Expo Engineering and Projects Ltd.
(Formerly known as Expo Gas Containers Ltd.)
Expo house, 150 Sheriff Devji Street,
Mumbai 400 003, India
Tel.: +91 22 6131 9600
Website: www.expoepl.com
CIN NO.: L40200MH1982PLC027837

REPORT OF THE AUDIT COMMITTEE OF EXPO ENGINEERING AND PROJECTS LIMITED RECOMMENDING THE SCHEME OF MERGER BY ABSORPTION OF EXPO PROJECT ENGINEERING SERVICES PRIVATE LIMITED ("THE TRANSFEROR COMPANY"/ "EP") AND EXPO ENGINEERING AND PROJECTS LIMITED ("THE TRANSFEREE COMPANY"/ "EEAPL"/ "THE COMPANY) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Members Present:

Mr. Venkateswaran Manickam Chittoor (DIN:02532306)	Chairman of the Audit Committee
Mrs. Fatema Soyel Nayani (DIN:10733228)	Member of the Audit Committee

In Attendance:

Mrs. Preeti Sharma	Company Secretary

- Leave of Absence was granted to Mrs. Sayada Mukadam (DIN:09602925) due to her illness.

1. BACKGROUND

1.1. A meeting of the Audit Committee ("**Committee**") of Expo Engineering and Projects Limited was held on June 30, 2026 to consider and, if thought fit, recommend to the Board of Directors of the Company, the proposed Scheme of Merger by Absorption of Expo Project Engineering Services Private Limited **("EP" or "Transferor Company")** by Expo Engineering and Projects Limited **("EEAPL" or "Transferee Company" or "the company")** and their respective shareholders and creditors as per section 230 to 232 of the Companies Act, 2013.

1.2. Expo Project Engineering Services Private Limited **("EP"),** the Transferor Company having CIN: U74210MH1996PTC103268 is having its registered office at 150, Sheriff Devji Street, Mumbai - 400 003. The Equity Shares of EP are not listed on any Stock Exchanges

1.3. Expo Engineering and Projects Limited ("**EEAPL**"), the Transferee Company having CIN: L40200MH1982PLC027837 is having its registered office at 150, Sheriff Devji Street, Mumbai - 400 003.. The Equity Shares of the Company are listed on BSE Limited **("BSE").**

1.4. The proposed Scheme provides for Merger by Absorption of Expo Project Engineering Services Private Limited by Expo Engineering and Projects Limited.

1.5. The Scheme is subject to receipt of approvals of Board of Directors, shareholders, creditors of companies involved and approval of other regulatory authorities as may be required, including those of BSE Limited ("**BSE**"), Securities and Exchange Board of India **("SEBI")** and the National Company Law Tribunal **("NCLT")**, Mumbai.

1.6. This report of the Committee is made in order to comply with the requirements the Master circular being circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 Dated June 20, 2023 including amendments thereof (**"SEBI Circulars"**) and after considering the following documents that were placed before the Committee:

i. The Draft Scheme of Arrangement;

ii. Certificate issued by K.S Shah &Co., Chartered Accountants, the Statutory Auditors of the Transferee Company, pursuant to Part- I paragraph A.5 as per Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;

iii. Valuation Report dated June 30, 2026, issued by Mr. Suman Kumar Verma (Registered Valuer – securities or Financial Assets) having registered No. IBBI/RV/05/2019/12376 (**"Registered Valuer"**) in relation to the shares to be issued by the EEAPL to the Shareholders of the EP pursuant to the Scheme;

iv. Fairness Opinion Report dated June 30, 2026 issued by Mark Corporate Advisors Private Limited, SEBI Registered Merchant Banker on the said Valuation Report;

v. Audited Financial Statements for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 of the Transferor Company;

vi. Audited Financial Statements for the year March 31, 2026, March 31, 2025 and March 31, 2024 of the Transferee Company;

vii. Shareholding Pattern of the Transferor Company and the Transferee Company.

2. PROPOSED SCHEME OF MERGER BY ABSORPTION

2.1 The Salient features of the Scheme:
The Scheme of arrangement, inter- alia, provides the following:

i. The Appointed Date of the Scheme is 1st April, 2026 and Effective date is the last of the dates on which the certified copies of the Order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Mumbai by the Transferor and Transferee Company.

ii. The entire assets, liabilities, Investments, business and undertaking (including, the Transferor Undertaking) of EP shall, with effect from the Appointed Date and without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in EEAPL, as a going concern, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013.

iii. Upon the Scheme coming into effect and without any further act or deed on the part of EEAPL, EEAPL will, in consideration of transfer and vesting of EP into EEAPL in terms of this Scheme, issue and allot 22,00,000 (Twenty two Lakhs) Equity Shares of Rs. 4/- each credited as fully paid-up in the capital of EEAPL to the Equity Shareholders of EP for every 1 (One) Equity Share of the Face value of Rs. 10/- each held by the shareholders of EP ("New Shares Entitlement Ratio"). The New Shares will be issued in the New Shares Entitlement Ratio to registered fully paid-up equity shareholders of EP whose names are recorded in the register of equity shareholders of EP on the Record Date.

iv. Subsequent to the sanction of the Scheme, EEAPL will make an application for listing of its New equity shares, on the stock exchange in which the shares of EEAPL are listed, in pursuance to the relevant regulations including, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 including any amendments.

v. Upon the Scheme coming into effect, EP shall, without any further act or deed, stand dissolved without winding up. The name of EP shall be struck off from the records of the Registrar of Companies, Mumbai and EEAPL shall make necessary filings in this regard.

2.2 Need and Rationale of the Scheme of Merger by Absorption:

The Audit Committee noted the rationale and need of Scheme of Merger by Absorption of EP by EEAPL as under:

- The promoter and promoter group of the EP and EEAPL are the same who are highly skilled.

- EP and EEAPL, belonging to the same group of management, are largely engaged in the similar kind of business activities i.e. in the field of engineering and industrial services. Both companies carry on the business of providing engineering, procurement, and construction-related services, including mechanical, piping, structural, civil, electrical, and instrumentation works, primarily for industries such as chemicals, petrochemicals, oil refineries, fertilizers, and pharmaceuticals. Their activities include the fabrication, erection, and installation of columns, reactors, process equipment, and related items, as well as the execution of time-bound shutdown, revamping, and maintenance

- assignments for onshore and offshore industrial facilities. Accordingly, both entities operate in the same sector and undertake substantially similar classes of engineering and project-related activities.

- Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.

- The combined networth of both the entities will enable the merged entity with more negotiation power.

- This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger asset capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.

- The Transferor and Transferee Company are under common control and it would be advantageous to combine the activities and operations in a single Company and to build strong capability to effectively meet future challenges in competitive business environment.

- This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.

- The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and minimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of EP and EEAPL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.

- The proposed merger will enable the integration of the business activities of the Transferor Company with the Transferee Company

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- This merger will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.

- The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.

- The merger of EP with EEAPL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.

- There is no likelihood that any shareholder or creditor or employee, if any, of the EP and EEAPL would be prejudiced as a result of the scheme. 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

2.3 Synergies of business of the entities involved in the Scheme:

- **EP** is inter-alia engaged in the specialized fields such as Time bound shutdown jobs, Column trays & internals, Installation of Reactor internals, Catalyst loading & unloading, Project piping, Equipment erection, Structural fabrication & erection, Project Management, Tank fabrication & erection and Turnkey projects

- **EEAPL** is inter-alia engaged in the business of Manufacturing a wide range of process plant equipment, including high-pressure vessels, heat exchangers, reactors, columns, and custom-built fabrications. Also provide end-to-end engineering solutions, from design and manufacturing to fabrication and installation.

Upon Merger, the benefits and synergies of business of the entities involved in the Scheme are set out in Point No. 2.2 above shall be derived by the Company.

2.4 Impact of the scheme on the shareholders:

The Scheme will result in consolidation of businesses of the Transferor Company and get housed in the Transferee Company. Consolidation will be in the interest of stakeholders of Transferee Company and Transferor Company to have an increased capability for running these businesses and pursue growth opportunities.

The Audit Committee also noted that the Scheme is subject to the majority approval of the public shareholders of the Company. The Audit Committee was of the opinion that the Scheme is not detrimental to the interests of the shareholders of the Company.

2.5 Cost benefit analysis of the Scheme:

The Committee has reviewed in detail the costs associated with regards to the implementation of Merger by Absorption. Except the transaction cost/ cost of implementation of the Scheme, there are no additional costs involved for the proposed Scheme. However, the benefits of the Scheme over a longer period are expected to far outweigh such costs for the stakeholders of the Scheme entities.

3. RECOMMENDATION OF THE AUDIT COMMITTEE

Taking into consideration the documents stated herein above, the Audit Committee recommends the draft Scheme of Merger by Absorption for favorable consideration by the Board of Directors of the Company and be presented for approval of BSE, the SEBI, and NCLT Mumbai and other applicable Regulatory authorities.

For Expo Engineering and Projects Limited
(Formerly known as Expo Gas Containers Limited)

Venkateswaran Manickam Chittoor
Chairman of the Audit Committee
DIN: 02532306
Date: June 30, 2026
Place: Mumbai