

**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF LLOYDS ENGINEERING WORKS LIMITED ("THE COMPANY") RECOMMENDING THE MERGER BY ABSORPTION OF LLOYDS INFRASTRUCTURE & CONSTRUCTION LIMITED ("LICL" OR "TRANSFEROR COMPANY 1") AND METALFAB HIGHTECH PRIVATE LIMITED ("MHPL" OR "TRANSFEROR COMPANY 2") AND TECHNO INDUSTRIES PRIVATE LIMITED ("TIPL" OR "TRANSFEROR COMPANY 3") WITH LLOYDS ENGINEERING WORKS LIMITED ("LEWL" OR "TRANSFEEE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ("PROPOSED SCHEME")**

**Members Present:**

Mr. Devidas Kambale  
Mrs. Alka Upadhyay  
Mr. Ashok Tandon  
Mrs. Bela Rajan  
Mr. Kishor Pradhan  
Mr. Ananthasubramanian Lakshman

**1. Background**

Meeting of the Committee of Independent Directors of the Company was held on 29<sup>th</sup> December 2025, to consider and recommend the Proposed Scheme of Merger by Absorption of Lloyds Infrastructure & Construction Limited ("LICL" or "Transferor Company 1") and Metalfab Hightech Private Limited ("MHPL" or "Transferor Company 2") and Techno Industries Private Limited ("TIPL" or "Transferor Company 3") with Lloyds Engineering Works Limited ("LEWL" or "Transferee Company" or "Company") and their respective shareholders under section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") ("Proposed Scheme").

The equity shares of LEWL are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Transferee Company will file the Proposed Scheme along with necessary information/ documents with both the Stock Exchanges mentioned. NSE will be the designated Stock exchange for the Proposed Scheme.

This report of the Committee of Independent Directors ("ID Committee") is made in order to comply with the requirements of SEBI Master Circular ref. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and other circulars, if any, issued by SEBI, applicable to scheme of mergers and amendments thereto ("SEBI Circulars"), where the ID committee after taking into consideration the draft of the Proposed Scheme is required *inter-alia* to confirm that the Proposed Scheme is not detrimental to the shareholders of the listed entity.

The following documents were placed before the ID Committee:

- Draft of the Proposed Scheme;
- Valuation Report dated December 29, 2025 prepared by Bansi S. Mehta Valuers LLP, registered valuer, IBBI Registration No IBBI/RV – E /06/2022/172 ("Valuation Report"), ("Valuers");
- Fairness Opinion dated December 29, 2025 with regard to the above-mentioned Valuation Report issued by Mark Corporate Advisors Private Limited



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- d) Statutory Auditor's Certificate confirming the compliance of the accounting treatment as specified in Para (A)(5) of Part I of SEBI Master Circular.


**The objects/ rationale of the Proposed Scheme are as under:**

Lloyds Engineering Works Limited is presently engaged in the manufacture of process plant equipment and provides engineering and infrastructure solutions. It also provides engineering and infrastructure solutions, encompassing designing, engineering, manufacturing, fabrication and installation of heavy equipment, as well as machinery and systems for customers of hydrocarbon (oil & gas) sector, steel processing industries, captive power plants used in steel plants, marine sector, ports, heat exchangers used by nuclear power plants as well as other projects. Lloyds Infrastructure & Construction Limited engaged in construction activities such as design, engineering and construction of road infrastructure, bridge infrastructure, railway Infrastructure, industrial civil work, complex / township, slurry pipeline, fabrication of steel structures and technological structure or any type of government or private construction contracts including BOOT, BOO, BOLT, PPP Models and the same can be carried out on own-account basis or on a fee or contract basis.

The amalgamation will create a unified engineering and infrastructure company. The amalgamation of LICL with LEWL will enable the combined entity to leverage LICL's robust order book of over ₹4,500 crore and proven project execution capabilities, thereby expanding operational scale in India, and enhancing competitiveness in bidding for and executing larger, multidisciplinary contracts.

The proposed restructuring pursuant to this Scheme is, inter alia, expected to result in the following benefits:

- a) The proposed amalgamation will provide an opportunity to better leverage the combined assets and capital base, technical and operational capabilities which will improve the potential for further growth and expansion of the business of the merged entity;
- b) The proposed amalgamation will significantly strengthen the position of the combined entity in the industry in terms of assets base, , technical capabilities and financial capabilities;
- c)The amalgamated entity will benefit from strengthened organizational leadership through the integration of management teams and personnel from both companies, who have vast experience, diverse skills and talent to compete effectively in an increasingly competitive infrastructure and construction industry;
- d)The combined entity will have greater operational efficiency through elimination of duplication/redundant functions, centralized and focused management, consolidating and optimizing resources under a unified leadership;
- e) The combined entity will bring cost synergies with reduction in general and administrative expenses, reduction in compliance cost, bringing greater economies of scale in combined entity operations and optimization of resources;



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f) The combined entity will have enhanced financial strengths with large net worth, strong asset base and balance sheet, greater efficiency in cash management, unfettered access to cash flow generated by the combined businesses, efficient capital allocation and better capital utilization. These enhanced financial strengths will help grow business at a faster rate with improved borrowing capabilities and reduced borrowing costs; and

g) The amalgamation will result in a simplified shareholding and group structure, thereby streamlining the ever-evolving regulatory compliance framework. It will improve corporate governance standards and bring more transparency.

Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the Companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

2. The Board does hereby take on record that the Appointed Date for the amalgamation of Transferor Company 1, Transferor Company 2 and Transferor Company 3 into the Transferee Company shall be 1st day of April, 2025, and that the Effective Date for the amalgamation shall be the date on which the certified copy of the order(s) of the Hon'ble NCLT is filed with the Registrar of Companies.
3. The Independent Directors reviewed the Valuation Report and noted the recommendations made therein. The Valuation report states the Share Exchange Ratio to be:

**For equity shareholders of Transferor Company 1**

1798 (One Thousand Seven Hundred Ninety-Eight) fully paid-up equity shares of INR 1/- each of Transferee Company for every 1500 (One Thousand Five Hundred) fully paid-up equity shares of INR 1/- of Transferor Company 1.


**For equity shareholders of Transferor Company 2**

94 (Ninety-Four) fully paid-up equity shares of INR 1/- each of Transferee Company for every 5 (Five) fully paid-up equity shares of INR 10/- of Transferor Company 2.

**For equity shareholders of Transferor Company 3**

No issue or allotment of any additional or new equity shares shall be made to the equity shareholders of Transferor Company 3, since Transferee Company itself is a shareholder of Transferor Company 3.

4. Further, the Fairness Opinion confirms that the Share Exchange Ratio in the Valuation Report is fair to the shareholders of the Company.
5. Further, S.Y Lodha & Associates Chartered Accountants, Statutory Auditors of the Company have certified and confirmed that the accounting treatment as specified in the Scheme is in accordance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.



## Lloyds Engineering Works Limited

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Works : Plot No. A-5/4, A-5/5 & A-6/3, MIDC Industrial Area, Murbad, District Thane – 421 401  
: K-3, Additional Murbad Industrial Area, Kudavali Village, MIDC Murbad, District Thane – 421 401

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 CIN: L28900MH1994PLC081235

## 6. Impact of the Scheme on shareholders

The Transferee Company shall issue 36,79,90,667 equity shares to the shareholders of the Transferor Company 1 and 1,29,72,000 equity shares to the shareholders of Transferor Company 2 based on the Share Exchange Ratio as mentioned above.

The ID Committee is of the opinion that the Scheme is not detrimental to the interests of the shareholders of Lloyds Engineering Works Limited.

## 7. Recommendation of the Committee of Independent Directors

In light of the aforesaid, the ID Committee, after due deliberation and after taking into consideration the impact of the Scheme on the shareholders of the Company, recommends the draft Proposed Scheme to the Board of Directors of the Company for approval.

For and on behalf of the Committee of Independent Directors  
of Lloyds Engineering Works Limited



**Devidas Kambale**  
Chairman for Independent Committee

**Place: Mumbai**  
**Date: December 29, 2025**

## Lloyds Engineering Works Limited