

Formerly Known as MASTER COMPONENTS PRIVATE LIMITED

AN IATF16949 : 2016 & ISO 9001 : 2015 CERTIFIED COMPANY

CIN: L28900MH1999PLC123308

Registered Office: Plot No. D-10/A & D-10/B, MIDC Ambad, Nashik- 422010. MH, INDIA Website: www.master-group.in/mastercomponents.html TEL.: (0253) 6604938

E-mail: customersupport@master-components.com



REPORT ON RECOMMENDATIONS OF THE AUDIT COMMITTEE ON DRAFT SCHEME OF AMALGAMATION OF MASTER MOULDS PRIVATE LIMITED ("TRANSFEROR COMPANY") WITH MASTER COMPONENTS LIMITED ("TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME") AT ITS MEETING HELD ON TUESDAY, SEPTEMBER 30, 2025 AT 04:00 P.M.

The Securities and Exchange Board of India ("SEBI") vide its Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as further clarified by Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, Circular No. CIR/IMD/DF/50/2017 dated May 26, 2017, Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018, master circular bearing reference no. SEBI /HO/ POD-2/ P/ CIR /2023 /93 dated June 20, 2023 (hereinafter collectively referred to as "Circulars") has amongst other requirements, sought a report from Audit Committee of Listed Companies recommending the draft scheme under section 230-232 of the Companies Act, 2013 (Including any statutory modification(s) or re-enactment(s) thereof) ("Act").

Members Present:

Mr. Ganapathy Joshi - Chairman Mr. Vishal Patel - Member

Mr. Shrikant Joshi - Member

In Attendance:

Mr. Mudduraj Chandrashekhar Kulkarni – Managing Director and Chairman

Ms. Riddhi Bheda - Company Secretary and Compliance Officer

Background:

A meeting of the Audit Committee was held on 30th September, 2025, to consider and, if thought fit, recommend the proposed Scheme of Amalgamation ("Scheme") of Master Moulds Private Limited ("Transferor Company") with Master Components Limited ("Transferoe Company"), and their respective shareholders, creditors and stakeholders wherein the Transferor Company would stand transferred to and vested in Transferee Company and Transferor Company Stands Dissolved without being winding up with effect from the appointed date i.e. 1st April, 2025 in accordance with the terms of the Scheme and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules and regulations made thereunder, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("SEBI LODR Regulations"), the Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and master circular dated June 20. 2023 bearing reference no. SEBI /HO/ POD-2/ P/ CIR /2023 /93 issued by the Securities and Exchange Board of India ("SEBI Circular"), as amended from time to time.

The Company is incorporated under the provisions of the Companies Act, 2013. The equity shares of the Company are listed on National Stock Exchange of India Ltd (referred as "Stock Exchange/ NSE").





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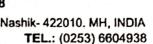
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This report of the Audit Committee is made in order to comply with the requirements of SEBI LODR Regulations and SEBI Circular.

The following documents were placed before the Audit Committee:

- 1. Draft Scheme of Amalgamation
- 2. Valuation Report dated 29th September, 2025 issued by CA Sayali Deshkar, Independent Registered Valuer registered with the Insolvency Bankruptcy Board of India (IBBI) under the Asset Class – Securities or Financial Assets vide registration number IBBI/RV/07/2019/12246 for determination of Share Exchange Ratio under the Scheme ("Valuation Report");
- 3. Fairness Opinion dated 30th September, 2025 prepared by Aryaman Financial Services Limited, a SEBI registered Category 1 Merchant Banker, (SEBI Registration No: [INMO00011344], providing a fairness opinion on the valuation of the shares and the share exchange ratio as recommended in the Valuation Report. ("Fairness Opinion");
- 4. Certificate dated 30th September, 2025 issued by M/s. Milind Modak & Co., Chartered Accountants, Statutory Auditors of Transferor and M/s. Bhalchandra D. Karve & Associates, Chartered Accountants, Statutory Auditors of Transferee Company confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of Companies Act, 2013 and other generally accepted accounting principles; and

Audited financial statements of the Transferee Company for the year ending 31st March, 2025, and Audited financial statements of the Transferor Company for the year ending 31st March, 2025.

Proposed Scheme

Salient Features

The Audit Committee considered and observed that the draft Scheme provides for the following:

- 1. The rationale of the scheme is as under:
 - a. The amalgamation of the Transferor Company with the Transferee Company would consolidate the operative efficiencies of the companies and would thereby reduce and/or optimize overheads, administrative, managerial, and other expenses, operational rationalization, and would ensure optimal utilization of resources;
 - b. The aggregation of the operations of the Transferor Company with the Transferee Company as a consequence of pooling and combining of finances and resources into one consolidated entity and the resultant reduction in compliances would be beneficial for the Transferee Company;
 - The combined operations of the Transferor Company and Transferee Company would aid in achieving more focused operational efforts, standardization and simplification of Business processes, and productivity improvements;





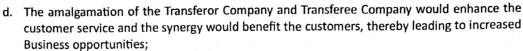
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e. The amalgamation of the Transferor Company with the Transferee Company would eliminate the duplication of efforts to be undertaken in multiple entities, and lead to an alignment of the Business, consequently, streamlining the operations of the Transferee Company

f. The Scheme is commercially and economically viable, feasible, fair, and reasonable and would protect the interest of the Transferor Company, the Transferee Company and their respective stakeholders;

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of the said Companies. Accordingly, the Board of Directors of both Transferor Company and Transferee Company have formulated this Scheme for the transfer and vesting of the Undertakings of the Transferor Company (as defined hereinafter) with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

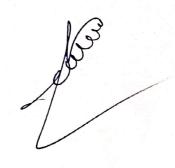
- 2. The appointed date for the Scheme shall be 1st April, 2025.
- 3. In consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company/register of beneficial owner with depository on the Record Date, or his/her/its legal heirs, executors or administrators or, as the case may be, successors) ("Share Exchange Ratio"):

Shareholders of Master Moulds Private Limited shall be issued and allotted 41 fully paid Equity Shares of Rs. 10/- each for every 1 Equity Shares of Rs. 100/- each held in Master Moulds Private Limited, in consideration of the proposed Scheme, the Transferee Company will issue and allot equity shares, to each shareholder of the Transferor Company, whose names appear in the register of members of Transferor Company on the record date as may be fixed for the purpose by the Board of Transferee Company in consultation with the Transferor Company (hereinafter referred to as "the Record Date"), in the following manner:

The equity shares proposed to be allotted by the Transferee Company will be listed on the SME Platform of NSE Limited recognized stock exchange having a nationwide trading platform.

The Transferor Company and the Transferee Company shall follow the method of accounting as per the applicable accounting principles as prescribed under the Companies (Indian Accounting standards) Rules, 2015 (Ind AS) as notified under Section 133 of the Act, as may be amended from time to time and relevant clarifications issued by Institute of Chartered Accountants of India.

This Scheme is and shall be conditional upon and subject to:





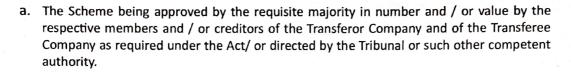
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- b. SEBI and Stock Exchanges approving this Scheme and the other transactions contemplated in the Scheme
- c. The sanction of the Hon'ble Tribunal under Sections 230 to 232 of the Companies Act, 2013 in favor of the Transferor Company and the Transferee Company under the said Provisions and the necessary order being obtained, such other sanctions, consents and Approvals, including sanctions or permission of any governmental or regulatory authority, creditor, lessor, or contracting party as may be required by law or contract in respect of the Scheme, being obtained; and
- d. Certified copy/copies of the order(s) of the Tribunal sanctioning this Scheme being filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company referred to in Clause F-5 above being obtained.

Need and Rationale of the Scheme is as mentioned in the salient features of the scheme above.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of the said Companies. Accordingly, the Board of Directors of both Transferor Company and Transferee Company have formulated this Scheme for the transfer and vesting of the Undertakings of the Transferor Company (as defined hereinafter) with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

The merger is in the interest of both the companies, their shareholders and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors and other stakeholders or the public at large.

Synergies of business of the entities involved in the Scheme:

The amalgamation of Master Moulds Private Limited with Master Components Limited brings together more focused operational efforts, standardization and simplification of Business processes, and productivity improvements, enhance the customer service and the synergy would benefit the customers, thereby leading to increased Business opportunities. The amalgamation of the Transferor Company with the Transferee Company would result in pooling and combining of finances and resources into one consolidated entity and reduction in compliances. It would eliminate the duplication of efforts to be undertaken in multiple entities, and lead to an alignment of the Business, consequently, streamlining the operations of the Transferee Company.



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The impact of the Scheme on the shareholders is as under:

- The shareholders of the Transferor Company as on the Record Date shall be entitled to equity shares in the Transferee Company basis the share exchange ratio determined CA Sayali Deshkar, Independent Registered Valuer (SEBI Registration No: INM 000010825), in the valuation report submitted to this Committee;
- 2. The Scheme will not adversely affect the rights or interest of any shareholder of the Transferor and Transferee Company or their respective shareholders, in any manner whatsoever;
- 3. It is expected that the combined business will augment revenue growth and profitability. The combined entity will have vastly improved financial strength and the larger bouquet of offerings will result in accelerated revenue growth and profitability;
- 4. The combined balance sheet will provide diverse strategic options and flexibility;
- 5. The scheme will result in significant cost efficiencies and synergies such as optimization of sales, general and administration costs as well as consolidation of delivery operations in domestic as well as overseas markets.

Cost benefits analysis of the Scheme is as under:

There are no social or environmental impacts of the proposed restructuring. Except for the transaction cost, there are no additional costs involved for the proposed restructuring. The Scheme will significantly enhance the value of the Company primarily on account of the benefits and synergies detailed above.

The Committee is of the opinion that the expected synergies and benefits resulting from the restructuring would far outweigh the impact of such costs for the Company and its stakeholders.

Recommendation of the Audit Committee:

Taking into consideration the Scheme, Valuation Report, Fairness Opinion, Accounting Treatment Certificate, Audited Financial statements of the Transferor and Transferee Company and other documents, as placed, the Audit Committee recommends the draft Scheme for favourable consideration by the Board of Directors of the Company, Stock Exchange and The Securities Exchange Board of India.

For Master Components Limited

Mr. Ganapathi Mala Joshy Chairman of Audit Committee

(Non-executive Independent Director, DIN: 02763942)

Date: 30/09/2025 Place: Bangalore