

**National Stock Exchange Of India Limited**

Ref: NSE/LIST/39470/39478

Date: October 10, 2024

The Company Secretary Allcargo Logistics Limited Allcargo House, 6 <sup>th</sup> Floor, CST Road, Kalina, Santacruz (E), Mumbai 400098 <b>Kind Attn.: Shailesh Dholakia</b>	The Company Secretary Allcargo Gati Limited Western Pearl, 4th Floor, Survey No. 13(p), Kondapur. Hyderabad, Rangareddi – 500084 <b>Kind Attn.: T.S. Maharani</b>
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Dear Sir/Madam,

**Sub: Observation Letter for draft Composite Scheme of Arrangement between Allcargo Logistics Limited (Demerged Company/Transferee Company 2) and Allcargo Supply Chain Private Limited (Transferor Company 1) and Gati Express & Supply Chain Private Limited (Transferor Company 2) and Allcargo Gati Limited (Transferee Company 1/ Transferor Company 3) and Allcargo ECU Limited (Resulting Company) and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013.**

We are in receipt for draft Composite Scheme of Arrangement between Allcargo Logistics Limited (Demerged Company/Transferee Company 2) and Allcargo Supply Chain Private Limited (Transferor Company 1) and Gati Express & Supply Chain Private Limited (Transferor Company 2) and Allcargo Gati Limited (Transferee Company 1/ Transferor Company 3) and Allcargo ECU Limited (Resulting Company) and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 vide application dated January 12, 2024.

Based on our letter reference no. NSE/LIST/39470/39478 dated May 29, 2024, submitted to SEBI pursuant to SEBI Master Circulars no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with 94(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), SEBI vide its letter dated October 09, 2024, has inter alia given the following comment(s) on the draft scheme of arrangement:

- The Companies shall ensure to 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.*
- The Companies shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Companies and the Stock Exchanges.*

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- c) *The companies involved in the Scheme shall duly comply with various provisions of the master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*
- d) *The Applicant Companies shall ensure that information pertaining to all the Unlisted Companies involved, if any, involved in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of 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.*
- e) *The Companies shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- f) *The Companies shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.*
- g) *The Companies shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*
- h) *The Companies shall ensure that the "Scheme" shall be acted upon subject to the applicant company complying with the relevant clauses mentioned in the scheme document.*
- i) *The Companies shall ensure that no changes to the draft scheme shall be made without specific written consent of SEBI, except those mandated by the regulators/authorities/ tribunals.*
- j) *The Companies shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- k) *The Companies shall ensure that all the applicable provisions under the Companies Act, 2013 and the rules and regulations thereunder including obtaining the consent from the creditors for the proposed scheme, are complied.*
- l) *The Companies shall ensure 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.*
- m) *The Companies shall disclose the following additional disclosure to the public shareholders 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 take an informed decision:*

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- (i) Need, rationale and synergies of the scheme along with its impact on the shareholders.
  - (ii) 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
  - (iii) Details regarding reclassification of promoters of Allcargo Gati Ltd. along with rationale
  - (iv) Details of the complaint(s) received from shareholders including promoters of listed companies and response on the same
  - (v) Details of assets, liabilities, net worth, revenue of the companies involved in the scheme, for both pre and post scheme of arrangement,
  - (vi) A write up on the history of the demerged undertaking and transferor companies
  - (vii) 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 the scheme of arrangement,
  - (viii) 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,
- n) The Companies shall ensure that all the applicable additional information shall form part of disclosure to shareholders, which was submitted by the Company to the Stock Exchanges as per Annexure M of Exchange checklist.
- o) It is to be noted that the petitions are filed by the company before 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.

**It is to be noted that the petitions are filed by the company before 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 National Stock Exchange of India Limited again for its comments/observations/representations.**

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Company should also fulfil the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing is at the discretion of the Exchange.

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s of Allcargo ECU Limited is  
 Signed: PRIYANKA JITHYER  
 Date: Thu, Oct 10, 2024 20:44:44 IST  
 Location: NSE

The listing of Allcargo ECU Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Allcargo ECU Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited ("NSE") for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:  
  
*"The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of Allcargo ECU Limited, its promoters, its management etc."*
2. To publish an advertisement in the newspapers containing all the information about Allcargo ECU Limited in line with the details required as per SEBI Master 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 NSE.
3. To disclose all the material information about Allcargo ECU Limited to NSE on continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
  - a) *"The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."*
  - b) *"There shall be no change in the shareholding pattern or control in Allcargo ECU Limited between the record date and the listing which may affect the status of this approval."*

With reference to Part II (A) (5) of SEBI Master Circular dated June 20, 2023, Allcargo ECU Limited shall ensure that steps for listing of specified securities are completed and trading in securities commences **within sixty days** of receipt of the order of the Hon'ble High Court/NCLT, simultaneously on all the stock exchanges where the equity shares of the listed entity (or transfer entity) are/were listed. Accordingly, the company must initiate necessary steps to ensure strict adherence to said timeline.

However, the Exchange reserves its rights to raise objections 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 Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from Oct 10, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Priya Iyer  
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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Signer: PRIYA RANJITH IYER  
Date: Thu, Oct 10, 2024 20:44:44 IST  
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