as under:

- (a) REL is a Core Investment Company (“CIC”) and is a middle-layer NBFC. REL is primarily engaged in the business of insurance services and financial services including lending activities, broking activities, investment activities and ancillary and support services, directly or through its subsidiaries.
- (b) RFL is a middle-layer NBFC and operates as is *inter alia*, engaged in the business of lending, investment, financial advisory services and distribution of third-party financial products.

2.4. Impact of the Scheme on the Company and its Shareholders:

- (a) The Scheme is expected to be beneficial to the Company and its shareholders, leading to opportunity for growth and value creation in the long run and maximizing the value and returns to the shareholders.
- (b) The Resulting Company is a wholly owned subsidiary of the Demerged Company, upon Part II of the scheme coming into effect, the Resulting Company shall issue and allot shares, on a proportionate basis to each equity shareholder of the Demerged Company in the following ratio:

“1 fully paid-up equity share of INR 10/- each of the Resulting Company (“Resulting Company New Equity Shares”), credited as fully paid-up, for every 1 equity share of INR 10/- each of the Demerged Company”

- (c) All equity shares of the Resulting Company held by the Demerged Company (directly and/ or through nominees) shall stand cancelled.
- (d) The equity shares of RFL will be listed and admitted to trading on the Stock Exchanges in compliance with SEBI Scheme Circular - Equity and other relevant provisions as applicable.
- (e) The Appointed Date for the Scheme is the Effective Date. Effective Date means the day or the last of the dates on which last of the conditions precedent set forth in Clause 20 (Conditions Precedent) of the Scheme are fulfilled, obtained, or waived (if permitted under Applicable Law), as applicable in accordance with this Scheme.
- (f) The rights and interests of the shareholders of the Company will not be prejudicially affected by the Scheme, and there will be no change in the economic interest of the shareholders of REL, before and after the Scheme.
- (g) The equity shareholders of the Demerged Company will become the equity shareholders of the Resulting Company pursuant to the Scheme.

- (h) Therefore, considering the above and other documents presented, the Committee is of the view that the Scheme will have no adverse effect on the shareholders of the Company and accordingly, is not detrimental to the shareholders of the Company.

2.5. Cost benefit analysis of the Scheme:

The Scheme is expected to provide an opportunity to improve the economic value for the entities involved in the Scheme and their respective stakeholders, in view of the reorganization of the businesses. This is primarily on account of various costs associated with the implementation process and operational synergies which are expected to accrue to the Company on account of the Scheme and more particularly detailed out in paragraph 2.3 above. While the Scheme would lead to incurring of identified costs towards its implementation, the Committee is of the view that, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Company.

3. DOCUMENTS PLACED BEFORE THE AUDIT COMMITTEE

The following documents, presented by the Company Secretary of the Company for the purpose of identification, were placed before the Audit & Governance Committee:

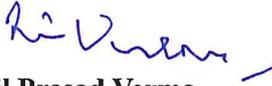
- (a) Draft Scheme;
- (b) Share entitlement ratio report dated February 14, 2026 issued by BDO Valuation Advisory LLP (IBBI Registration No. IBBI/RV-E/02/2019/103), Registered Valuer, in connection with equity shares of the Demerged Company (“**Share Entitlement Ratio Report**”);
- (c) Fairness Opinion dated February 14, 2026, issued by Ernst & Young Merchant Banking Services LLP, (SEBI Registration No. INM000010700), an Independent SEBI registered Category – I Merchant Banker (“**Fairness Opinion**”), providing opinion in respect of the Share Entitlement Ratio Report;
- (d) Draft Statutory Auditors’ certificate dated February 14, 2026 issued by T.R. Chaddha & Co. LLP (Firm Registration No. [006711N /N500028]), the Statutory Auditors of the Resulting Company, confirming the accounting treatment prescribed in the Scheme is in compliance with the accounting standards prescribed under section 133 of the Companies Act and other generally accepted accounting principles (“**Statutory Auditors’ Certificate**”); and
- (e) Other presentations, reports, documents and information pertaining to the draft Scheme made available and presented to the Committee.

4. RECOMMENDATION OF THE AUDIT COMMITTEE

- 4.1. The Audit Committee has reviewed the Share Entitlement Ratio Report and noted the recommendation made therein. Further, the Fairness Opinion has confirmed that the recommended Share Entitlement Ratio for Demerger by the valuers in the Share Entitlement Ratio Report are fair to the shareholders of the Company.

- 4.2. Taking into consideration the draft Scheme, Share Entitlement Ratio Report, Fairness Opinion, need for the Scheme, rationale of the Scheme, synergies of the business of the Companies involved in the Scheme, impact of the Scheme on the Company and its shareholders, cost benefit analysis of the Scheme and other relevant documents placed before the Audit Committee, the Audit Committee recommends the draft Scheme for favorable consideration and approval by the Board of Directors of REL, BSE, NSE, SEBI, RBI, Tribunal and other appropriate authorities, as applicable.

**For and on behalf of the Audit Committee of
Religare Finvest Limited**



Anil Prasad Verma
Chairman – Audit Committee
DIN: 07613499



Date: February 14, 2026
Place: New Delhi

