KPMG

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The Board of Directors
Allcargo Logistics Limited
Avvashya House,
CST Road, Kalina
Santacruz (East), Mumbai 400 098
Maharashtra, India.

23 December 2021

Sub: Recommendation of equity share entitlement ratio for the Proposed Demerger by Allcargo Logistics Limited of its CFS and ICD Business to Allcargo Terminals Private Limited, and the Equipment Hiring/ Leasing and Logistics Parks Business to TransIndia Realty & Logistics Parks Limited

Dear Sirs,

We refer to the engagement letter dated 17 December 2021 whereby Allcargo Logistics Limited ("ALL") has requested KPMG Valuation Services LLP ("KPMG" or "Valuer" or "us" or "we") to recommend an equity share entitlement ratio in connection with the proposed demerger ("Proposed Demerger" or "Transaction") of:

1. CFS and ICD Business ("Demerged Undertaking 1") to Allcargo Terminals Private Limited ("ATPL" or "Resulting Company 1"); and
2. Equipment Hiring / Leasing and Logistics Parks Business ("Demerged Undertaking 2") to TransIndia Realty & Logistics Parks Limited ("TPL" or "Resulting Company 2")

   (ALL, ATPL and TPL together referred as "Companies"), (Resulting Company 1 and Resulting Company 2 together referred as "Resulting Companies").

SCOPE AND PURPOSE OF THE VALUATION REPORT

We understand that the Board of Directors of ALL propose to demerge and transfer the Demerged Undertaking 1 to ATPL, and the Demerged Undertaking 2 to TPL with effect from 1 April 2022 ("Effective Date"). This is proposed to be achieved by way of a composite scheme of arrangement under Section 230 to 232 of the Companies Act 2013 and other applicable provisions of the Companies Act 2013 ("Proposed Scheme"). Under the Proposed Scheme, as consideration for the transfer of Demerged Undertaking 1 and Demerged Undertaking 2, the shareholders of ALL will be issued equity shares of ATPL and TPL respectively.

KPMG has been requested by the Board of Directors of ALL to submit a letter recommending an equity share entitlement ratio, as at date of this report, in connection with the Transaction. We understand that this valuation report ("Valuation Report") will be used by the Client for the above mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

The scope of our services is to arrive at the equity share entitlement ratio for the aforesaid Transaction in accordance with generally accepted professional standards and the standards prescibred by the Institute of Chartered Accountants of India.

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

For Allcargo Logistics Limited

Director/Authorized Signatory

Allcargo Logistics Limited

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SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the management of the Companies ("Management"):

- Shareholding pattern of the Companies as on 30 November 2021;
- Interviews and discussions with the Management to augment our knowledge of the operations of the Companies;
- Draft Scheme of Arrangement received by Us on 22 December 2021;
- Details of current and proposed corporate structure;
- Other information, explanations and representations that were required and provided by the Management;
- Such other analysis, review and enquires, as we considered necessary.

The Companies have been provided with the opportunity to review the draft report (excluding the recommended equity share entitlement ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

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 service does not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Valuation Report and other information provided by the Management.

A valuation of this nature is necessarily based on the information made available to us as of, the date hereof and the prevailing market conditions, if impacting the company. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information received from the Companies till 22 December 2021 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of equity share entitlement ratio is not a precise science and the conclusions arrived at, in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single equity share entitlement ratio. While we have provided our recommendation of the equity 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 equity share entitlement ratio of the equity shares of ALL and the Demerged Undertaking 1 and Demerged Undertaking 2. You acknowledge and agree that you have the final responsibility for the determination of the equity share entitlement ratio at which the Proposed Demerger shall take place and factors other than our Valuation Report will need to be taken into account in determining the equity share entitlement ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification the accuracy and completeness of information made available to us by ALL. We have not carried out a due diligence or audit of the Companies for the purpose of this

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engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by ALL is accurate.

Our conclusions are based on these assumptions and information given by/ on behalf of the Companies. The Management has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors, incompleteness or inaccuracies in the information furnished by ALL and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

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 ALL, their directors, employees or agents. In no circumstances shall the liability of the Valuer, its partners, directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

The Valuation 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, except as specifically stated to the contrary, this Valuation 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 recorded in the provisional financial statements of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

This Valuation Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

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

The fee for the Engagement is not contingent upon the results of the Valuation Report.

We owe responsibility to the Board of Directors of ALL which have retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion. This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Transaction, without our prior consent. In addition, this Valuation Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

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BACKGROUND OF THE COMPANIES

a. Allcargo Logistics Limited

Allcargo Logistics Limited provides integrated logistics solution in India and internationally. The company operates in four segments Multimodal Transport Operations, Container Freight Stations, Project and Engineering Solutions, and Logistics Parks. The company was incorporated in 1 993 and is based in Mumbai, India.

The shareholding of the company as of 30 November 2021 is as follows:

Particulars	INR
Authorized Capital	
27,52,25,000 Equity Shares of INR 2 /- each	550,450,000
500 4% Cumulative Redeemable Preference Shares of INR 100 /- each	50,000
5,45,000 Redeemable Preference shares of INR 100 /- each	54,500,000
Total	**605,000,000**
Issued, Subscribed And Paid-Up Capital	
245,695,524 Equity Shares of INR 2 /- each fully paid up	491,391,048
Total	**491,391,048**

Source: Management

Allcargo Terminals Private Limited

Allcargo Terminals Private Limited is a wholly owned subsidiary of Allcargo Logistics Limited. The company is engaged inter-alia in the business of Container Freight Stations/Inland Container Depots and any other related logistics businesses. The company was incorporated in 2019 and is headquartered in Mumbai, India.

The shareholding of the company as of 30 November 2021 is as follows:

Particulars	INR
Authorized Capital	
1,00,000 Equity Shares of INR 10 /- each	1,000,000
Total	**1,000,000**
Issued, Subscribed And Paid-Up Capital	
7 Equity Shares of INR 10 /- each fully paid up	70
Total	**70**

Source: Management

TransIndia Realty and Logistics Parks Limited

TransIndia Realty and Logistics Parks Limited is incorporated in December 2021 and is based out in Mumbai. The company is engaged inter-alia in the business of Engineering and equipment leasing and hiring solutions, Logistics Park, Warehousing, real estate development and leasing activities and other related businesses

The shareholding of the company as of 30 November 2021 is as follows:

Particulars	INR
Authorized Capital	
10,000 Equity Shares of Rs 10 /- each	100,000
Total	**100,000**
Issued, Subscribed And Paid-Up Capital	
7 Equity Shares of INR 10 /- each fully paid up	70
Total	**70**

Source: Management

As informed by Management, the face value of the equity shares of Resulting Company 1 and Resulting Company 2 is changed from INR 10 to INR 2 per share.

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BASIS OF TRANSACTION – PROPOSED SCHEME

Basis the Proposed Scheme, the Transaction contemplates the demerger of Demerged Undertaking 1 from ALL and transfer to Resulting Company 1 and demerger of Demerged Undertaking 2 from ALL and transfer to Resulting Company 2.

Pursuant to the above scheme, all the shareholders of ALL would also become shareholders of ATPL and TPL and their shareholding would mirror in Resulting Companies. The effect of the demerger is that each shareholder of ALL becomes the owner of shares in other Resulting Companies instead of one company either directly, or, in case of fractional entitlements, through the mechanism as explained in the Proposed Scheme.

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

Given the above, the Management has requested to compute the Share Entitlement Ratio considering the mirror shareholding of the shareholders of ALL in the Resulting Companies.

The Management of ALL has informed us that there were no material changes in the shareholding pattern between 30 November 2021 and 23 December 2021.

The Proposed Scheme will include the following:

- *Demerger and transfer of Demerged Undertaking 1 from ALL to ATPL:*

  ATPL which is a wholly owned subsidiary of ALL, shall issue shares to the equity shareholders of ALL in consideration of the transfer of Demerged Undertaking 1.

- *Demerger and transfer of Demerged Undertaking 2 from ALL to TPL:*

  TPL which is a wholly owned subsidiary of ALL, shall issue shares to the equity shareholders of ALL in consideration of the transfer of Demerged Undertaking 2.

BASIS OF EQUITY SHARE ENTITLEMENT RATIO

As on 30 November 2021, the issued, subscribed and paid up capital of ALL consists of 24,56,95,524 fully paid up equity shares of face value INR 2 each.

As set out above, ATPL and TPL are wholly owned subsidiaries of ALL, hence all the shareholders of ALL would also become shareholders of ATPL and TPL and their shareholding would mirror in Resulting Companies.

We understand that,

- *In consideration for the demerger of Demerged Undertaking 1, Allcargo Terminals Private Limited proposes to issue 1 (One) fully paid up equity share of the face of value INR 2 each for every 1 (One) fully paid up equity shares of the face of value INR 2 each in Allcargo Logistics Limited; and*

- *In consideration for the demerger of Demerged Undertaking 2, TransIndia Realty & Logistics Parks Limited proposes to issue 1 (One) fully paid up equity share of the face of value INR 2 each for every 1 (One) fully paid up equity shares of the face of value INR 2 each in Allcargo Logistics Limited.*

In case any shareholder's equity holding in ALL is such that such shareholder becomes entitled to a fraction of an equity share of ATPL and TPL, the same will be treated as per relevant provisions of the Proposed Scheme.

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for ATPL and TPL is identical to that of ALL, the beneficial economic interest of the equity shareholders of ALL in ATPL and TPL will remain same at the time of the Transaction.

Allcargo Logistics Limited *

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

Our Report and share entitlement ratio is based on the envisaged equity share capital structure of ALL, ATPL and TPL as mentioned earlier in this Report. Any variation in the equity capital structures of ALL, ATPL and TPL apart from the above mentioned Proposed Scheme may have material impact on the share entitlement ratio.

Respectfully submitted.

For KPMG Valuation Services LLP
Registered Valuer
RV No. – IBBI/RV-E/06/2020/115

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Amit Jain, Partner
IBBI Registration No. IBBI/RV/06/2018/1058
Date: 23 December 2021

For Allcargo Logistics Limited

Director/Authorized Signatory