KPMG Valuation Services LLP Registered Valuer Registration No. IBBI/RV-E/06/2020/115 2nd Floor, Block T2 (B Wing), Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalakshmi, Mumbai - 400 011, Maharashtra, India	**PwC Business Consulting Services LLP** Registered Valuer Registration No. IBBI/RV – E/02/2022/158 252 Veer Savarkar Marg, Shivaji Park, Dadar (west), Mumbai – 400 028, Maharashtra, India

Dated: 21 December 2023

To,

The Audit Committee/ **The Board of Directors,** **Allcargo Logistics Limited** Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai 400 098	**The Audit Committee/** **The Board of Directors,** **Allcargo Gati Limited** Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad 500 084

Re:

- Share Entitlement Ratio for the proposed demerger of International Supply Chain ('ISC') business from Allcargo into Allcargo ECU Limited ('Allcargo ECU'/ 'Resulting Company');
- Share Exchange Ratio(s) for the proposed amalgamation of Allcargo Supply Chain Private Limited ('ASCPL'/ 'Transferor Company 1') and Gati Express & Supply Chain Private Limited ('GESCPL'/ 'Transferor Company 2') into Allcargo Gati Limited ('Gati'/ 'Transferee Company 1'/ 'Transferor Company 3');
- Share Exchange Ratio for the proposed amalgamation of Gati into Allcargo Logistics Limited ('ACL'/ 'Allcargo'/ 'Allcargo Demerged'/ 'Transferee Company 2')

Dear Sir / Madam,

We refer to the respective engagement letters and addendum to the engagement letters of KPMG Valuation Services LLP ('KPMG') and PwC Business Consulting Services LLP ('PwC BCS') whereby KPMG and PwC BCS are appointed by Allcargo Logistics Limited ('Allcargo'/ 'ACL') and Allcargo Gati Limited ('Gati'), to assist in:

- Expressing an opinion on the share entitlement ratio ('Share Entitlement Ratio'), as recommended by the Management, for the proposed demerger of ISC business into Allcargo ECU ('Transaction A');
- Recommendation of fair share exchange ratio ('Share Exchange Ratio-A') for the proposed amalgamation of ASCPL into Gati ('Transaction B');
- Recommendation of fair share exchange ratio ('Share Exchange Ratio-B') for the proposed amalgamation of GESCPL into Gati ('Transaction C');
- Recommendation of fair share exchange ratio ('Share Exchange Ratio-C') for the proposed amalgamation of Gati into Allcargo Demerged ('Transaction D');

Hereinafter, the above Transactions A, B, C and D would together be referred to as 'Proposed Transaction(s)' and the above share exchange ratios A, B, and C would together be referred to as 'Share Exchange Ratio(s)'.

Allcargo Gati Limited and Allcargo Logistics Limited are hereinafter jointly referred to as 'you' or 'Clients'.

Gati, ASCPL, GESCPL and Allcargo Demerged are hereinafter jointly referred to as 'Companies' or the 'Valuation Subjects'.

KPMG and PwC BCS are hereinafter jointly referred to as 'Valuers' or 'we' or 'us' in this Report.

The Share Entitlement Ratio for this Report refers to the number of equity shares of Allcargo ECU which would be issued to the equity shareholders of Allcargo pursuant to proposed demerger of ISC business into Allcargo ECU. 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 assets and liabilities. Post this demerger, Allcargo will be referred to as 'Allcargo Demerged'.

The Share Exchange Ratio-A and Share Exchange Ratio-B for this Report refers to the number of equity shares of Gati which would be issued to the equity shareholders of ASCPL and GESCPL respectively pursuant to proposed amalgamation of ASCPL and GESCPL into Gati. Share Exchange Ratio-C for this Report refers to the number of equity shares of Allcargo which would be issued to the equity shareholders of Gati pursuant to proposed amalgamation of Gati into the Allcargo Demerged.

Our deliverable for this engagement would be a Report expressing opinion on the Share Entitlement Ratio ('Share Entitlement Ratio Report') for the proposed Transaction A and fair share exchange ratio(s) for the proposed Transaction B, Transaction C, and Transaction D ('Share Exchange Ratio Report') with 20 December 2023 being the Valuation Date. For the purpose of this valuation, the valuation is based on 'Going Concern' premise.

Share Entitlement Ratio Report and Share Exchange Ratio Report hereinafter shall be collectively referred to as 'Report'.

SCOPE AND PURPOSE OF THIS REPORT

Allcargo Gati Limited ('Gati'/ 'Transferee Company 1'/ 'Transferor Company 3') 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. It is engaged inter-alia in the business of domestic express and supply chain logistics.

Allcargo Logistics Limited ('ACL'/ 'Allcargo'/ 'Demerged Company'/ 'Allcargo Demerged'/ 'Transferee Company 2') 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. It is engaged inter-alia in the business of international supply chain, related logistics businesses, and other support functions.

Equity shares of Gati and Allcargo are listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

Allcargo Supply Chain Private Limited ('ASCPL'/ '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. It is engaged inter-alia in the business of contract logistics and warehousing services. ASCPL operates as a wholly owned subsidiary of Allcargo Logistics limited.

Gati Express & Supply Chain Private Limited ('GESCPL'/ '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. It is engaged inter-alia in the business of express distribution and supply chain. Gati and ACL hold stake in GESCPL in the ratio of 70:30.

We understand that the managements of Allcargo and Gati ('Managements') are evaluating a Composite Scheme of Arrangement ('Scheme') under the provisions of Sections 230 to 232, and other relevant provisions of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable, comprising the following

A. Demerger of ISC business of Allcargo into Allcargo ECU. We understand that post demerger, Allcargo's business would primarily include its investments in ASCPL, Gati, GESCPL, TLPPL and HORCL, along with other assets and liabilities;
B. Transfer by way of Amalgamation of ASCPL into Gati;
C. Transfer by way of Amalgamation of GESCPL into Gati; and
D. Transfer by way of Amalgamation of Gati into Allcargo Demerged;

In this connection, the Board of Directors of the Clients (the 'BOD') require a Registered Valuer Report as per section 232 read with section 247 of the Companies Act, 2013 and has appointed PwC BCS and KPMG for:

- Expressing an opinion on the Share Entitlement Ratio, as recommended by the Management, for the proposed demerger of ISC business into Allcargo ECU;
- Recommending the Share Exchange Ratio-A for the proposed amalgamation of ASCPL into Gati;
- Recommending the Share Exchange Ratio-B for the proposed amalgamation of GESCPL into Gati;
- Recommending the Share Exchange Ratio-C for the proposed amalgamation of Gati into Allcargo Demerged.

for the consideration of the Board of Directors (including audit committees, if applicable) of the Clients in accordance with the applicable Securities and Exchange Board of India ('SEBI'), the relevant stock exchanges', and relevant laws, rules and regulations. To the extent mandatorily required under applicable laws of India, this Report maybe produced before the judicial, regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Transaction(s).

The Management has informed us that as of the Valuation Date, ASCPL has outstanding 19.73 million optionally convertible redeemable preference shares ('OCRPS') of face value of INR 10/- each fully paid up. The Management has informed us that the conversion option on such OCRPS has been rescinded by Allcargo, the holders of these OCRPS. Further, in consideration for every OCRPS of ASCPL of INR 10/- each fully paid up, the Management proposes Gati to issue redeemable preference shares ('RPS') of INR 10/- each fully paid up at the same terms & conditions with respect to repayment as existing on Valuation Date.

We understand that the appointed date for the Transaction A, Transaction B and Transaction C as per the draft scheme shall be 01 October 2023. Further the appointed date for the Transaction D shall be the effective date as per the draft Scheme.

The scope of our services is to conduct a valuation of equity shares of the ASCPL, GESCPL, Gati and Allcargo Demerged (hereinafter referred to as 'Companies') on a relative basis and report Share Entitlement Ratio/ Share Exchange Ratio(s) for the Proposed Transaction(s).

The Valuers have independently performed their analysis on the valuation of the Companies and have arrived at different values per share of Companies. However, to arrive at the consensus on the Share Exchange Ratio for the Proposed Transaction(s), appropriate minor adjustments/rounding off have been done by the Valuers.

We have been provided with the audited/ limited reviewed/ carved out financials of the Companies as discussed below. Further, we have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, we have been informed that all material information impacting the Companies has been disclosed to us.

We have been informed by the Management that:

a) In the event that either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares before the Proposed Transaction(s) becomes effective, the issue of shares pursuant to the Share Entitlement Ratio and Share Exchange Ratio(s) recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.
b) till the Proposed Transaction(s) becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years.
c) there are no unusual/abnormal events in the Companies materially impacting their operations/financial position after 30 September 2023 till the Report date.

We have relied on the above while opining on the Share Entitlement Ratio and Share Exchange Ratio(s) for the Proposed Transaction(s).

This Report is our deliverable for the above engagement. This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION / MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

In connection with this exercise, we have used the following information received from the Management(s) of the Companies and that gathered from the public domain:

- Considered the draft Composite Scheme of Arrangement ('Scheme') for the Proposed Transaction(s);
- Considered audited standalone financial statements of Gati, GESCPL and ASCPL and their subsidiaries/associates for last 3 years ending 31 March 2023;
- Considered audited financials of ASCPL and GESCPL for the period ending 30 September 2023;
- Considered limited reviewed financial statements of Gati for the six-month period ended 30 September 2023;
- Considered carved out financial statements of Allcargo Demerged (post demerger) as of 30 September 2023;
- Financial projections of ASCPL and GESCPL on a standalone basis, including key underlying assumptions, which the Management believes to be its best estimates of the future operating performance;
- Number of equity shares of the Companies as on the Valuation Date and the number of shares on a fully diluted basis as at the date of this Report;
- Valuation Report of the Fuel Pump Station Business by Rashmi Shah, FCA as at 30 June 2023;
- Details of Employee Stock Appreciation Rights of Gati granted as at the Valuation Date; and
- Other relevant information and documents for the purpose of this engagement provided through emails or during discussion.

In addition, we have obtained information from public sources/proprietary databases including quarterly results.

During discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Clients have been provided with the opportunity to review the draft report (excluding the recommended Share Exchange Ratio(s)) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report.

KPMG Valuations Services LLP

Allcargo Logistics Limited

PwC Business Consulting Services LLP

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information, and clarifications regarding past financials performance of the Companies, their subsidiaries and associates, as applicable;
- Considered data available in public domain related to the Companies, their subsidiaries and associates, and their peers;
- Discussions (physical/over call) with the Management to
  - Understand the business, key value drivers, historical financial performance and projected financial performance of the Companies;
- Undertook Industry Analysis
  - Researched publicly available market data including economic factors and industry trends that may impact the valuation;
  - Analysed key trends and valuation multiples of comparable companies using proprietary databases subscribed by us or our network firms.
- Selected internationally accepted valuation methodology/(ies) as considered appropriate by us, in accordance with the ICAI Valuation Standards/International Valuation standards published by the International Valuation Standards Council.
- Arrived at valuation of Companies in order to conclude our analysis on Share Exchange Ratio for the Proposed Transaction (s).

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our network firms.

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the Valuation Date. Due to possible changes in market forces and circumstances, this Report can only be regarded as relevant as at the Valuation Date.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Clients are the only authorized users of this Report and use of the Report is restricted for the purpose indicated in the respective engagement letters. This restriction does not preclude the Clients from providing a copy of the Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Client's existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

This Report, its contents and the results herein are specific to (i) the purpose of relative valuation agreed as per the terms of our engagement; (ii) the Valuation Date; (iii) and are based on the audited/ limited reviewed/ carved out financials of the Companies as at 30 September 2023 (as applicable) and other information provided by the Management (iv) other information obtained by us from time to time. We have been informed that the business activities of the Companies have been carried out in the normal and ordinary course between 30 September 2023 and the Report date and that no material changes have occurred in their respective operations and financial position between 30 September 2023 and the Report date. Our analysis was completed on a date subsequent to the Valuation Date and accordingly, we have taken into account such valuation parameters and other information over such period, as we considered appropriate and relevant, up to a date close to the Report date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Clients or Companies, their directors, employees or agents.

The Clients/owners and its Management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/Clients, their Management and other third parties, if any, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the Report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employee or agents.

Valuers are not aware of any contingency, commitment or material issue which could materially affect the Companies' economic environment and future performance and therefore, the equity value of the Companies.

We do not provide assurance on the achievability of the results forecast by the Management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of Management.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited / unaudited balance sheets of the Companies, if any provided to us.

This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The valuation analysis and result are governed by concept of materiality.

It has been assumed that the required and relevant policies and practices have been adopted by the Companies and would be continued in the future.

The fee for the engagement is not contingent upon the results reported.

The actual share exchange ratio may be higher or lower than our recommendation depending upon the circumstances of the transaction, the nature of the business. The knowledge, negotiating ability and motivation of the buyers and sellers will also affect the exchange ratio achieved. Accordingly, our recommended Share Exchange Ratio will not necessarily be the share exchange ratio at which actual transaction will take place.

We have also relied on data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

This Report and the information contained herein is absolutely confidential. The Report will be used by the Clients only for the purpose, as indicated in this Report, for which we have been appointed. The results of our valuation

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Allcargo Logistics Limited

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analysis and our Report cannot be used or relied by the Clients for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

Without limiting the foregoing, we understand that the Clients may be required to submit the Report to or share the Report with their professional advisors, shareholders, merchant bankers providing fairness opinion on the Share Exchange Ratio and regulatory authorities/ stock exchanges, in connection with the Proposed Transaction (together, "Permitted Recipients"). We hereby give consent to the disclosure of the report to any of them, subject to the Clients ensuring that any such disclosure shall be subject to the condition and understanding that:

- It will be the Client's responsibility to review the Report and identify any confidential information that it does not wish to or cannot disclose;
- we owe responsibility to only to the Clients that have engaged us and nobody else, and to the fullest extent permitted by law;
- we do not owe any duty of care to anyone else other than the Clients and accordingly, no one other than the Clients is entitled to rely on any part of the Report;
- we accept no responsibility or liability towards any third party (including, the Permitted Recipients) to whom the Report may be shared with or disclosed or who may have access to the Report pursuant to the disclosure of the Report to the Permitted Recipients. Accordingly, no one other than the Clients shall have any recourse to us with respect to the Report;
- we shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by the Clients or to whom the Clients may disclose or directly or indirectly permit the disclosure of any part of the Report and that by allowing such disclosure we do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

It is clarified that reference to this Report in any document and/ or filing with aforementioned tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuers of any responsibility or liability to any person/ party other than the Boards of Directors of the Clients.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Transaction, without our prior written consent.

This Report is subject to the laws of India.

Though the Valuers are issuing a joint report, notwithstanding the issuance of this joint report, it is clarified that KPMG/ PwC BCS are not responsible for the acts or omissions of PwC BCS/ KPMG in connection with this engagement. Further, we will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person.

DISCLOSURE OF RV INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

- The Valuers are not affiliated to the Clients in any manner whatsoever.
- We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this valuation.
- Valuers' fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this Report.
- Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information was provided to us to carry out the valuation.

SHAREHOLDING PATTERN

Allcargo Supply Chain Private Limited ('ASCPL')

The issued and subscribed equity share capital of ASCPL as of 30 September 2023 is INR 2,291.6 million consisting of 229.16 million equity shares of face value of INR 10/- each and OCRPS as of 30 September 2023 is INR 197.29 million consisting of 19.73 million OCRPS of face value of INR 10/- each. The shareholding pattern is as follows:

Shareholding Pattern as on 30 September 2023	No. of Shares	% Shareholding
Allcargo Logistics Limited	229,157,113	100.00%
Grand Total	**229,157,113**	**100.00%**

Optionally Convertible Redeemable Preference Shares as on 30 September 2023	No. of Shares	% Shareholding
Allcargo Logistics Limited	19,728,682	100.00%
Grand Total	**19,728,682**	**100.00%**

Source: Management information

Gati Express & Supply Chain Private Limited ('GESCPL')

The issued and subscribed equity share capital of GESCPL as of 30 September 2023 is INR 5.0 million consisting of 0.5 million equity shares of face value of INR 10/- each. The shareholding pattern is as follows:

Shareholding Pattern as on 30 September 2023	No. of Shares	% Shareholding
Allcargo Logistics Limited	150,000	30.00%
Allcargo Gati Limited	350,000	70.00%
Grand Total	**500,000**	**100.00%**

Source: Management information

Allcargo Gati Limited* ('Gati')

The issued and subscribed equity share capital of Gati as of 30 September 2023 is INR 260.3 million consisting of 130.17 million equity shares of face value of INR 2/- each. The shareholding pattern, prior to Employee Stock Appreciation Rights ("ESAR") dilution, is as follows:

Shareholding Pattern as on 30 September 2023	No. of Shares	% Shareholding
Allcargo Logistics Limited	65,330,095	50.16%
Public	61,287,850	47.06%
Promoters	3,619,392	2.78%
Grand Total	**130,237,337**	**100.00%**

Source: www.bseindia.com assessed on 20 December 2023

*Basis Management information, we have considered the number of equity shares on diluted basis after taking into account an appropriate adjustments for ESARs granted. Accordingly, the diluted number of equity shares as at the Valuation Date considered by us is 131.39 million equity shares of INR 2/- each.

Allcargo Logistics Limited**

The issued and subscribed equity share capital of Allcargo as of 30 September 2023 is INR 491.4 million consisting of 245.7 million equity shares of face value of INR 2/- each. The shareholding pattern is as follows:

Shareholding Pattern as on 30 September 2023	No. of Shares	% Shareholding
Promoters	171,786,209	69.92%
Public	73,909,315	30.08%
Grand Total	**245,695,524**	**100.00%**

Source: www.bseindia.com assessed on 20 December 2023

** The Board of Allcargo 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 expanded equity share capital in our analysis.

Please find below the issued and subscribed equity share capital of Allcargo post the bonus issue:

Shareholding Pattern (post bonus issue)	No. of Shares	% Shareholding
Promoters	687,144,836	69.92%
Public	295,637,260	30.08%
Grand Total	**982,782,096**	**100.00%**

Source: Management information

Our valuation analysis considers the above shareholding pattern of the Companies.

APPROACH FOR RECOMMENDATION OF SHARE EXCHANGE RATIO AND SHARE ENTITLEMENT RATIO

BASIS OF SHARE ENTITLEMENT RATIO FOR DEMERGER (TRANSACTION A)

We understand from the Scheme that upon demerger of ISC business of Allcargo into Allcargo ECU the Management proposes to issue 1 equity shares of Allcargo ECU (of INR 2 each fully paid up) to all the shareholders of Allcargo, in lieu of 1 equity share of Allcargo (of INR 2 each fully paid up).

The proposed demerger shall entail allotment of equity shares of the Allcargo ECU to all the shareholders of Allcargo Demerged, on a proportionate basis, and all shareholders of Allcargo shall be the beneficial economic owners of the Allcargo ECU, i.e. the shareholding pattern of Allcargo ECU shall mirror the shareholding pattern of Allcargo.

BASIS OF SHARE EXCHANGE RATIO (TRANSACTION B, TRANSACTION C, TRANSACTION D)

The Scheme contemplates amalgamation of ASCPL and GESCPL into Gati and amalgamation of Gati into Allcargo Demerged. Arriving at the Share Exchange Ratio(s) for the Proposed Transaction(s) would require determining the value of equity shares of the Companies on a relative basis. These values are to be determined independently, but on a relative basis for the Companies, without considering the effect of the Proposed Transaction(s).

The valuation approach adopted by KPMG and PwC BCS is given in Annexure 1A and 1B respectively (Annexure 1A and 1B together referred to as Annexures).

The determination of a Share Exchange Ratio/ Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single Share Exchange Ratio/ equity value estimate. While we have provided our recommendation of the Share Exchange Ratio(s) based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio(s). The final responsibility for the determination of the Share Exchange Ratio at which the

Proposed Transaction(s) shall take place will be with the Board of Directors of the respective Companies who should take into account other factors such as their own assessment of the Proposed Transaction(s) and input of other advisors.

We have independently applied approaches/methods discussed in the Annexures, as considered appropriate, and arrived at the value per share of the Companies. To arrive at the consensus on the Share Exchange Ratio for the Proposed Transaction(s), suitable minor adjustments / rounding off have been done.

Further we have been given to understand that the Scheme will provide for exchange of OCRPS on amalgamation of ASCPL to Gati in such manner that the new RPS to be issued by Gati shall be on the same terms and conditions with respect to repayment as the existing OCRPS considering the conversion option on such OCRPS has been rescinded by Allcargo. Upon merger of Gati into ACL, the scheme will provide for automatic cancellation of OCRPS against receivable / investment cost in ACL books.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Share Exchange Ratio for the proposed amalgamation of ASCPL and GESCPL into Gati and Gati into Allcargo:

- The Share Entitlement Ratio of equity shares (of INR 2 each fully paid up) of Allcargo ECU for every equity share of Allcargo for Transaction A i.e. demerger of ISC business of Allcargo is fair as the beneficial economic interest of the shareholders in the equity of Allcargo ECU will be the same proportion as it is in the equity of Allcargo.

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

- Three Thousand Four Hundred Seventy Five (3475 only) equity shares of Gati of INR 2/- each fully paid up for every Ten (10 only) equity shares of GESCPL of INR 10/- each fully paid up.

- Sixty-Three (63 only) equity shares of Allcargo of INR 2/- each fully paid up for every Ten (10 only) equity shares of Gati of INR 2/- each fully paid up.

It should be noted that we have not examined any other matter including economic rationale for the Proposed Transaction per se or accounting, legal or tax matters involved in the Proposed Transaction.

Respectfully submitted, **KPMG Valuation Services LLP** Registered Valuer Registration No. IBBI/RV-E//06/2020/115 **Amit Jain** Partner IBBI Membership No.: IBBI/RV/06/2018/10501 Asset Class: Securities or Financial Assets Date: 21 December 2023	Respectfully submitted, **PwC Business Consulting Services LLP** Registered Valuer Registration No. IBBI/RV-E/02/2022/158 **Neeraj Garg** Partner IBBI Membership No : IBBI/RV/02/2021/14036 Date: 21 December 2023 RVN: IOVRVF/PWC/2023-2024/2783

Annexure 1A- Approach to Valuation – KPMG

We have carried out the valuation in accordance with the principles laid in the ICAI Valuation Standards/International Valuation Standards, as applicable to the purpose and terms of this engagement.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the relative fair value of equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the Share Exchange Ratio for the purpose of the Proposed Transaction, such as:

- Market Approach - Market Price Method; Comparable Companies Multiples (CoCo) Method
- Income Approach - Discounted Cash Flow (DCF) Method
- Asset Approach - Net Asset Value (NAV) Method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies/ businesses, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Asset Approach - Net Asset Value Method

Under the asset approach, the net asset value (NAV) method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, interalia, value of surplus/ non operating assets.

Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Under DCF method, the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, on a market participant basis, and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity – Free Cash Flows to Firm (FCFF) technique; This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow forecast is based on projected financials as provided by the Management of the Companies. While carrying out this engagement, we have relied on historical information made available to us by the Management and the projected financials for future related information ("Management Business Plan"). Although we have read, analyzed and discussed the Management Business Plan for the purpose of undertaking a valuation analysis, we have not commented on the achievability and reasonableness of the assumptions provided to us save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of the assignment. We have assessed and evaluated the reasonableness of the projections based on procedures such as analyzing industry data, historical performance, expectations of comparable companies, analyst reports etc.

Market Approach
Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

• **Market Price Method**: Under this method, the value of shares of a company is determined by taking the average of the market capitalisation of the equity shares of such company as quoted on a recognised stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger/ demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary/ preferential issues/ open offer in the shares of the company available in the public comain.

• **Comparable Companies Multiples (CoCo) Method**: Under this method, one attempts to measure the value of the shares/ business of company by applying the derived market multiple based on market quotations of comparable public/ listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company/ business (based on past and/ or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Companies' Transaction Multiples (CTM) Method: Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and evaluated/adjusted for differences between the circumstances.

Comparable Companies' Transaction Multiple method has not been used due to limited availability of information of comparable transactions in this space. Further, the transaction multiples may include acquirer specific considerations, synergy benefits, control premium and minority adjustments.

The valuation approaches/ methods used, and the values arrived at using such approaches/ methods have been tabled in the next section of this Report.

BASIS OF SHARE EXCHANGE RATIO

The basis of the Proposed Transaction would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by the respective Valuer. Though different values have been arrived at under each of the above approaches/ methods, for the purposes of recommending the Share Exchange Ratio it is necessary to arrive at a single value for the shares of the companies involved in a transaction such as the proposed Transaction. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of the Companies but at their relative values to facilitate the determination of an Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/ method.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Share Exchange Ratio/Share Entitlement Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratios of the equity shares of ASCPL, GESCPL, Gati and ACL. The final responsibility for the determination of the exchange ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of ASCPL, GESCPL, Gati and ACL, based on the various applicable approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to information base, key underlying assumptions and limitations.

Relevant methods discussed above have been applied, as considered appropriate, to arrive at the assessment of the relative values per equity share of ASCPL, GESCPL, Gati and ACL. To arrive at the Share Exchange Ratio for the Proposed Transaction, suitable minor adjustments/ rounding off have been done in the relative values arrived at by us.

VALUER NOTES

For the present valuation analysis, in relation to Transaction B, for the amalgamation of ASCPL into Gati, we have considered it appropriate to apply the Market Approach and Income Approach for the Valuation of ASCPL, and Market Approach for Valuation of Gati, to arrive at the relative fair value of the equity shares for the purpose of the Proposed Transaction.

In relation to Transaction A,

Pursuant to the above Scheme, all the shareholders of ACL would also become shareholders of Allcargo ECU and their shareholding would mirror in Resulting Company. The effect of the demerger is that each shareholder of ACL becomes the owner of shares in the Resulting Company through the mechanism as explained in the Scheme.

Accordingly, any entitlement ratio can be considered fair for the above demerger including the entitlement ratio proposed in this Report.

The Scheme provides that each shareholder in ACL shall receive 1 share in Allcargo ECU for 1 share held in ACL.

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion proposed for Allcargo ECU is identical to that of ACL, the beneficial economic interest of the equity shareholders of ACL in Allcargo ECU will remain same at the time of the Proposed Transaction.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of ACL are and will, upon demerger, be the ultimate economic beneficial owners of Allcargo ECU and in the same ratio (inter se) as they hold shares in ACL, as on the record date to be decided by Management of ACL in the Scheme.

In relation to Transaction B,

Given the nature of the business of ASCPL, and the fact that we have been provided with projected financials for ASCPL, we have considered it appropriate to apply the DCF Method under the Income Approach. Further, considering the availability of comparable listed peer set in the businesses carried out by the ASCPL, we have also applied the

Comparable Companies Multiples method under the Market Approach (using EV/ TTM EBITDA multiple) to arrive at the relative value of the equity shares of ASCPL for the purpose of arriving at the Share Exchange Ratio.

In the present case, the shares of Gati are listed on BSE and NSE and there are regular transactions in their equity shares with reasonable volume. In the circumstances, the share price of Gati and ACL has been considered as suggested in regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Accordingly, higher of the below two methods has been taken for determining the value of Gati and under the market price methodology:

- the volume weighted average price for 90 trading days preceding the valuation report date,
- the volume weighted average price for 10 trading days preceding the valuation report date,

Further we have been given to understand that the Scheme will provide for exchange of OCRPS on amalgamation of ASCPL to Gati in such manner that the new RPS to be issued by Gati shall be on the same terms & conditions with respect to repayment as the existing OCRPS, since the conversion option on such OCRPS has been rescinded by Allcargo. Upon merger of Gati into Allcargo Logistics, the scheme will provide for automatic cancellation of OCRPS against receivable / investment cost in ACL books.

In relation to Transaction C,

We note that Gati's operations are primarily driven through operation of GESCPL. Therefore, the market cap of Gati is representative of the value of GESCPL. Accordingly, we have arrived at the implied equity value of GESCPL basis the market capitalisation of Gati, as adjusted for the standalone corporate assets and fuel pump station business of Gati (as provided by third party valuer – Rashmi Shah, FCA) . It is to be noted that the market price used to arrive at the implied value is based on the higher of 90 day VWAP and 10 day VWAP preceding the Valuation Date as detailed above.

The relative value of Gati is arrived based on the methodology detailed above.

In relation to Transaction D,

We understand from the Management that post demerger, ACL shall not have any material operations of its own as at the Valuation Date, except for its investments in Gati, TRPPL and HORCL. Accordingly, value of ACL have been derived basis break-up value, based on the fair value of its investments in Gati, TRPPL and HORCL and the residual net debt/ net assets of ACL. It is to be noted that the investments in Gati is considered based on the revised share-holding subsequent to Transaction B and Transaction C.

We have considered the Market Price Method detailed earlier to determine the value of ACL's investment in Gati. Further based on our discussion with the Management we understand that there are no material operations in HORCL and TRPPL as of the Valuation date and accordingly we have considered value of HORCL and TRPPL based on NAV Approach for the purpose of arriving at the fair value of ACL.

The relative value of Gati is arrived basec on the methodology detailed above.

Conclusion

Accordingly, for our final analysis and recommendation, we have considered the values arrived under the Income Approach and Market Approach, to arrive at the relative value of the equity shares of ASCPL, GESCPL, Gati and ACL for the purpose of the Proposed Transactions(s).

We have considered appropriate weights to the values arrived at under different methods and approaches.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend that:

1. The Share Entitlement Ratio of equity shares (of INR 2 each fully paid up) of ACL ECU for every equity share of ACL for Transaction A i.e. demerger of MTO business of ACL is fair as the beneficial economic interest of the shareholders in the equity of ACL ECU will be the same as it is in the equity of ACL.

2. Refer the tables below summarize our workings for valuation of ASCPL, GESCPL, Gati and ACL, and the Share Exchange Ratio as derived by us for Transaction B, Transaction C and Transaction D.

The computation of Share Exchange Ratio-A for Transaction B of ASCPL merging into Gati by KPMG is tabulated below:

Valuation Approach	ASCPL		Gati	
	Value per Share of ASCPL (INR)	Weight	Value per Share of Gati (INR)	Weight
Cost Approach	3.2	0%	52.0	0%
Income Approach (DCF method)	30.7	50%	NA	NA
Market Approach				
Multiples Method	32.2	50%	NA	NA
Market Price Method	NA	NA	153.9	100%
Relative Value per Share (Weighted Average)	**31.5**	**100%**	**153.9**	**100%**
Share Exchange Ratio (Rounded)	**0.2**			

The computation of Share Exchange Ratio-B for Transaction C of GESCPL merging into Gati by KPMG is tabulated below:

Valuation Approach	GESCPL		Gati	
	Value per Share of GESCPL (INR)	Weight	Value per Share of Gati (INR)	Weight
Cost	4,659.0	0%	52.0	0%
Income Approach (DCF method)	51,967.7	0%	NA	NA
Market Approach				
Multiples Method	44,293.2	0%	NA	NA
Market Price Method	53,485.7	100%	153.9	100%
Relative Value per Share (Weighted Average)	**53,485.7**	**100%**	**153.9**	**100%**
Share Exchange Ratio (Rounded)	**347.5**			

The computation of Share Exchange Ratio-C for Transaction D of Gati merging into Allcargo by KPMG is tabulated below:

Valuation Approach	Gati		Allcargo	
	Value per Share of Gati (INR)	Weight	Value per Share of Allcargo (INR)	Weight
Cost Approach				
Net Asset Value	52.0	0%	11.0	0%
Break-Up Value	NA	NA	24.6	100%
Income Approach (DCF method)	NA	NA	NA	NA
Market Approach				
Multiples Method	NA	NA	NA	NA
Market Price Method	153.9	100%	NA	NA
Relative Value per Share (Weighted Average)	**153.9**	**100%**	**24.6**	**100%**
Share Exchange Ratio (Rounded)	**6.3**			

Annexure 1B- Approach to Valuation – PwC BCS

We have considered International Valuation Standards[1] in carrying out our valuation analysis and delivering our valuation conclusion. There are several commonly used and accepted valuation approaches for determining the value of equity shares of a company, which have been considered in the present case, to the extent relevant and applicable:

1. **Asset Approach - Net Asset Value method**

   The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated i.e., it does not meet the 'going concern' criteria or in case where the assets base dominates earnings capability. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies/ business would continue as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

2. **Income Approach (Discounted Cash Flows (DCF) Method)**

   Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital/ cost of equity. The sum of the discounted value of such free cash flows is the value of the firm/ equity shareholders.

   Using the DCF analysis involves determining the following:

   Estimating future free cash flows:
   Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies'/ business' capital – both creditors and shareholders.

   Appropriate discount rate to be applied to cash flows i.e., the cost of capital:
   This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

3. **Market Approach:**

   Under this approach, value of a company is assessed basis its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e., similar) listed companies or transactions in similar companies. Following are the methods under Market Approach:

   - **Market Price (MP) Method**

     The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper indicator of the fair value of the share especially where the market values are

[1] Market Value as per IVS 104: Market Value is the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The Fair Value referred in the Report is same as Market Value as defined above.

fluctuating in a volatile capital market or when the shares are thinly traded. Further, in the case of merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

- **Comparable Companies' Multiple (CCM) method**

  Under this method, value of a business / company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attribute such as sales, capital employed, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- **Comparable Companies' Transaction Multiples (CTM) Method**

  Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

BASIS OF SHARE ENTITLEMENT RATIO FOR DEMERGER (TRANSACTION A)

We understand from the Scheme that upon demerger of ISC business of Allcargo into Allcargo ECU the Management proposes to issue 1 equity shares of Allcargo ECU (of INR 2 each fully paid up) to all the shareholders of Allcargo, in lieu of 1 equity share of Allcargo (of INR 2 each fully paid up).

The proposed demerger shall entail allotment of equity shares of the Allcargo ECU to all the shareholders of Allcargo Demerged, on a proportionate basis, and all shareholders of Allcargo shall be the beneficial economic owners of the Allcargo ECU, i.e. the shareholding pattern of Allcargo ECU shall mirror the shareholding pattern of Allcargo.

We believe that the proposed Share Entitlement Ratio does not affect the beneficial economic ownership of the existing shareholders of Allcargo and can be deemed fair and reasonable.

BASIS OF SHARE EXCHANGE RATIO FOR AMALGAMATION (TRANSACTIONS B, C and D)

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been discussed below.

The Share Exchange Ratio has been arrived at on the basis of equity valuation (on a per share basis) of ASCPL, GESCPL, Gati and Allcargo Demerged on a relative basis, based on the various methodologies explained herein earlier and other factors considered relevant, having regard to information base, key underlying assumptions, and limitations. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value for the Proposed Transaction(s). For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

In the current analysis, in relation to Transaction B and Transaction C, the amalgamation of ASCPL and GESCPL into Gati is proceeded with the assumption that ASCPL and GESCPL would amalgamate with Gati as going concern and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of ASCPL, GESCPL and Gati under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Share Exchange Ratio-A and Share Exchange Ratio-B.

Given the nature of the businesses of ASCPL and GESCPL, and the fact that we have been provided with projected financials for ASCPL and GESCPL, we have considered it appropriate to apply the DCF Method under the Income Approach to determine value of the equity shares of ASCPL and GESCPL. Further, we have considered the CCM Method (Enterprise Value/ EBITDA multiple ('EV/EBITDA') under Market Approach in our analysis. We have relied on publicly available information and certain databases such as CapitalIQ, etc. to determine the comparable company multiples.

CTM Method has not been used due to lack of comparable transactions in this space. Further, the transaction multiples may include acquirer specific considerations, synergy benefits, control premium and minority adjustments.

Equity shares of ASCPL and GESCPL are not listed on any stock exchange.

Value of ASCPL has also been adjusted for the existing OCRPS and interest accrued thereon. As discussed earlier, in consideration for every OCRPS of ASCPL of INR 10/- each fully paid up, the Management proposes Gati to issue an RPS of INR 10/- each fully paid up for every OCRPS of ASCPL at the same terms and conditions as existing OCRPS.

We understand from the Management that Gati does not have any material operations of its own except the fuel business as at the Valuation Date, except for its investment in GESCPL. Accordingly, value of Gati has been derived on the sum of parts basis, basis value of its investment in GESCPL and the residual net debt/ net assets of Gati. Gati is also a publicly listed company and Market Price method has been used to value Gati. The above-referred net debt/ net assets of Gati have been adjusted from equity value of Gati (as estimated under Market Price Method) to estimate the implied equity value of GESCPL under Market Price method. For determining the market price, the volume weighted share price of Gati over an appropriate period upto 20 December 2023 has been considered in this case.

In connection with Transaction D, i.e. amalgamation of Gati into Allcargo Demerged, upon completion of Transactions B and C, Allcargo Demerged does not have any material operations of its own as at the Valuation Date, except for its investments in equity shares of Gati (equity shares originally held prior to the Proposed Transactions and equity shares issued pursuant to Transactions B and C) and above referred RPS of Gati. Accordingly, Adjusted Asset Approach has been used and value of Allcargo Demerged has been derived on the sum of parts basis, based on the fair value of its investments in Gati and the residual net debt/ net assets of Allcargo Demerged. These residual net assets of Allcargo Demerged include its investments in TLPPL and HORCL, a company yet to commence operations. Both TLPPL and HORCL have been valued at their net asset value.

For our final analysis and recommendation, we have considered the values arrived under the Income Approach and Market Approach, as discussed above, to arrive at the value of the equity shares of ASCPL, GESCPL, Gati and Allcargo Demerged for the purpose of the Proposed Transactions(s).

We have considered appropriate weights to the values arrived at under different methods under Income and Market Approaches.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend that:

1. The Share Entitlement Ratio of equity shares (of INR 2 each fully paid up) of Allcargo ECU for every equity share of Allcargo for Transaction A i.e. demerger of ISC business of Allcargo is fair as the beneficial economic interest of the shareholders in the equity of Allcargo ECU will be the same proportion as it is in the equity of Allcargo.
2. Refer the tables below which summarize our workings for valuation of ASCPL, GESCPL, Gati and Allcargo Demerged, and the Share Exchange Ratio(s) as derived by us for Transaction B, Transaction C and Transaction D.

The computation of fair equity share exchange ratio for Proposed Transaction B of ASCPL with Gati by PwC is tabulated below:

Valuation Approach	ASCPL		Gati	
	Value per Share of ASCPL (INR)	Weight	Value per Share of Gati (INR)	Weight
Cost/Asset Approach (i)	3.2	0%	54.0	0%
Income Approach – DCF method	28.2	50%	152.1	25%
Market Approach				
Multiples method (ii)	34.5	50%	156.6	25%
Market Price method (iii) (Higher of 10 trading days or 90 trading days volume weighted average price as of 20 December 2023)	NA	NA	153.9	50%
Relative Value per Share (Weighted Average of (i),(ii) and (iii)	**31.3**		**154.2**	
Share Exchange Ratio (Rounded)	**2:10**			

The computation of fair equity share exchange ratio for Proposed Transaction C of GESCPL with Gati by PwC is tabulated below:

Valuation Approach	GESCPL		Gati	
	Value per Share of GESCPL (INR)	Weight	Value per Share of Gati (INR)	Weight
Cost/Asset Approach (i)	4,659.0	0%	54.0	0%
Income Approach – DCF method	52,808.4	25%	152.1	25%
Market Approach				
Multiples method (ii)	54,496.6	25%	156.6	25%
Market Price method (iii) (Higher of 10 trading days or 90 trading days volume weighted average price as of 20 December 2023)	53,485.7	50%	153.9	50%
Relative Value per Share (Weighted Average of (i),(ii) and (iii)	**53,569.1**		**154.2**	
Share Exchange Ratio (Rounded)	**3,475:10**			

The computation of fair equity share exchange ratio for Proposed Transaction D of Gati with Allcargo by PwC is tabulated below:

Valuation Approach	Gati		Allcargo	
	Value per Share of Gati (INR)	Weight	Value per Share of Allcargo (INR)	Weight
Cost/Asset Approach (Adjusted) (i)	154.2	100%	24.2	100%
Income Approach – DCF method	NA	NA	NA	NA
Market Approach				
Multiples method (ii)	NA	NA	NA	NA
Market Price method (iii) (Higher of 10 trading days or 90 trading days volume weighted average price as of 20 December 2023)	NA	NA	NA	NA
Relative Value per Share (Weighted Average of (i),(ii) and (iii)	**154.1**		**24.2**	
Share Exchange Ratio (Rounded)	63:10			

Certified True Copy
For Allcargo Logistics Limited

Devanand Mojidra
Company Secretary

25 January 2024

To,

The Board of Directors,	**The Board of Directors,**
Allcargo Logistics Limited	**Allcargo Gati Limited**
Allcargo House, CST Road,	Plot No. 20, Survey No. 12,
Kalina, Santacruz (East),	Kothaguda, Kondapur,
Mumbai 400 098	Hyderabad 500 084

Sub: Corrigendum to the Report, dated 21 December 2023, on the share entitlement ratio /share exchange ratio(s) for the demerger of International Supply Chain ('ISC') business from Allcargo Logistics Limited and amalgamation of Allcargo Supply Chain Private Limited, Gati Express & Supply Chain Private Limited, Allcargo Gati Limited and Allcargo Logistics Limited

Dear Sir / Madam,

We refer to our Report for Share entitlement Ratio/Share exchange Ratio(s) dated 21 December 2023, for recommending:

- Share Entitlement Ratio for the proposed demerger of International Supply Chain ('ISC') business from Allcargo Logistics Limited into Allcargo ECU Limited ('Allcargo ECU'/ 'Resulting Company');
- Share Exchange Ratio(s) for the proposed amalgamation of Allcargo Supply Chain Private Limited ('ASCPL'/ 'Transferor Company 1') and Gati Express & Supply Chain Private Limited ('GESCPL'/ 'Transferor Company 2') into Allcargo Gati Limited ('Gati'/ 'Transferee Company 1'/ 'Transferor Company 3');
- Share Exchange Ratio for the proposed amalgamation of Gati into Allcargo Logistics Limited ('ACL'/ 'Allcargo'/ 'Allcargo Demerged'/ 'Transferee Company 2')

PwC Business Consulting Services LLP is hereinafter referred to as 'PwC BCS' or 'Valuer' or 'we' or 'us' in this clarification to the Report ('**Corrigendum to the Report**').

We are issuing the Corrigendum to the Report for rectifying a typographical error in the Value per Share of Gati and Allcargo.

We have recommended the following Share Exchange Ratios in our Report:

The computation of fair equity share exchange ratio for Proposed Transaction D of Gati with Allcargo by PwC is tabulated below:

Valuation Approach	Gati		Allcargo	
	Value per Share of Gati (INR)	Weight	Value per Share of Allcargo (INR)	Weight
Cost/Asset Approach (Adjusted) (i)	154.2	100%	24.2	100%
Income Approach – DCF method	NA	NA	NA	NA
Market Approach				
Multiples method (ii)	NA	NA	NA	NA
Market Price method (iii) (Higher of 10 trading days or 90 trading days volume weighted average price as of 20 December 2023)	NA	NA	NA	NA
Relative Value per Share (Weighted Average of (i),(ii) and (iii)	**154.1**		**24.2**	
Share Exchange Ratio (Rounded)	**63:10**			

The above should be replaced with the following language:

The computation of fair equity share exchange ratio for Proposed Transaction D of Gati with Allcargo by PwC is tabulated below:

Valuation Approach	Gati		Allcargo	
	Value per Share of Gati (INR)	Weight	Value per Share of Allcargo (INR)	Weight
Cost/Asset Approach (Adjusted) (i)	154.2	100%	24.6	100%
Income Approach – DCF method	NA	NA	NA	NA
Market Approach				
Multiples method (ii)	NA	NA	NA	NA
Market Price method (iii) (Higher of 10 trading days or 90 trading days volume weighted average price as of 20 December 2023)	NA	NA	NA	NA

PwC Business Consulting Services LLP

Private & Confidential

Relative Value per Share (Weighted Average of (i),(ii) and (iii)	**154.2**		**24.6**	
Share Exchange Ratio (Rounded)	**63:10**			

No amendment has been made in the Report previously shared with you. The above change does not have any impact on the fair Share Exchange Ratios recommended in the Report.
This Corrigendum to the Report should be read in conjunction with our Report dated 21 December 2023 and is subject to the scope limitations enunciated in the Report.
We request you to file this Corrigendum to the Report along with the above referred Report.

Respectfully Submitted,

For PwC Business Consulting Services LLP
IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158

NEERAJ GARG Digitally signed by NEERAJ GARG Date: 2024.01.25 16:40:49 +05'30'

Neeraj Garg
Partner
IBBI Membership No.: IBBI/RV/02/2021/14036