

December 21, 2023

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Tel: 022 - 2272 1233 / 34 Fax: 022 - 2272 2131 / 1072/ 2037 / 2061 / 41	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Tel: 022 - 2659 8235 / 36 / 452 Fax: 022 - 2659 8237/ 38
Scrip Code: 532345 ISIN No.: <u>INE152B01027</u> Re.: <u>Allcargo Gati Limited</u>	Symbol : ACLGATI ISIN No.: <u>INE152B01027</u> Re.: <u>Allcargo Gati Limited</u>

Dear Sir/ Madam,

Subject: Outcome of the meeting of the Board of Directors of Allcargo Gati Limited held today i.e. December 21, 2023 in accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations")

We wish to inform that the Board of Directors of Allcargo Gati Limited ("Company") at its meeting held today, has inter-alia considered and approved the following:

- 1. Composite Scheme of Arrangement between Allcargo Logistics Limited ("Allcargo" or "Demerged Company" or "Transferee Company 2") (Holding Company), Allcargo Supply Chain Private Limited (Formerly known as Avvashya Supply Chain Private Limited) ("Transferor Company 1" or "ASCPL") (a wholly owned subsidiary of Allcargo), Gati Express & Supply Chain Private Limited (Formerly known as Gati-Kintetsu Express Private Limited) ("Transferor Company 2" or "GESCPL") (a wholly owned subsidiary of the Company), Allcargo Gati Limited (Formerly known as Gati Limited) ("Transferee Company 1" or "Transferor Company 3" or "Gati") and Allcargo ECU Limited ("Resulting Company" or "AEL") (a wholly owned subsidiary of the Company) and their respective shareholders (the "Scheme").**

The said Scheme *inter-alia* includes:

- a. the transfer by way of demerger of International Supply Chain Business of Allcargo to AEL, on a going concern basis. Consequently, the cancellation of equity shares of AEL held by Allcargo. Simultaneously, AEL will issue New Equity Shares to the shareholders of Allcargo. It will be a mirror shareholding and the same will be listed on the Stock Exchanges ("**Demerger**"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013;
- b. the transfer of contract logistics and express logistics business, by way of amalgamation of ASCPL and GESCPL with and into Gati. Consequently, the cancellation of equity shares of GESCPL held by Gati and cancellation of equity shares of ASCPL held by Allcargo (hereinafter referred to as "**Amalgamation 1**"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013. Subsequently, the issue and allotment of new equity shares by Gati to the members and shareholders of ASCPL and GESCPL; and
- c. the transfer by way of amalgamation of Gati with and into Allcargo. Consequently, the cancellation of equity shares of Gati held by Allcargo. Simultaneously, Allcargo will issue new equity shares to the shareholders of Gati and the same shall be listed on the Stock Exchanges (hereinafter referred to as "**Amalgamation 2**"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013.



Appointed date for Demerger and Amalgamation 1 shall be October 01, 2023 and Appointed date for Amalgamation 2 shall be Effective date i.e. the date on which all the conditions and matters in relation to the Scheme have been fulfilled.

The said Scheme would be subject to requisite approvals of the National Company Law Tribunal, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and other statutory / regulatory authorities, including those from the shareholders of the Allcargo, ASCPL, GESPL, Gati and AEL, as may be applicable.

The details as required under Regulation 30 of the Listing Regulations and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, is attached as “Annexure - A” for Amalgamation 1 and 2.

2. Raising of Funds through various permissible modes in accordance with applicable laws

Raising of funds by way of issuance of Equity Shares or any other equity linked instruments or securities including convertible preference shares/ fully or partly convertible debentures or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for equity shares, or any other eligible securities through inter alia, a private placement (including one or more qualified institutions placements) or further public issue of equity/ debt securities, preferential issue or a rights issue or through any other permissible mode under applicable laws and/ or combination thereof upto the tune of **Rs. 500,00,00,000/- (Rupees Five Hundred Crores only)** as Growth Capital for expansion, Capex, Working Capital etc., subject to approval of the shareholders and other regulatory approvals, as may be required.

The meeting of Board of Directors commenced at 3:30 p.m. and concluded at 8:50 p.m. (after adjournment).

The above information will also be available on the website of the Company on <https://www.gati.com>.

We request you to take the above on record.

Thanking you,

Yours faithfully

For **Allcargo Gati Limited**
(Formerly known as “Gati Limited”)

T. S. Maharani
Company Secretary & Compliance Officer
M. No.: F8069

Encl: a/a

Annexure - A (Amalgamation 1 and Amalgamation 2)

Disclosures pursuant to Regulation 30 of the Listing Regulations and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

The details of Amalgamation as briefed in Phase II is mentioned below:

Sr. No.	Particular	Details															
a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p>The Scheme is a Composite Scheme of Arrangement which provides for:</p> <ul style="list-style-type: none"> - Amalgamation of Allcargo Supply Chain Private Limited (“ASCPL”) and Gati Express & Supply Chain Private Limited (“GES CPL”) with and into Allcargo Gati Limited (“Gati”). - Amalgamation of Gati with and into Allcargo Logistics Limited (“Allcargo”). <p>Brief details of the Networth and Turnover as on March 31, 2023 are as follows:</p> <p align="right">(₹ In Lakhs)</p> <table border="1"> <thead> <tr> <th>Name of Entity</th> <th>Net worth</th> <th>Turnover</th> </tr> </thead> <tbody> <tr> <td>Allcargo</td> <td>1,03,054</td> <td>2,81,764</td> </tr> <tr> <td>ASCPL</td> <td>6,907.95</td> <td>34,096.14</td> </tr> <tr> <td>GES CPL</td> <td>24,480</td> <td>1,46,887</td> </tr> <tr> <td>Gati</td> <td>69,503</td> <td>25,698</td> </tr> </tbody> </table>	Name of Entity	Net worth	Turnover	Allcargo	1,03,054	2,81,764	ASCPL	6,907.95	34,096.14	GES CPL	24,480	1,46,887	Gati	69,503	25,698
Name of Entity	Net worth	Turnover															
Allcargo	1,03,054	2,81,764															
ASCPL	6,907.95	34,096.14															
GES CPL	24,480	1,46,887															
Gati	69,503	25,698															
b)	Related party transactions? If yes, whether the same is done at “arm’s length”	<p>Yes, the said transaction would fall within ambit of Related Party Transaction. The Board is relying on the Report on recommendation of fair equity share entitlement ratio and swap ratio obtained from KPMG Valuation Services LLP, and PwC Business Consulting Services LLP, Registered Valuers, and Fairness opinion on the said valuation report is obtained from Inga Ventures Private Limited, a SEBI registered merchant banker.</p> <p>Also, it is pertinent to note that MCA vide circular no 30/2014 dated July 17, 2014, has clarified that transactions arising, inter-alia, out of Compromises, Arrangements and Amalgamation will not attract requirement of section 188 of the Companies Act, 2013.</p>															
c)	Area of business of the entity(ies)	<ul style="list-style-type: none"> - Allcargo Logistics Limited is engaged in International Supply Chain business and other support functions, as well as holding investments in ASCPL, GES CPL, Gati, etc - Allcargo Supply Chain Private Limited is engaged in Contract Logistics business - Gati Express & Supply Chain Private Limited is engaged in in Express Logistics. - Allcargo Gati Limited is engaged in Express Distribution and Supply Chain. 															

d)	Rationale for amalgamation/merger;	<ul style="list-style-type: none"> - The Demerged Company is presently engaged, directly, & indirectly through subsidiaries, in the International Supply Chain Business as well as Express Logistics and Contract Logistics businesses through the Transferee Company 1, Transferor Company 1 and Transferor Company 2. These businesses are distinct, with different business models, industry dynamics and have unique financial and management requirements. The purpose of this Scheme is to make these businesses achieve strategic independence and financial flexibility. - Demerger of the International Supply Chain Business would enable creation of an independent company focusing on the International Supply Chain Business (in the Resulting Company). - The businesses of Transferee Company 1, Transferor Company 1 and Transferor Company 2 are complementary in nature, with similar strategies, target markets, growth opportunities, industry dynamics, competition, risks, and challenges. Due to close synergies between these companies, it would benefit from unified management structure. Due to legacy reasons, these businesses are undertaken by different entities and have different ownership structure. Amalgamation 1 and Amalgamation 2 would bring all these synergistic businesses under one entity focusing on Express Logistics and Contract Logistics businesses (in Transferee Company 2). - This Scheme will result in simplification of the corporate structure and reducing the number of legal entities. - The International Supply Chain Business will be undertaken by the Resulting Company, and it will be directly owned by the shareholders. Pursuant to the Amalgamation 1 and Amalgamation 2, the Express Logistics and Contract Logistics Businesses will be undertaken by the Transferee Company 2, and it will be directly owned by the shareholders. - This will lead to focused and efficient management control, independent growth plans, financial independence, streamlining operations, and optimising costs. - The Resulting Company and Transferee Company 2 will be able to attract investors with specific knowledge, expertise and risk appetite corresponding to the business in the respective entities. Thus, each entity will have like-minded investors, thereby providing the necessary funding impetus to long-term growth strategies of each of the businesses. - The existing equity shares of the Transferor Company 3 and Transferee Company 2 are already listed on BSE and NSE. Pursuant to the Scheme, the New Equity Shares of the Resulting
----	------------------------------------	---

		<p>Company will be issued to shareholders of Demerged Company. The Scheme will also result in New Equity Shares of the Transferee Company 2 to be issued to shareholders of Transferor Company 3. These New Equity Shares will be listed on BSE and NSE. This Scheme will unlock the value for the shareholders.</p>
e)	<p>In case of cash consideration – amount or otherwise share exchange ratio;</p>	<p>No cash consideration is payable under the Scheme.</p> <p>Upon the coming into effect of this Scheme, the equity shareholders will get following consideration:</p> <p>Amalgamation 1: Equity Shareholders of ASCPL will get 2 (Two) equity shares of Gati of ₹2 each fully paid up, for every 10 (Ten) equity shares of ASCPL of ₹10 each fully paid up.</p> <p>Equity Shareholders of GESPL will get 3475 (Three Thousand Four Hundred Seventy-Five) equity shares of Gati of ₹2 each fully paid, for every 10 (Ten) equity shares of GESPL of ₹2 each fully paid up</p> <p>Equity Shareholders of Optionally Convertible Redeemable Preferences (“OCRPS”), of which the right to conversion has been rescinded by the shareholder, will get 1 (One) Redeemable Preference Shares (“RPS”) of Gati of ₹10 each fully paid up (on the same terms including the right to only redeem and no right of conversion), for every 1 (One) OCRPS of ₹10 each held in ASCPL.</p> <p>Amalgamation 2: Allcargo will issue new equity shares to the shareholders of Gati. The shareholders of Gati will get 63 (Sixty-Three) Equity Shares of ₹2/- each of Allcargo against 10 (Ten) Equity Shares of ₹2/- each held in Gati. Further, the equity shares held by Allcargo in Gati will be cancelled.</p>

f)	Brief details of change in shareholding pattern (if any) of listed entity.	<p>The shareholding of Allcargo Gati Limited will change in Amalgamation 2.</p> <p>The pre and post shareholding pattern of the Company would be as follows:</p> <p>Transferee Company 1 (Pre):</p> <table border="1" data-bbox="639 450 1414 622"><thead><tr><th>Category</th><th>Percentage of shareholding</th></tr></thead><tbody><tr><td>Promoter and Promoter Group</td><td>52.9</td></tr><tr><td>Public</td><td>47.1</td></tr><tr><td>Total</td><td>100</td></tr></tbody></table> <p>Transferee Company 2 (Post):</p> <table border="1" data-bbox="639 685 1414 880"><thead><tr><th>Category</th><th>Percentage of shareholding</th></tr></thead><tbody><tr><td>Promoter and Promoter Group</td><td>49.4</td></tr><tr><td>Public</td><td>50.6</td></tr><tr><td>Total</td><td>100</td></tr></tbody></table>	Category	Percentage of shareholding	Promoter and Promoter Group	52.9	Public	47.1	Total	100	Category	Percentage of shareholding	Promoter and Promoter Group	49.4	Public	50.6	Total	100
Category	Percentage of shareholding																	
Promoter and Promoter Group	52.9																	
Public	47.1																	
Total	100																	
Category	Percentage of shareholding																	
Promoter and Promoter Group	49.4																	
Public	50.6																	
Total	100																	