



MASTER COMPONENTS LIMITED

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 INDEPENDENT DIRECTORS 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 4:30 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 Independent Directors 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

In Attendance:

Ms. Riddhi Bheda – Company Secretary and Compliance Officer

Background:

A meeting of the Committee of Independent Directors of the Company ("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 ("Transferee 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 Scheme is subject to receipt of approvals of the board of directors, shareholders of the company involved and approval of other regulatory authorities as may be required, including NSE, SEBI and NCLT.

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").

In terms of SEBI Circular, a report from the committee of independent directors of the company is required recommending the draft scheme, taking into consideration inter alia that the Scheme is not



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detrimental to the shareholders of the transferee company. This report of the Committee is made in order to comply with the requirements of SEBI LODR Regulations and SEBI Circular.

The following documents were placed before the 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
5. 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 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;
 - c. 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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- d. The amalgamation of the Transferor Company and Transferee Company would enhance the customer service and the synergy would benefit the customers, thereby leading to increased Business opportunities;
- 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.



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

- a. The Scheme being approved by the requisite majority in number and / or value by the respective members and / or creditors of the Transferor Company and of the Transferee Company as required under the Act/ or directed by the Tribunal or such other competent authority.
- 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 or the public at large.

Scheme not detrimental to the shareholders of the transferor company:

1. The members of the committee of independent directors of the Company discussed and deliberated upon the rationale and salient features of the Scheme.
2. The Transferor Company will issue and allot its equity share, credit as fully paid up to the shareholders of the transferee company in accordance with the recommendations under the Valuation Report and Fairness Opinion.
3. The equity shares shall be issued by the transferee Company to the members of the Transferor company pursuant to the Scheme shall rank pari passu in all respects with the existing shares of the Company.
4. Accordingly, there will be no detrimental impact on the shareholders of the company due to the Scheme.



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Recommendation of the Committee

The Committee after due deliberations and due consideration of all the terms of the draft Scheme, Valuation Report, Fairness Opinion Report, etc. recommends the draft scheme for favourable consideration and approval by the board, Stock Exchange, SEBI and other appropriate authorities.

For Master Components Limited

Mr. Ganapathi Mala Joshy

Chairman of Committee of Independent Directors

(Non-executive Independent Director, DIN: 02763942)

Date: 30/09/2025

Place: Bangalore

