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REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF PRICOL LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN PRICOL LIMITED AND PRICOL AUTOTECH LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON 27TH JUNE 2026

1. **Background**

1.1. A meeting of the Committee of Independent Directors of Pricol Limited ("**Company**" or "**Demerged Company**") was held on 27th June 2026, to inter alia, consider and recommend the draft Scheme of Arrangement between the Company and Pricol Autotech Limited ("**Resulting Company**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") ("**Scheme**").

1.2. The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**").

1.3. The Scheme under Sections 230 to 232 and other applicable provisions of the Act provides for the following and various other matters consequent and incidental thereto:

1.3.1 demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Company into the Resulting Company on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of the Company, in consideration thereof; and

1.3.2 reduction and cancellation of the entire paid-up share capital of the Resulting Company as on the Effective Date (*as defined in the Scheme*).

1.4. This report of Committee of Independent Directors is made in order to comply with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, including amendments thereto.

1.5. The following documents were, *inter alia*, placed before the Committee of Independent Directors:

(a) Draft Scheme of Arrangement;

(b) Fair Equity Share Entitlement Ratio Report dated 27th June 2026 issued by SSPA & Co, Chartered Accountants (ICAI Firm Registration No. 128851W) and (IBBI Registration Number: IBBI/RV-E/06/2020/126), Registered Valuer ("**Registered Valuers**") ("**Share Entitlement Ratio Report**"); and

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(c) Fairness Opinion dated 27th June 2026 issued by Saffron Capital Advisors Private Limited (SEBI Merchant Registration No.: INM000011211) ("**Merchant Banker**") on the fairness of the fair equity share entitlement ratio determined under the Share Entitlement Ratio Report in connection with the proposed Scheme ("**Fairness Opinion**").

2. Proposed Scheme

2.1. Need for the demerger, rationale and synergies of business of the companies involved in the Scheme

Rationale for the proposed Scheme is as under:

1. *The proposed Scheme is expected to enable a clear segregation of the Demerged Undertaking and the Remaining Business of the Demerged Company, thereby allowing the Demerged Company and the Resulting Company to concentrate on their respective core activities, business priorities and commercial objectives.*

2. *The demerger of the DICVS Business is a strategic decision to create a simpler, sharper and more agile corporate entity, to meet the fast changing needs and technologies related to this business and its dynamic market realities. The Demerged Undertaking and the Remaining Business of the Demerged Company currently operates with differing customer needs, competitive dynamics, capital allocation and risk profiles. Over time with a well thought out and clear strategic intent, both the Demerged Undertaking and the Remaining Business of the Demerged Company have acquired sufficient scale and maturity to function more effectively as focused standalone businesses.*

3. *The transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company pursuant to this Scheme would, inter alia, result in the following benefits for the Parties:*
   (i) Financial flexibility for each entity to pursue investment decisions aligned with their respective business portfolios and market requirements;
   (ii) Reducing operational complexity to enable faster decision making and streamlining operations;
   (iii) This demerger will provide each of the businesses with independent and dedicated management teams enabling clear market access and a clean operating model, allowing them to better leverage growth opportunities in the domestic and international markets;
   (iv) Allow each entity to tailor its operational processes, policies, systems and governance to meet its respective business needs, resulting in improved execution, efficiency and agility; and
   (v) Creation of focused and independent business platforms for the Demerged Undertaking and the Remaining Business of the Demerged Company, with

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clear and enhanced visibility of their respective stakeholder value, growth prospects and investment merits, improved ability to attract strategic and financial investors to meet the needs of the respective business, greater flexibility to access capital, pursue growth and technology opportunities and implement their respective long-term strategies.

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

2.2. Impact of the Scheme on the Company and its shareholders

2.2.1 In terms of the Scheme, the Resulting Company shall issue and allot equity shares of the Resulting Company, on a proportionate basis to shareholders of the Company, whose name is recorded in the register of members and/ or records of the depository as on the Record Date (*as defined in the Scheme*); and

2.2.2 Considering the overall rationale and benefit of the Scheme, the Committee of Independent Directors is of the view that the Scheme is in the best interest of all stakeholders including the shareholders of the Company, and no shareholder is expected to have disproportionate advantage or disadvantage in any manner. The Scheme is in the best interests of the shareholders and will not adversely affect the rights or interest of any shareholder of the Company.

3. Recommendation of the Committee of Independent Directors

The Committee of Independent Directors after due deliberations and detailed discussions, and *inter alia* taking into consideration the draft Scheme, Share Entitlement Ratio Report, and the Fairness Opinion, have noted the need for the demerger, rationale and synergies of business of the companies involved in the Scheme, benefits and the impact of the Scheme on shareholders and other concerned. Based on the foregoing, the Committee of Independent Directors is of the informed opinion that the Scheme is not detrimental to the shareholders of the Company and hereby recommends the draft Scheme for the favorable consideration and approval to the Board of Directors of the Company.

By Order of the Committee of Independent Directors
For and on Behalf of Pricol Limited

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S.K. Sundararaman
DIN: 00002691
Chairman of Committee of Independent Directors

Place: Coimbatore
Date: 27th June 2026

Coimbatore
27 June 2026