

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 OF MASTER COMPONENTS LIMITED ON THE DRAFT SCHEME OF AMALGAMATION BETWEEN MASTER MOULDS PRIVATE LIMITED ("TRANSFEROR COMPANY") WITH MASTER COMPONENTS LIMITED ("TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF COMPANIES ACT, 2013 ('SCHEME') CONSIDERED AND APPROVED AT ITS MEETING HELD ON FRIDAY, NOVEMBER 14, 2025 AT 4:30 P.M.

The Securities and Exchange Board of India ("SEBI") vide, Master Circular bearing reference no. SEBI/HO/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Circular") 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

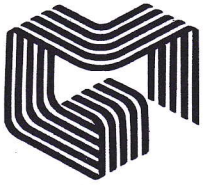
1. Background:

1.1 A meeting of the Committee of Independent Directors of the Company ("Committee") was held on 14th November, 2025, to consider and, if thought fit, recommend the proposed Scheme of Amalgamation of Master Moulds Private Limited ("Transferor Company") with Master Components Limited ("Transferee Company/Company"), and their respective shareholders ("Scheme"), pursuant to which the Transferor Company would stand transferred to and vested in Transferee Company and be dissolved without being wound up with effect from the Appointed Date i.e. 1st October, 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 in compliance with regulation 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("SEBI LODR Regulations"), and the SEBI Circular as amended from time to time.

1.2 The Scheme is subject to receipt of approvals of the board of directors, shareholders of the companies involved, and approval of other regulatory authorities as may be required, including NSE, SEBI and National Company Law Tribunal.

1.3 The Transferee Company is incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on SME platform of National Stock Exchange of India Ltd, i.e., NSE Emerge (referred as "Stock Exchange/ NSE")





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1.4 In terms of SEBI Circular, a report from the Committee is required recommending the draft Scheme, taking into consideration inter alia that the Scheme is not 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.

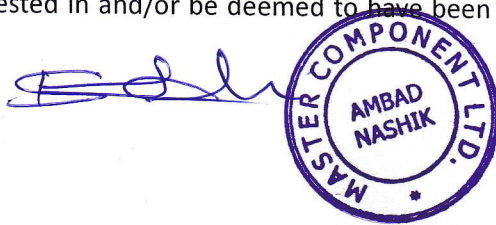
1.5 While deliberating on Scheme, the Independent Directors, inter-alia, consider and took record of following documents:

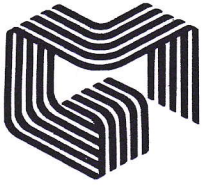
- (a) Draft Scheme of Amalgamation
- (b) Valuation Report dated 14th November, 2025 issued by CA Sayali Deshkar Independent Registered Valuer registered with the Insolvency Bankruptcy Board of India (IBBI) under the Asset Class – Securities or Financial Assets vide registration number IBBI/RV/07/2019/12246 for determination of Share Exchange Ratio under the Scheme ("**Valuation Report**");
- (c) Fairness Opinion dated 14th November, 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**");
- (d) Certificate dated 14th November, 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
- (e) Limited review financial statements of the Transferee Company for the period ending 30th September 2025 and audited financial statements for the last three financial years.
- (f) Audited financial statements of the Transferor Company for the period ending 30th September 2025, and for the last three financial years.
- (g) Other presentations, reports, documents and information furnished before the Committee.

2. Salient features /Proposed Scheme

2.1. The Committee considered and observed the following salient features in relation to draft Scheme:

- (a) The Appointed Date for the Scheme shall be 1st October 2025 ("**Appointed Date**").
- (b) With effect from the Appointed Date and upon the Scheme becoming effective, the entire Undertaking (as defined in the Scheme) of the Transferor Company shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee





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Company as a going concern so as to become the Undertaking of the Transferee Company, by virtue of and in the manner provided for in the Scheme, in accordance with Sections 230 to 232 and other applicable provisions of the Act.

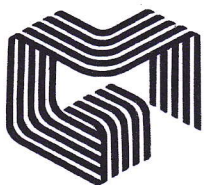
- (c) In consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor 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).
- (d) Pursuant to the said Scheme, the Transferee Company shall issue shares to the shareholders of the Transferor Company in the following share entitlement ratio:

"Shareholders of Master Moulds Private Limited shall be issued and allotted 40 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. ("**Share Exchange Ratio**")"

The Transferee Company shall issue and allot such equity shares to each shareholder of the Transferor Company whose name appears in the Register of Members of the Transferor Company as on the Record Date, as may be fixed for this purpose by the Board of the Transferee Company in consultation with the Transferor Company (hereinafter referred to as the "**Record Date**"). The detailed provisions relating to the issue and allotment of shares under the Scheme are captured in Para D-7 of the Scheme.

- (e) Consolidation of the authorized share capital by combining the authorized share capital of the Transferor Company with the authorized share capital of the Transferee Company and consequential increase in the authorized share capital and alteration of the capital clause of the memorandum of association of the Company, as provided in the Scheme.
- (f) 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, subject to the Transferee Company obtaining the requisite approvals from all relevant Governmental Authorities pertaining to listing.
- (g) 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. The detailed accounting treatment in respect of the Scheme is set out in Part E of this Scheme.
- (h) The Transferor Company shall stand dissolved without being wound up as stated in clause F-4 of the Scheme.





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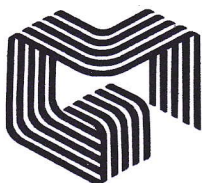
- (i) The effectiveness of the Scheme is contingent upon certain conditions as mentioned in the Scheme, which inter alia include:
- (i) Obtaining the observation letter or no-objection from the Stock Exchange in respect of the Scheme, pursuant to Regulation 37 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), as amended from time to time read with SEBI Circular.
 - (ii) 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.
 - (iii) The approval by the public shareholders of the Transferee Company by way of e-voting in terms of para (I)(A)(10)(a) of the SEBI Scheme Circular and that the Scheme shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.
 - (iv) SEBI and Stock Exchanges approving this Scheme and the other transactions contemplated in the Scheme.
 - (v) 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
 - (vi) 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.

3. Rationale/ Need of the Scheme / Synergies of the business entities involved in the Scheme:

3.1. The Committee took note of the rationale of the draft Scheme, which inter-alia is as follows:

- (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





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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;
- (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.

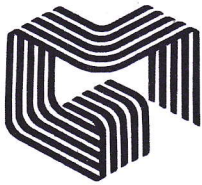
4. Impact of the Scheme on the shareholders of the Company

- 4.1. 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;
- 4.2. The Scheme will not adversely affect the rights or interest of any shareholder of the Transferee Company, in any manner whatsoever;
- 4.3. 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;
- 4.4. The combined balance sheet will provide diverse strategic options and flexibility;
- 4.5. 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.

5. 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





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will significantly enhance the value of the Transferee 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 Transferee Company and its stakeholders.

6. Scheme not detrimental to the shareholders of the Transferee Company:

- 6.1. The members of the Committee discussed and deliberated upon the rationale and salient features of the Scheme.
- 6.2. The Transferee Company will issue and allot its equity share, credit as fully paid up to the shareholders of the Transferor Company in accordance with the recommendations under the Valuation Report and Fairness Opinion.
- 6.3. The equity shares shall be issued by the Transferee Company to the members of the Transferor Company pursuant to the Scheme and shall rank pari passu in all respects with the existing shares of the Company.
- 6.4. Considering the overall rationale and benefits of the Scheme, the Committee is of the unanimous view that the Scheme will not be detrimental / adversely impacting the rights or interest of any shareholder of the Transferee Company.

7. Recommendation of the Committee

The Committee after due deliberations and detailed discussion and, inter alia, taking into consideration the draft Scheme, Valuation Report, Fairness Opinion Report, and certificate issued by the Statutory Auditors of the Transferee Company etc, have noted the rationale, benefits and the impact of the Scheme on the shareholders and other concerned, and have noted that the Scheme is not detrimental to the shareholders of the Transferee Company. Accordingly, the Independent Directors hereby recommends the Scheme to the Board of Directors of the Transferee Company for its consideration, approval and for favourable consideration by, Stock Exchange, SEBI and other appropriate authorities.

For and on behalf of the Independent Directors of Master Components Limited

Name: Mr. Vishal Patel

Designation: Member of Committee of Independent Directors
(Non-executive Independent Director, DIN: 10040145)

Date: 14/11/2025

Place: Nashik

