To,

BSE Limited,
Floor 25, PJ Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.

Scrip Code: 532749
Scrip Code: ALLCARGO

Subject: Prior Intimation in accordance with Regulation 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended (the “SEBI Delisting Regulations”), with respect to the meeting of board of directors of Allcargo Logistics Limited (“Company”) to be held on August 27, 2020 to consider the proposal for voluntary delisting of the equity shares of the Company.

1. We wish to inform you that the Company has received a letter dated August 24, 2020 (the “Delisting Proposal Letter”) (enclosed herewith) from Shashi Kiran Shetty and Talentos Entertainment Private Limited (“TEPL”), members of the promoter and promoter group of the Company as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “Promoter Group”).

2. In the Delisting Proposal Letter, Shashi Kiran Shetty and TEPL expressed their intention to, either individually/collectively or together with other members of the Promoter Group, as the case may be,

   a. acquire all the fully paid-up equity shares of the Company, each equity share having a face value of INR 2/- (“Equity Shares”), held by the public shareholders of the Company (as defined under the SEBI Delisting Regulations, to be referred to as the “Public Shareholders”), subject to receipt of all necessary approvals, including relevant third party consents (the “Delisting Offer”); and

   b. voluntarily delist the Equity Shares of the Company from BSE Limited and National Stock Exchange of India Limited (the “Stock Exchanges”), where they are currently listed, each in accordance with the SEBI Delisting Regulations if the Delisting Offer is successful.

   (collectively, to be referred to as “Delisting Proposal”).

3. As of the date, the members of the Promoter Group collectively hold 17,20,22,209 Equity Shares aggregating to 70.01% of the paid-up equity share capital of the Company. The Public Shareholders hold 7,36,73,315 Equity Shares aggregating to 29.99% of the paid-up equity share capital of the Company.

4. Pursuant to the Delisting Proposal Letter, the board of directors of the Company have been requested to: (a) convene a meeting of the board of directors of the Company to consider and approve the Delisting Proposal under Regulation 8 of the SEBI Delisting Regulations; (b) take all necessary steps to seek the requisite approvals for the Delisting Proposal, including from the shareholders of the Company, Stock Exchanges, any third parties, lenders or any other authority (as may be applicable), in accordance with applicable law and regulations; and (c) take all such other actions as may be required to be undertaken by the Company under the SEBI Delisting Regulations to give effect to the Delisting Proposal.
including appointment of merchant banker to undertake due diligence, providing relevant information for the due diligence, making the relevant applications to the stock exchanges and any other regulatory authorities, as may be required, in connection with SEBI Delisting Regulations

5. In terms of Regulation 29 of the SEBI Listing Regulations and the SEBI Delisting Regulations, we wish to inform you that a meeting of the board of directors of the Company is being convened on August 27, 2020, to consider inter alia the following:

a. The Delisting Proposal;

b. Appointment of a merchant banker registered with the Securities and Exchange Board of India for carrying out due diligence in accordance with the provisions under the SEBI Delisting Regulations.

c. To obtain from the Stock Exchanges, details of trading in shares of the Company for a period of 2 (two) years prior to the date of board meeting by top 25 (twenty-five) shareholders along with the details of off-market transactions of such shareholders for a period of 2 (two) years and obtain any other information that may be required by the merchant banker as it deems fit for carrying out the due diligence as required in terms of the SEBI Delisting Regulations; and

d. Any other matters incidental thereto.

Further, please be informed that, in accordance with the Company’s code of conduct to regulate, monitor and report trading by insiders and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the trading window of the Company is currently closed pending declaration of the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2020 and shall open 48 hours after the declaration of the results.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Allcargo Logistics Limited

Devanand Mojidra
Company Secretary

Encl: As above
Subject: Proposal to voluntarily delist the equity shares of Allcargo Logistics Limited (the “Company”) in accordance with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the “SEBI Delisting Regulations”) from the BSE Limited and National Stock Exchange of India Limited.

1. We, Sanish Kiran Shetty and Talentos Entertainment Private Limited ("TEPL"), a company incorporated under the laws of India, are the members of the promoter and promoter group of the Company as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “Promoter Group”). As on date, the members of the Promoter Group collectively hold 17,20,22,209 fully paid-up equity shares of the Company, each equity share having a face value of INR 2/- (“Equity Shares”), aggregating to 70.01% of the paid-up equity share capital of the Company.

2. We, either individually/collectively or together with other members of the Promoter Group, as the case may be, propose:

   (i) to acquire all Equity Shares that are held by the public shareholders of the Company (as defined under the SEBI Delisting Regulations, to be referred to as “Public Shareholders”) in accordance with the SEBI Delisting Regulations (the “Delisting Offer”), subject to receipt of all necessary approvals, including relevant third party consents. As on date, the Public Shareholders hold 7,36,73,315 Equity Shares aggregating to 29.99% of paid-up equity share capital of the Company; and

   (ii) to voluntarily delist the Equity Shares currently listed on BSE Limited and National Stock Exchange of India Limited (the “Stock Exchanges”), in accordance with the provisions of the SEBI Delisting Regulations if the Delisting Offer is successful.

   (collectively, to be referred to as “Delisting Proposal”)

3. Rationale for Delisting Proposal:

   (i) the proposed delisting will align the group’s capital and operational structures, streamline the process of servicing the group’s financing obligations and significantly improve a range of important credit metrics. As a result, the transaction is expected to support an accelerated debt reduction program in the medium term and, in turn, support the group’s highly attractive longer-term growth pipeline.

   (ii) the proposed delisting would enable the members of the Promoter Group to obtain full ownership of the Company, which in turn will provide enhanced operational flexibility. As the Company will no longer remain listed in India, there will be reduction in dedicated management time to comply with the requirements associated with the continued listing of equity shares, which can be refocused on its business.
(iii) the long term business plan involves expanding operations into new geographies and new business activities, which may have different risk profiles, longer gestation periods compared to the current risk profile of the Company;

(iv) the proposed delisting will result in reduction of the ongoing substantial compliance costs which includes the costs associated with listing of equity shares such as annual listing fee and fees payable to share transfer agents or such other expenses required to be incurred as per the applicable securities law;

(v) it would enhance Company’s operational, financial and strategic flexibility including but not limited to corporate restructurings, acquisitions, exploring new financing structures including financial support from the members of the Promoter Group; and

(vi) we believe that the proposed delisting is in the interest of the Public Shareholders as it will provide them an opportunity to exit from the Company at a price determined in accordance with the SEBI Delisting Regulations, providing immediate liquidity given the heightened market volatility.

4. The final offer price will be determined through the reverse book building process specified in Schedule II of the SEBI Delisting Regulations, after fixation of the 'floor price' which will be determined in terms of Regulation 15(2) of the SEBI Delisting Regulations read with Regulation 8 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. We will separately inform the Company of the floor price determined in accordance with the aforesaid provisions, in due course.

5. Per the SEBI Delisting Regulations, the final offer price will be determined as the price at which shares accepted through eligible bids during the reverse book building process takes the shareholding of the members of the Promoter Group to at least 90% of the paid up equity share capital of the Company. We (and/or other members of the Promoter Group, as the case may be) shall have the sole discretion to accept or reject the price discovered pursuant to the reverse book building process or make a counter-offer in accordance with SEBI Delisting Regulations.

6. In terms of the SEBI Delisting Regulations, in order to proceed with the Delisting Proposal, it is inter alia necessary to obtain the approval of the: (i) board of directors of the Company; and (ii) shareholders of the Company by way of a special resolution through postal ballot in accordance with the SEBI Delisting Regulations and other applicable laws wherein the number of votes cast by the Public Shareholders in favour of the Delisting Proposal is at least two times the number of votes cast by the Public Shareholders against the Delisting Proposal.

7. Considering the aforesaid, we request the board of directors of the Company to consider our request and undertake the following:

(i) convene a meeting of the board of directors of the Company to consider and approve the Delisting Proposal under Regulation 8 of the SEBI Delisting Regulations;

(ii) take all necessary steps to seek the requisite approvals for the Delisting Proposal, including from the shareholders of the Company, Stock Exchanges, any third parties, lenders or any other authority (as may be applicable), in accordance with applicable law and regulations; and
(iii). to take all such other actions as may be required to be undertaken by the Company under the SEBI Delisting Regulations to give effect to the Delisting Proposal, including appointing a merchant banker for undertaking due diligence, providing relevant information for the due diligence, making the relevant applications to the stock exchanges and any other regulatory authorities, as may be required in connection with SEBI Delisting Regulations.

Kindly take the same on record and undertake requisite corporate actions.

Thanking you,

Yours Sincerely,

(Shashi Kiran Shetty)

For and on behalf of
Talentos Entertainment Private Limited

Authorised Signatory
Name: Shashi Kiran Shetty
Designation: Authorised Signatory