

STRICTLY PRIVATE AND CONFIDENTIAL

December 21, 2023

To,
The Board of Directors,
Allcargo Gati Limited,
Plot No. 20, Survey No. 12,
Kothaguda, Kondapur,
Hyderabad 500 084

Dear Sirs,

Sub: Fairness Opinion on Share Exchange Ratio recommended by the Valuers pursuant to the Proposed Composite Scheme of Arrangement

We refer to the engagement letter dated August 10, 2023 ("Engagement Letter") whereby Allcargo Gati Limited ("Transferee Company 1" or "Transferor Company 3" or "AGL") has engaged Inga Ventures Private Limited ("Inga"), to provide a fairness opinion to the Board of Directors of AGL on the Share Exchange Ratio recommended by the Valuers, viz. KPMG Valuation Services LLP ("KPMG" or "Valuer 1") and PwC Business Consulting Services LLP ("PWC BCS" or "Valuer 2") under their report jointly issued dated December 21, 2023 ("Share Exchange Ratio Report / Valuation Report") for the proposed amalgamation of :

1. Allcargo Supply Chain Private Limited ("Transferor Company 1" or "ASCPL") and Gati Express & Supply Chain Private Limited ("Transferor Company 2" or "GES CPL") with and into AGL ("Amalgamation 1") as a going concern with effect from October 1, 2023 ('Appointed Date 1')
2. AGL with and into Allcargo Logistics Limited ("Transferee Company 2" or "ALL") ("Amalgamation 2") as a going concern with effect from March 31, 2025 ('Appointed Date 2')

vide a Composite Scheme of Arrangement under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder ("**Proposed Scheme**").

The Management has informed us that ASCPL has issued 1,97,28,682 optionally convertible redeemable preference shares ('OCRPS') to ALL at a face value of INR 10/- each fully paid up for which holder of OCRPS has rescinded the option of conversion and has elected for redemption. Accordingly, in consideration for every OCRPS of ASCPL of INR 10/- each fully paid up, the Management proposes AGL to issue RPS (Redeemable Preference Shares) of INR 10/- each fully paid up on the same terms & conditions including financial terms and only a right to redemption without conversion, for every OCRPS issued by ASCPL.

Amalgamation 1 & Amalgamation 2 are collectively referred to as the "**Proposed Amalgamation**".

Valuer 1 and Valuer 2 are hereinafter collectively referred to as the "**Valuers**".

AGL, ASCPL, GES CPL and ALL are collectively referred to as the "**Companies**".





Company Background and Purpose

Allcargo Logistics Limited is a listed public limited company incorporated on August 18, 1993 under the Companies Act, 1956 and validly existing under the Companies Act, 2013, with CIN L63010MH2004PLC073508 having its registered office at 6th Floor, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai 400098, Maharashtra, India. The equity shares of the company are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The company is engaged inter-alia in the business of international supply chain, related logistics businesses, and other support functions; as specified in its Memorandum of Association.

Under the Proposed Scheme Allcargo Logistics Limited demerges ISC business into Allcargo ECU Limited. We understand that post this demerger, Allcargo's business would primarily include its investments in ASCPL, Gati, GESCPL, Transindia Logistics Park Private Limited ('TLPPL') and Haryana Orbital Rail Corporation Limited ('HORCL'), along with other current assets & liabilities.. Post this demerger, Allcargo will be referred to as the **"Transferee Company 2" or "ALL" or "Allcargo Demerged"**.

Allcargo Supply Chain Private Limited (formerly known as Avvashya Supply Chain Private Limited, hereinafter referred to as the **"Transferor Company 1"**) is a private limited company incorporated on February 28, 2008, under the Companies Act, 1956 and validly existing under the Companies Act, 2013, with CIN U45200MH2008PTC179557, having its registered office at 6th Floor, Allcargo House, CST Road, Kalina Santacruz (East), Mumbai-400098, Maharashtra, India. The Transferor Company 1 is engaged inter-alia in the business of contract logistics and warehousing services, as specified in its Memorandum of Association.

Gati Express & Supply Chain Private Limited (formerly known as Gati-Kintestu Express Private Limited and hereinafter referred to as the **"Transferor Company 2"**) is a private limited company incorporated on November 14, 2007, under the Companies Act, 1956 and validly existing under the Companies Act, 2013, with CIN U62200MH2007PTC390900 having its registered office at 4th Floor, A Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai-400098, Maharashtra, India. The Transferor Company 2 is engaged inter-alia in the business of express distribution and supply chain, as specified in its Memorandum of Association.

Allcargo Gati Limited (formerly known as formerly known as Gati Limited, hereinafter referred to as the **"Transferee Company 1"**, with respect to Section C of the Scheme, and **"Transferor Company 3"**, with respect to Section D of the Scheme) is a listed public limited company incorporated on April 25, 1995 under the Companies Act, 1956 and validly existing under the Companies Act, 2013, with [CIN L63011TG1995PLC020121], having its registered office at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad 500 084. The Transferee Company is in the process shifting its registered office to Bombay and the application is currently pending for final approval with Bombay Registrar of Companies This process is expected to be completed prior to filing of the Scheme with NCLT. The equity shares of the company are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The Transferee Company is engaged inter-alia in the business of express distribution and supply chain, as specified in its Memorandum of Association

Both the Valuers have arrived at a swap ratio ("**Share Exchange Ratio 1**") as follows:

1. 1 (One) RPS of AGL of INR 10/- each fully paid up for every 1 (One) OCRPS of ASCPL of INR 10/- each fully paid up.
2. 2 (Two) equity shares of AGL having a face value of INR 2/- each fully paid up for every 10 (Ten) equity shares of ASCPL having a face value of INR 10/- each fully paid up.





- 3,475 (Three thousand four hundred & seventy-five) equity shares of AGL having a face value of INR 2/- each fully paid up for every 10 (Ten) equity shares of GESCPL having a face value of INR 10/- each fully paid up.

The proposal also envisages, inter alia, amalgamation of AGL with ALL, whereby equity shares of ALL will be issued to the shareholders of AGL. No equity shares shall be issued by ALL in respect of the shares held by the ALL in AGL and all such shares shall stand cancelled.

Both the Valuers have arrived at a swap ratio ("**Share Exchange Ratio 2**") of 63 (Sixty-three) equity shares of ALL having a face value of INR 2/- each fully paid up for every 10 (Ten) equity shares of AGL having a face value of INR 2/- each fully paid up.

Share Exchange Ratio 1 & Share Exchange Ratio 2 are collectively known as "**Share Exchange Ratios**".

The Board of ALL has approved an issue of bonus shares in the ratio 3:1 to all its shareholders. The Management has informed us that the shareholders have approved the resolution for issue of bonus shares. Basis this we have considered the bonus issue in the analysis.

AGL in terms of the Engagement Letter has requested us to issue our independent opinion as to the fairness of the Share Exchange Ratios recommended by the Valuers ("**Fairness Opinion**").

Source of Information

For arriving at the opinion set forth below, we have received from the Management of AGL ("the Management") and any information available in the public domain:

1. Share Exchange Ratios Report issued by the Valuers;
2. Draft Scheme of Amalgamation
3. Audited standalone financial statements for the six months period ended September 30, 2023 for ASCPL, GESCPL, AGL and ALL (carved out financial statements post demerger).
4. Certified standalone financial statements for twelve months period from Oct 1, 2022 to September 30, 2023 of ASCPL and GESCPL.
5. Projected financial statements including Profit & Loss Statement, Balance Sheet and Cash Flow Statement for the period from October 1, 2023 to March 31, 2028 including key underlying assumptions, which the Management believes to be its best estimates of the future operating performance of ASCPL
6. Projected financial statements including Profit & Loss Statement, Balance Sheet and Cash Flow Statement for the period from October 1, 2023 to March 31, 2029 including key underlying assumptions, which the Management believes to be its best estimates of the future operating performance of GESCPL.
7. Other relevant information and documents for the purpose of this engagement
8. Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern, income- tax position, contingent liabilities, undertakings and other relevant information and data, including information in the public domain
9. Such other information and explanations as required and which have been provided by the Management including Management Representation.
10. Such other Information received during discussion with Valuers





Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Companies for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end.

We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Companies and its related parties (holding company / subsidiary / associates / joint ventures etc.) and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies and its related parties.

We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by Companies on an "as is" basis for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims.

We have assumed that there are no circumstances that could materially affect the business or financial prospects of Companies and its related parties.

We understand that the management of Companies, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the Proposed Scheme. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving Companies, its related parties or any of its assets, nor did we negotiate with any other party in this regard.

We express no opinion whatsoever and make no recommendation at all as to the Companies underlying decision to effect the Proposed Amalgamation. We also do not provide any recommendation to the holders of equity shares or secured or unsecured creditors of the Companies with respect to the Proposed Amalgamation. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of ALL and AGL will trade following the announcement of the Proposed Amalgamation or as to the financial performance of ALL and AGL following the consummation of the Proposed Amalgamation. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in ALL or AGL or any of its related parties.

Our report is not, nor should it be construed as opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation (including transfer pricing) and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Amalgamation.





Conclusion

Based on our examination of the Share Exchange Ratio/Valuation Report, such other information / undertakings / representations provided to us by the Management and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the recommendation made by the Valuers of the Share Exchange Ratios is fair and reasonable.

Share Exchange Ratio 1 for the shareholders of ASCPL, GESPL and AGL which is as under:

The fair equity share exchange ratio for the proposed amalgamation of ASCPL with AGL is as under:

1 (One) RPS of AGL of INR 10/- each fully paid up for every 1 (One) OCRPS of ASCPL of INR 10/- each fully paid up.

2 (Two) equity shares of AGL of INR 2/- each fully paid up for every 10 (Ten) equity shares of ASCPL of INR 10/- each fully paid up

The fair equity share exchange ratio for the proposed amalgamation of GESPL with AGL is as under:

3,475 (Three thousand four hundred & seventy-five) equity shares of AGL of INR 2/- each fully paid up for every 10 (Ten) equity shares of GESPL of INR 10/- each fully paid up

No equity shares shall be issued by the AGL in respect of the shares held by AGL in GESPL and all such shares shall stand cancelled.

Share Exchange Ratio 2 for the shareholders of AGL and ALL which is as under:

The fair equity share exchange ratio for the proposed amalgamation of AGL with ALL is as under:

63 (Sixty-three) equity shares of ALL of INR 2/- each fully paid up for every 10 (Ten) equity shares of AGL of INR 2/- each fully paid up

No equity shares shall be issued by the ALL in respect of the shares held by ALL in AGL and all such shares shall stand cancelled.

Distribution of the Fairness Opinion

This Fairness Opinion is provided solely for the benefit of the Board of Directors of AGL and is for the purpose of submission to the Stock Exchanges under the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, the Fairness Opinion may be disclosed on the website of AGL and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/or creditors of the Company. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Inga's prior written consent.

However, AGL may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to AGL promptly intimating Inga in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same. Neither this Fairness Opinion





nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

In no circumstances however, will Inga or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of Inga accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

For Inga Ventures Private Limited



Kavita Shah

Partner