REPORT OF THE MEEETING OF THE INDEPENDENT DIRECTORS OF ALLCARGO LOGISTICS LIMITED RECOMMENDING THE SCHEME OF ARRANGEMENT AND DEMERGER BETWEEN ALLCARGO LOGISTICS LIMITED (THE "DEMERGED COMPANY" OR THE "COMPANY"), ALLCARGO TERMINALS PRIVATE LIMITED (THE 'RESULTING COMPANY 1' OR 'ATPL') AND TRANSINDIA REALTY & LOGISTICS PARKS LIMITED (THE 'RESULTING COMPANY 2' or 'TRLPL') AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

MEMBERS PRESENT:

1. Mr Mohinder Pal Bansal - Chairman
2. Mr Martin Muller - Member
3. Mr Parthasarathy Srinivasa - Member
4. Ms. Cynthia Dsouza - Member

IN ATTENDANCE:

Mr Devanand Mojidra - Company Secretary & Compliance Officer

1. **BACKGROUND**

1.1 Independent Directors of Allcargo Logistics Limited (the "**Demerged Company**" or the "**Company**") recommending Scheme of Arrangement and Demerger between the Demerged Company, Allcargo Terminals Private Limited (*The members of Allcargo Terminals Private Limited had approved its conversion from private limited into public limited vide special resolution passed at its Extraordinary General Meeting dated December 10, 2021 for which necessary forms has been filed with Registrar of Companies, Mumbai and approval for the same is awaited*) (the "**Resulting Company 1**" or "**ATPL**") and TransIndia Realty & Logistics Parks Limited (the "**Resulting Company 2**" or "**TRLPL**") (Resulting Company 1 or ATPL and Resulting Company 2 or TRLPL collectively be referred to as "**Resulting Companies**") and their respective shareholders and creditors. The Independent Directors took note of the Scheme placed before it.

1.2 The Demerged Company is incorporated under the provisions of the Companies Act, 1956. The equity shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Limited.

1.3 This report is made in order to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (the "**Listing Regulations**") and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (the "**SEBI Circular**") as amended from time to time, and after considering the following documents placed at the meeting of Independent Directors:

a) Draft Scheme, duly initialed by the Company Secretary of the Demerged Company for the purpose of identification;

b) The certificate of M/s S R Batliboi & Associates LLP ("**SRB**"), Chartered Accountants, the statutory auditor of the Demerged Company, to the effect that the accounting treatment contained in the Scheme is in compliance with the applicable Accounting Standards notified by Central Government under Section 133 of the Act and Indian Accounting Standards as prescribed from time to time;
c) The Share Entitlement Ratio Report dated December 23, 2021 recommending the share entitlement ratio (hereinafter referred to as "**Valuation Report**") on the Scheme, provided by Mr. Amit Jain, Partner KPMG Valuations Services LLP, a Registered Valuer (IBBI Registration No. IBBI/RV/06/2018/10501);
d) The Fairness Opinion dated December 23, 2021 on the share entitlement ratio recommended by the Valuation Report for the purpose of the Scheme provided by ICICI Securities Limited, SEBI registered Merchant Banker (SEBI Reg No. INM000011179);
e) Audited financial statements of the Demerged Company for the year ended March 31,2021, March 31, 2020 and March 31, 2019 and un-audited financial results as on September 30, 2021;
f) Standalone Audited Financial statement of ATPL for the period ended September 30, 2021 and Standalone & Consolidated Audited Financial Statement of ATPL for the period November 30, 2021; and
g) Undertaking on non-applicability of para I(A)(10)(b) of Part I of the SEBI Circular.

2 PROPOSED SCHEME OF ARRANGEMENT AND DEMERGER

2.1 Need and Rationale of the Scheme of Arrangement and Demerger

Independent Directors noted the rationale and need for demerger of the Container Freight Stations/Inland Container Depots and any other related logistics businesses of the Demerged Company ("**Demerged Undertaking 1**") into ATPL and Engineering and Equipment Leasing and Hiring Solutions, Logistics Park, Warehousing, Real Estate Development and Leasing Activities and other related businesses of the Demerged Company ("**Demerged Undertaking 2**") into TRLPL (Demerged Undertaking 1 and Demerged Undertaking 2 collectively be referred as "**Demerged Undertakings**"), on a going concern basis, as provided in the draft Scheme of Arrangement and Demerger ("**Scheme**"), and which is reproduced hereunder:

1. *The Demerged Undertakings and the Remaining Business have both achieved scale and experience to sustain business on the basis of their own strengths. Additionally, both businesses deal with different sets of industry dynamics in the form of nature of risks, competition, challenges, opportunities and business methods. Hence, segregation of the two undertakings would enable focused managements to explore the potential business opportunities more effectively and efficiently;*

2. *Demerger will enable both Demerged Company and the Resulting Companies to enhance business operations by streamlining operations, cutting costs, more efficient management control and outlining independent growth strategies.*

Allcargo Logistics Limited

3. *Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to their own businesses. Thus, each undertaking will have its own set of likeminded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business;*

4. *Demerger will enhance efficiencies and will have different business interest into separate corporate entity, resulting in operational synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration.*

5. *Pursuant to the Scheme, the equity shares issued by the Resulting Companies would be listed on BSE Limited and National Stock Exchange of India Limited and will unlock the value of the Demerged Undertakings for the shareholders of the Demerged Company. Further, the existing shareholders of the Demerged Company would hold the shares of three (3) listed entities, after the Scheme becoming effective, giving them flexibility in managing their investments in the three businesses having differential dynamics.*

2.2 The salient features of the Scheme are as under:

a) Scheme between the Demerged Company, ATPL and TRLPL and their respective shareholders and creditors, whereby it proposes for, the demerger of the Demerged undertakings of the Demerged Company and vesting of the same into ATPL and TRLPL, respectively on a going concern basis.
b) Appointed Date for the purpose of this Scheme means opening hours of April 01, 2022 or such other date approved by the National Company Law Tribunal, for the demerger of Demerged Undertakings and transfer and vesting thereof into the Resulting Companies.
c) In consideration of the proposed Scheme, the Resulting Companies will issue and allot equity shares, to each shareholder of the Demerged Company, whose names appear in the register of members of the Demerged Company on the record date as may be fixed for the purpose by the Board of Resulting Companies in consultation with the Demerged Company (hereinafter referred to as "**the Record Date**"), in the following manner:

"For every 1 (One) equity shares of face value Rs. 2/- (Rupees Two only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 1 (One) equity shares of face value Rs. 2/- (Rupees Two only) each as fully paid-up in the Resulting Company 1. Accordingly, a total of 24,56,95,524 (Twenty-Four Crores Fifty-Six Lakhs Ninety-Five Thousand Five Hundred and Twenty-Four) new equity shares of face value Rs. 2/- (Rupees Two only) each will be issued by the Resulting Company 1."

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as fully paid-up in the Resulting Company 2. Accordingly, a total of 24,56,95,524 (Twenty-Four Crores Fifty-Six Lakhs Ninety-Five Thousand Five Hundred and Twenty-Four) new equity shares of face value Rs. 2/- (Rupees Two only) each will be issued by the Resulting Company 2."

d) The equity shares proposed to be allotted by the Resulting Companies will be listed on BSE Limited and National Stock Exchange of India Limited, recognized stock exchanges having nationwide trading platform.

e) The effectiveness of the Scheme is conditional upon the fulfillment of the actions specified in the Scheme, which include:

   i. No-objections being received from the BSE Limited and National Stock Exchange of India Limited, in terms of the SEBI Circular;

   ii. Approval of the requisite majorities of the various classes of shareholders and creditors of the Demerged Company and the Resulting Companies;

   iii. Obtaining such other approvals and sanctions as may be required by applicable law or contract, in respect to the Scheme;

   iv. Sanction of the Scheme by the Hon'ble NCLT; and

   v. Certified copies of the order of the Hon'ble NCLT sanctioning the Scheme being filed with the RoC, through joint application by applicant Companies.

2.3 Impact of the scheme on the shareholders are as under:

a) The shareholders of the Demerged Company as on the Record Date shall be entitled to equity shares in the Resulting Company 1 and Resulting Company 2 basis the share entitlement ratio determined by Mr. Amit Jain, Partner KPMG Valuations Services LLP, a Registered Valuer (IBBI Registration No. IBBI/RV/06/2018/10501), in the valuation report placed before the Independent Directors Meeting. Subsequent to which the shareholders of the Demerged Company in addition to the shares held in the Demerged Company shall also become shareholders in the Resulting Company 1 and Resulting Company 2.

b) The Scheme will not adversely affect the rights or interest of any shareholder of the Applicant Companies or their respective shareholders or creditors, in any manner whatsoever.

c) The Resulting Company 1 and Resulting Company 2 will issue equity shares to the shareholders of the Demerged Company as under:

   i. Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking 1 in the Resulting Company 1 pursuant to this Scheme, the Resulting Company 1 shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "New Equity Shares of Resulting Company 1") at par on a proportionate basis to each member of the Demerged Company, whose name is recorded in the register of members of the Demerged Company as holding shares on the Record Date, in the ratio of 1 (One) equity shares of Rs 2/- (Rupees Two) each fully paid up of Resulting Company 1 for every 1 (One) equity share of Rs 2/- (Rupees Two) each fully paid up held in the Demerged Company;

Allcargo Logistics Limited

ii. Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking 2 in the Resulting Company 2 pursuant to this Scheme, the Resulting Company 2 shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "New Equity Shares of Resulting Company 2") at par on a proportionate basis to each member of the Demerged Company, whose name is recorded in the register of members of the Demerged Company as holding shares on the Record Date, in the ratio of 1 (One) equity shares of Rs 2/- (Rupees Two) each fully paid up of Resulting Company 2 for every 1 (One) equity share of Rs 2/- (Rupees Two) each fully paid up held in the Demerged Company.

3 **RECOMMENDATION BY THE INDEPENDENT DIRECTORS AT THE MEETING**

Taking into consideration the Draft Scheme and other related documents, as placed, the Independent Directors formed an opinion that implementation of the Draft Scheme of Arrangement and Demerger is not detrimental to the shareholders of the Demerged Company.

Independent Directors hereby recommends the Draft Scheme for favorable consideration by the Board of Directors of the Demerged Company, Stock Exchanges and the Securities Exchange Board of India Stock Exchange(s) and other appropriate authorities."

For and on behalf of the Independent Directors
of Allcargo Logistics Limited

Allcargo Logistics Limited

Mohinder Pal Bansal
(DIN: 01626343)
Chairman

Date: December 23, 2021
Place: Mumbai