

DCS/AMAL/TL/R37/3313/2024-25

October 09, 2024

The Company Secretary,
Allcargo Gati Ltd,
4th Floor, B Wing, Allcargo
House, CST Road, Kalina,
Santacruz (East) Mumbai,
Maharashtra, 400098

The Company Secretary,
Allcargo Logistics Limited
4th Floor, Allcargo House,
CST Road, Kalina,
Santacruz (East) Mumbai
Maharashtra, 400098

Dear Sir/ Madam,

Sub: Observation letter regarding the Composite Scheme of Arrangement between Allcargo Logistics Limited (“Allcargo” or “Demerged Company” or “Transferee Company 2”) and Allcargo Supply Chain Private Limited (“Transferor Company 1” or “ASCPL”) and Gati Express & Supply Chain Private Limited (“Transferor Company 2” or “GESCPL”) and Allcargo Gati Limited (“Transferee Company 1” or “Transferor Company 3”) and Allcargo ECU Limited (“Resulting Company”) and their respective shareholders

We are in receipt of the Composite Scheme of Arrangement between Allcargo Logistics Limited (“Allcargo” or “Demerged Company” or “Transferee Company 2”) and Allcargo Supply Chain Private Limited (“Transferor Company 1” or “ASCPL”) and Gati Express & Supply Chain Private Limited (“Transferor Company 2” or “GESCPL”) and Allcargo Gati Limited (“Transferee Company 1” or “Transferor Company 3”) and Allcargo ECU Limited (“Resulting Company”) and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37 & 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS Div/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated October 09, 2024 has inter alia given the following comment(s) on the draft scheme of Arrangement:

1. **“The Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon’ble NCLT and shareholders, while seeking approval of the scheme.”**
2. **“The Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
3. **“The Company shall ensure compliance with SEBI circulars issued from time to time. The Companies involved in the Scheme shall duly comply with various provisions of the SEBI master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.”**
4. **“Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval, if applicable.”**
5. **“Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old, if applicable.”**

6. "Company shall ensure that the details of the proposed scheme under consideration as provided to the stock exchange shall be prominently disclosed in the notice sent to shareholders."
7. "Company is advised that new equity shares proposed to be issued as part of the "Scheme" shall mandatorily be in demat form only."
8. "Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
9. "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
10. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
11. "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
12. "Company is advised that the "Scheme" shall be acted upon subject to the applicant complying with the Para 10 (a) & (b) of Part I of SEBI Master Circular issued on June 20, 2023 and relevant clauses mentioned in the scheme document."
13. "The Companies involved in the scheme are advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to make an informed decision:
 - Need, rationale and synergies of the scheme along with the impact of the scheme on the shareholders
 - Rationale for Qualified Institutional Placement ("QIP") of Rs.169.28 crores by Allcargo Gati Ltd and its impact on the share swap ratio along with scenarios explaining the impact of the same on shareholding of promoter and public shareholding
 - Details regarding reclassification of promoters of Allcargo Gati Limited along with rationale
 - Details of complaint(s) received from shareholders including promoters of listed companies and response on the same
 - The Details of assets, liabilities, revenue, net worth of all the companies involved in the scheme, both pre and post scheme of arrangement
 - A write up on the history of demerged undertaking and transferor companies
 - Latest Net worth certificate along with statement of assets and liabilities of all the Companies involved in the scheme of arrangement for both pre and post scheme of arrangement
 - Comparison of revenue and net worth of demerged undertaking and Transferor Companies with the total revenue and net worth of the Transferee Company for last three financial years
 - Companies shall ensure that applicable additional information to be submitted to SEBI along with draft scheme of arrangement and document requested via Query No.01 dated January 25, 2024 for Allcargo Gati Ltd and Query No.1 dated

January 25, 2024 for Allcargo Logistics Limited shall form part of disclosures to the shareholders.

14. "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the Company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the Company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

However, the listing of equity shares of Allcargo ECU Limited ("Resulting Company") shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, Allcargo ECU Limited ("Resulting Company") shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange. The Companies shall fulfil the Exchange's criteria for listing the securities of such Companies and also comply with other applicable statutory requirements. However, the listing of shares of Allcargo ECU Limited ("Resulting Company") is at the discretion of the Exchange. In addition to the above, the listing of Allcargo ECU Limited ("Resulting Company") pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Allcargo ECU Limited ("Resulting Company") in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the Companies are also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all details of Allcargo ECU Limited ("Resulting Company") in line with the details required as per the aforesaid SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Allcargo ECU Limited ("Resulting Company") on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

- “There shall be no change in the shareholding pattern of Allcargo ECU Limited (“Resulting Company”) between the record date and the listing which may affect the status of this approval.”

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **the validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its ‘No adverse observation’ at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

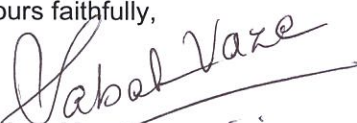
Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon’ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange’s representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,


Sabah Vaze
Senior Manager


Tanmayi Lele
Assistant Manager