

**DRAFT LETTER OF OFFER**  
**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Letter of Offer is being sent to you as a registered Equity Shareholder of Allcargo Logistics Limited (“**Company**”) as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the “**Buyback Regulations**”). If you require any clarification about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buyback i.e. Inga Capital Private Limited or the Registrar to the Buyback i.e. Link Intime India Private Limited. Please refer to the section on “**Definitions of Key Terms**” for the definition of the capitalized terms used herein.



**ALLCARGO LOGISTICS LIMITED**

**Registered Office:** 6th Floor, Avvashya House, CST Road, Kalina, Santacruz (East), Mumbai 400 098

**Corporate Identity Number (CIN):** L63010MH2004PLC073508;

**Tel. No.:** +91 22 6679 8100; **Fax:** +91 22 6679 8195; **Email:** investor.relations@allcargologistics.com; **Website:** www.allcargologistics.com

**Contact Person:** Shruta Sanghavi, Company Secretary & Compliance Officer

Cash offer to buyback up to 64,00,000 (Sixty Four Lakhs) fully paid-up equity shares of the Company of face value of ₹ 2/- (Rupees Two only) each (“**Equity Shares**”), representing up to about 2.54% of the total number of outstanding Equity Shares of the Company, from all the equity shareholders/beneficial owners of the Company who holds Equity Shares as on the record date i.e. Friday, November 18, 2016 (“**Record Date**”), on a proportionate basis, through the tender offer using stock exchange mechanism (“**Tender Offer**”), at a price of ₹ 195/- (Rupees One Hundred Ninety Five Only) per Equity Share (“**Buyback Price**”) for an aggregate amount of upto ₹ 1,24,80,00,000/- (Rupees One Hundred Twenty Four Crores Eighty Lakhs Only) (“**Buyback Size**”) excluding the Transaction Cost (“**Buyback**”).

1. The Buyback is in accordance with Sections 68, 69, 70 and other applicable provisions of the Companies Act, 2013 as amended and the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable and in compliance with the Buyback Regulations, Article 22 of the Articles of Association of the Company and is subject to other approvals, permissions and sanctions as may be required from time to time from any statutory and / or regulatory authority and which may be agreed to by the Board of Directors or any person authorised by the Board of Directors.
2. The Buyback Size of ₹ 1,24,80,00,000/- (Rupees One Hundred Twenty Four Crores Eighty Lakhs Only), which represents 9.17% of the fully paid-up equity share capital and free reserves (including securities premium account) as per latest audited balance sheet of the Company for the financial year ended March 31, 2016 on standalone basis, is within the statutory limits of 10% (Ten Percent) of the total paid-up equity share capital and free reserves (including securities premium account) under the board of directors approval route as per the provisions of the Companies Act, 2013.
3. The Letter of Offer shall be sent to the Eligible Sellers.
4. The procedure for tendering Equity Shares and settlement is set out in paragraph 20 of this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement (“**Tender Form**”) will be enclosed together with the Letter of Offer.
5. For mode of payment of consideration to the Eligible Sellers, please refer to paragraph 20.23 of this Draft Letter of Offer.
6. A copy of the Public Announcement, Draft Letter of Offer and the Letter of Offer (including the Tender Form) shall also be available on the website of Securities and Exchange Board of India at www.sebi.gov.in
7. Eligible Sellers are advised to refer to ‘Details of the Statutory Approvals’ and ‘Note on Taxation’ in paragraph 17 and paragraph 21 respectively, of this Draft Letter of Offer, before tendering their Equity Shares in the Buyback.

**MANAGER TO THE BUYBACK**



**Inga Capital Private Limited**

Naman Midtown, 21st Floor, ‘A’ Wing, Senapati Bapat Marg, Elphinstone (West), Mumbai 400 013, Maharashtra.

**Tel. No.:** +91 22 4031 3489, **Fax No.:** +91 22 4031 3379;

**Contact Person:** Ashwani Tandon;

**Email:** allcargo.buyback@ingacapital.com;

**Website:** www.ingacapital.com;

**SEBI Registration No:** INM000010924;

**CIN:** U74140MH1999PTC122493.

**REGISTRAR TO THE BUYBACK**



**Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra – 400078.

**Tel. No.:** +91 22 6171 5400; **Fax:** +91 22 2596 0329;

**Contact person:** Ganesh Mhatre;

**Email:** allcargo.buyback@linkintime.co.in;

**Website:** www.linkintime.co.in;

**SEBI Registration No:** INR000004058;

**CIN:** U67190MH1999PTC118368.

**BUYBACK OPENS ON:** [●]

**BUYBACK CLOSES ON:** [●]

**LAST DATE / TIME OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR TO BUYBACK:** [●], [●]

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## 1. SCHEDULE OF ACTIVITIES

Activity	Day and Date
Date of the board meeting approving the proposal for Buyback of Equity Shares	Monday, November 7, 2016
Date of publication of Public Announcement for the Buyback	Wednesday, November 9, 2016
Record Date for determining the Buyback Entitlement and the names of Eligible Sellers	Friday, November 18, 2016
Buyback opens on / Buyback Opening Date	[●]
Buyback closes on / Buyback Closing Date	[●]
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar to Buyback	[●]
Last date of verification by Registrar to Buyback	[●]
Last date of intimation to the stock exchange regarding acceptance or non-acceptance of tendered Equity Shares by the Registrar and Manager to the Buyback	[●]
Last date of settlement of bids on the stock exchange	[●]
Last date of dispatch of share certificate(s) by Registrar to Buyback / return of unaccepted demat shares by Stock Exchange to Seller Member	[●]
Last date of extinguishment of Equity Shares bought back	[●]

## 2. DEFINITION OF KEY TERMS

*This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Act, to the extent applicable, as amended and the rules and regulations made thereunder.*

Term	Description
<b>Acceptance</b>	Acceptance of Equity Shares tendered by Eligible Sellers in the Buyback
<b>Act</b>	The Companies Act, 1956 and the Companies Act, 2013, to the extent applicable.
<b>Acquisition Window</b>	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with SEBI circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015
<b>Additional Equity Shares</b>	Equity Shares tendered by an Eligible Seller over and above the Buyback Entitlement of such Eligible Seller such that total number of Equity Shares tendered do not exceed the Equity Shares held on the Record Date by such Eligible Seller
<b>Articles</b>	Articles of Association of the Company, as amended from time to time
<b>Board / Board of Directors</b>	Board of Directors of the Company or a committee thereof.
<b>BSE</b>	BSE Limited
<b>Buyback</b>	Offer by the Company to buyback up to 64,00,000 (Sixty Four Lakhs) fully paid-up Equity Shares of face value of ₹ 2/- (Rupees Two only) each at a price of ₹ 195/- (Rupees One Hundred Ninety Five Only) per Equity Share from Eligible Sellers, through the Tender Offer on a proportionate basis using stock exchange mechanism.
<b>Buyback Entitlement</b>	The number of Equity Shares that an Eligible Seller is entitled to tender in the Buyback, based on the number of Equity Shares held by that Eligible Seller on the Record Date in the Ratio of Buyback as applicable in the category, to which such Eligible Seller belongs
<b>Buyback closes on / Buyback Closing Date</b>	[●]
<b>Buyback opens on / Buyback Opening Date</b>	[●]
<b>Buyback Price</b>	Price at which Equity Shares will be bought back from the Eligible Sellers i.e. ₹ 195/- (Rupees One Hundred Ninety Five Only) per Equity Share, (including premium of ₹ 193/- per Equity Share) payable in cash
<b>Buyback Regulations</b>	The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time.
<b>Buyback Size</b>	Number of Equity Shares proposed to be bought back (i.e. up to 64,00,000 Equity Shares) multiplied by the Buyback Price (i.e. ₹ 195/- (Rupees One Hundred Ninety Five Only) per Equity Share aggregating to maximum amount of upto ₹ 1,24,80,00,000/- (Rupees One Hundred Twenty Four Crores Eighty Lakhs Only)
<b>Company</b>	Allcargo Logistics Limited
<b>Companies Act, 1956</b>	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
<b>Companies Act, 2013</b>	The Companies Act, 2013, as amended and to the extent in force pursuant to the notification of Sections of the Companies Act, 2013, along with the relevant rules made thereunder
<b>Company's Broker</b>	Motilal Oswal Securities Limited
<b>Compliance Officer</b>	Shruta Sanghavi, Company Secretary & Compliance Officer

<b>Term</b>	<b>Description</b>
<b>Depositories</b>	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited
<b>Designated Stock Exchange</b>	BSE Limited
<b>DP</b>	Depository Participant
<b>Draft Letter of Offer / DLOF</b>	This Draft Letter of Offer dated November 17, 2016 filed with SEBI
<b>Eligible Seller(s)</b>	All Equity Shareholders holding Equity Shares as on the Record Date being Friday, November 18, 2016 and who are eligible to participate in the Buyback in terms of this DLOF
<b>Equity Shares</b>	Fully paid-up equity shares of face value of ₹ 2/- (Rupees Two only) each of the Company
<b>Equity Shareholder(s)</b>	Holders of the Equity Shares and includes beneficial owners thereof
<b>Escrow Account</b>	The Escrow Account titled “[●]” to be opened with Escrow Agent
<b>Escrow Agent</b>	[●]
<b>Escrow Agreement</b>	The escrow agreement dated [●] entered into between the Company, Escrow Agent and Manager to the Buyback
<b>FEMA</b>	Foreign Exchange Management Act, 1999, as amended from time to time
<b>General Category</b>	Category of Eligible Seller(s) other than the Small Shareholders
<b>HUF</b>	Hindu Undivided Family
<b>IT Act / Income Tax Act</b>	Income Tax Act, 1961, as amended from time to time
<b>Letter of Offer / LoF</b>	The letter of offer dated [●] to be filed with SEBI containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the DLOF
<b>Manager to the Buyback / Manager</b>	Inga Capital Private Limited
<b>MOA</b>	Memorandum of Association of the Company as amended from time to time
<b>Non-Resident Shareholders</b>	Equity Shareholders other than resident Equity Shareholders including Non-Resident Indians (NRI), Foreign Institutional Investors (FII), Foreign Portfolio Investors (FPI), erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals
<b>Non-Resident Indians / NRI</b>	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the meaning as prescribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000 as amended from time to time.
<b>NSE</b>	National Stock Exchange of India Limited
<b>Offer Period / Tendering Period / Buyback Offer Period</b>	Period of 10 (Ten) Working Days from the Buyback Opening Date i.e. [●] till Buyback Closing Date i.e. [●] (both days inclusive)
<b>Promoter / Promoter and Persons in Control</b>	Means to include promoters and members of promoter group i.e. Shashi Kiran Shetty, Shloka Shetty Trust, Arathi Shetty, Adarsh Sudhakar Hegde, Umesh Kumar Shetty, Subhashini J Shetty, Shobha Shetty, Asha Suresh Shetty and Usha Satish Shetty
<b>Public Announcement / PA</b>	Public announcement dated Tuesday, November 8, 2016 in relation to the Buyback made by the Company which was published on Wednesday, November 9, 2016 in Financial Express (English national daily), Jansatta (Hindi national daily) and Navshakti (Regional language daily - Marathi)
<b>PAN</b>	Permanent Account Number
<b>Ratio of Buyback</b>	The ratio of the buyback for the Equity Shares held by Eligible Sellers as on Record Date: (i) in case of Small Shareholders, [●] Equity Shares for every [●] Equity Shares held; and (ii) in case of Eligible Sellers other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held
<b>RBI</b>	Reserve Bank of India
<b>Record Date</b>	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Sellers to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback in accordance with the Buyback

<b>Term</b>	<b>Description</b>
	Regulations. The Record Date for the Buyback is Friday, November 18, 2016.
<b>Registrar to the Buyback / Registrar</b>	Link Intime India Private Limited
<b>Reserved Category</b>	Category of the Small Shareholders eligible to tender Equity Shares in the Buyback
<b>SEBI</b>	The Securities and Exchange Board of India
<b>Seller Member</b>	A stock broker (who is a member of the BSE) of an Eligible Seller, through whom the Eligible Seller may participate in the Buyback
<b>Small Shareholder</b>	An Eligible Seller who holds Equity Shares of market value not more than ₹ 2,00,000/- (Rupees Two Lakhs only) on the basis of closing price on the Stock Exchange registering the highest trading volume on the Record Date.
<b>Stock Exchanges</b>	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
<b>Tender Form</b>	Form of Acceptance-cum-Acknowledgement to be filled in and sent to the Registrar by the Eligible Sellers to participate in the Buyback
<b>Tender Offer</b>	Method of Buyback as defined in Regulation 2(1)(o) read with Regulation 9(3A) of the Buyback Regulations using stock exchange mechanism
<b>TRS</b>	Transaction Registration Slip
<b>U.S.</b>	United States / United States of America
<b>Working Day(s)</b>	Working day as defined under the Buyback Regulations

### 3. DISCLAIMER CLAUSE

- 3.1. As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback, i.e. Inga Capital Private Limited, has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Act and Buyback Regulations. This requirement is to facilitate Eligible Sellers to take an informed decision for tendering their Equity Shares in the Buyback.
- 3.2. It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, has furnished to SEBI a Due Diligence Certificate dated November 17, 2016 in accordance with Buyback Regulations, which reads as follows:

“We have examined various documents and materials relevant to the Buyback as part of the due diligence carried out by us in connection with the finalization of the public announcement dated November 8, 2016 and published in the newspapers on November 9, 2016 (the “**Public Announcement**”) and the draft letter of offer dated November 17, 2016 (“**DLOF**”). On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and the DLOF are in conformity with the documents, materials and papers relevant to the Buyback;
- All the legal requirements connected with the said Buyback including the SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;
- The disclosures in the Public Announcement and the DLOF are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback;
- Funds used for Buyback shall be as per the provisions of the Companies Act, 2013 and the Companies Act, 1956, to the extent applicable.”

- 3.3. The filing of Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Act, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Buyback.
- 3.4. The Promoter and Persons in Control and Directors declare and confirm that no information or material likely to have a bearing on the decision of Eligible Sellers has been suppressed, withheld and / or incorporated in the manner that would amount to mis-statement or misrepresentation and in the event of it transpiring at any point of time that any information or material has been suppressed, withheld and / or amounts to a mis-statement or misrepresentation, the Promoter and Persons in Control and Directors and the Company shall be liable for penalty in terms of the provisions of the Act and the Buyback Regulations.
- 3.5. The Promoter and Persons in Control and Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.
- 3.6. **NO OFFER TO SUBSCRIBE / PURCHASE / SELL, OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL, ANY SECURITIES OF THE COMPANY OR AS A SOLICITATION OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL ANY SECURITIES OF THE COMPANY INCLUDING THE EQUITY SHARES IS MADE IN A JURISDICTION, OTHER THAN INDIA, WHERE IT IS ILLEGAL, OR ANY ACTION OR APPROVAL IS REQUIRED, TO MAKE THIS BUYBACK**
- a) The Public Announcement that was published on Wednesday, November 9, 2016 and this Draft Letter of Offer in connection with this Buyback, has been prepared for the purposes of compliance with the regulations of the Buyback Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed, if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are

under no obligation to update the information contained herein at any time after the date of the Letter of Offer. This Draft Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe / purchase / sell, any securities of the Company in any jurisdiction or as a solicitation or an invitation in any form to subscribe / purchase / sell any securities including the Equity Shares of the Company.

- b) No action has been or will be taken by the Company or Manager to the Buyback to permit the Buyback in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Equity Shareholders/beneficial owners whose names appear in the register of members of the Company, on the Record Date. However, receipt of the Letter of Offer by any Eligible Seller in a jurisdiction in which it would be illegal to make this Buyback, or where making this Buyback would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws of any jurisdiction outside of India), shall not be treated by such Eligible Seller as an offer or invitation to offer being made to them and shall be construed by them as being sent for information purposes only.
- c) Persons in possession of the Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Seller who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.
- d) **The Buyback is being made for securities of an Indian company and is subject to the laws of India. It is important for U.S. securities holders to be aware that this Draft Letter of Offer is subject to tender offer laws and regulations in India that are different from those in the U.S. and has been prepared in accordance with Indian law, format and style, which differs from customary U.S. format and style. This Draft Letter of Offer, does not in any way, constitute an offer to sell, or an invitation to sell, or buy any securities in the United States of America, or in any other jurisdiction in which offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe such restrictions.**

#### 4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

- 4.1. The Buyback through Tender Offer using stock exchange mechanism was considered and approved by the Board of Directors of the Company at their meeting held on Monday, November 7, 2016. The extract of the resolution of the Board is as follows:

**“RESOLVED THAT** pursuant to the provisions of Article 22 of the Articles of Association of the Company and the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as **“the Act”**), and applicable rules made thereunder, and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (hereinafter referred to as **“the Buyback Regulations”**) and other applicable laws, if any including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and subject to all such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions by the appropriate authorities, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the approval of the Board be and is hereby accorded to buyback upto 64,00,000 fully paid-up equity shares of face value of ₹2/- (Rupees Two only) each of the Company (**“the Equity Shares”**) representing up to 2.54% of the outstanding equity shares of the Company at a maximum price of ₹195/- (Rupees One Hundred Ninety Five only) per Equity Share (**“Maximum Buyback Price”**) (including premium of ₹ 193/- per Equity Share) payable in cash for an aggregate amount of up to ₹ 124,80,00,000 (Rupees One Hundred Twenty Four Crore and Eighty Lakhs Only) (excluding transaction costs viz. brokerage, securities transaction tax, service tax, stamp duty, etc.) (**“Buyback Size”**), which is 9.17% of the total fully paid-up equity share capital and free reserves (including securities premium) as per the latest stand alone audited balance sheet of the Company for the financial year ended March 31, 2016 on a proportionate basis through the **“tender offer”** as prescribed under the Buyback Regulations, to all the shareholders who hold Equity Shares as of a Record Date (as defined below) (**“Buyback”**). The Buyback Size



does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India (“SEBI”), fees and charges payable to Stock Exchanges, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.”

**“RESOLVED FURTHER THAT** Friday, November 18, 2016, shall be the record date for the purposes of the Buyback (“the Record Date”).”

**“RESOLVED FURTHER THAT** all the shareholders of the Company who hold Equity Shares on the Record Date will be eligible to participate in the Buyback including promoters and promoter group of the Company (including members thereof) to the extent intended as per the Letter of intention received from the promoter and promoter group.”

**“RESOLVED FURTHER THAT** reservation of the Equity Shares be made for small shareholders of the Company as on the Record Date in accordance with the provisions of the Buyback Regulations.”

**“RESOLVED FURTHER THAT** the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.”

**“RESOLVED FURTHER THAT** the Buyback shall be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”).”

**“RESOLVED FURTHER THAT** the amount required by the Company for the Buyback is intended to be met out of Company’s current balances of cash and cash equivalents and/or accumulated internal accruals (and not from any borrowed funds) and on such terms and conditions as the Board may decide from time to time at its absolute discretion.”

**“RESOLVED FURTHER THAT** in terms of Regulation 19(3) of the Buyback Regulations, Ms. Shruta Sanghavi, Company Secretary and Compliance Officer, be and is hereby appointed as the Compliance Officer for the Buyback and M/s. Link Intime India Pvt. Ltd, Registrar and Transfer Agent, be and is appointed as the Investor Service Centre.

**“RESOLVED FURTHER THAT** draft of the Declaration of Solvency along with annexures including statement of assets and liability as at March 31, 2016 prepared in the prescribed form and supporting affidavit and other documents in terms of Section 68(6) of the Act and Regulation 8 (7) of the Buyback Regulations, as placed before the meeting be and are hereby considered and approved and Mr. Shashi Kiran Shetty, Chairman & Managing Director and any one of the Director of the Company be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies and the SEBI in accordance with applicable law.”

**“RESOLVED FURTHER THAT** the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- a) immediately following the date of this Board meeting i.e. November 7, 2016, there will be no grounds on which the Company could be found unable to pay its debts;
- b) as regards its prospects for the year immediately following that date of this Board Meeting i.e. November 7, 2016 and having regard to the Board’s intentions with respect of the management of the Company’s business during that year and to the amount and character of the financial resources which will in the its view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date of this Board meeting i.e. November 7, 2016; and
- c) in forming its opinion for the above purposes, the Board has taken into account the liabilities of the Company as if the Company were being wound up under the provisions of the Companies Act, 1956 (to the extent not repealed) and the Act (to the extent notified) (including prospective and contingent liabilities).

**“RESOLVED FURTHER THAT** the Board hereby confirms that:

- a) the maximum number of Equity Shares proposed to be purchased under the Buyback i.e. 64,00,000 Equity Shares, do not exceed 10% of the paid-up equity share capital and free reserves (including securities premium) as per the latest standalone audited balance sheet of the Company for the financial year ended on March 31, 2016;
- b) All Equity Shares are fully paid-up;
- c) the Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of subsisting obligations;
- d) the Company shall not issue fresh shares or other specified securities during the Buy-back period, whether by way of bonus issue or in the discharge of subsisting obligations, such as conversion of convertible loans, convertible instruments, stock options or otherwise;
- e) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- f) the Company shall not buyback its Equity Shares from any person through negotiated deals whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- g) there are no defaults subsisting in the repayment of deposits or interest thereon, redemption of debentures or preference shares or payment of dividend to any shareholder or repayment of any term loans or interest payable to any financial institution or banks;
- h) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- i) the Company shall not make any offer of buyback within a period of one year reckoned from the date of closure of the Buyback;
- j) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 1956 and Act to the extent applicable as on date; and
- k) After the Buyback, the ratio of the aggregate of secured and unsecured debts owed by the Company as on March 31, 2016, shall not be more than twice the paid-up equity share capital and free reserves as on March 31, 2016, and as adjusted for Buyback.”

**“RESOLVED FURTHER THAT** that a committee called the “Buyback Committee” be and is hereby constituted comprising Directors and Executives of the Company viz. Mr. Mohinder Pal Bansal, Mr. Keki Elavia, Mr. Kaiwan Kalyaniwalla and Mr. Jatin Chokshi and be authorised to do the following acts, deeds, matters and things in relation to the Buyback :

- a) finalizing the terms of Buyback like the mechanism for the Buyback, entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback;
- b) Appointment of brokers, advertising agency, investor service centre, legal advisor, merchant banker, registrar, consultants and other agencies, as required and preparation, finalization and filing of the public announcement and draft offer letter/offer letter, filing of the declaration of solvency certificate, certificate for extinguishment and physical destruction of share certificates, issuing corporate action in respect of the Equity Shares in electronic mode, compliance certificate and all other documents required to be filed in connection with the Buyback with the appropriate authorities and publishing the public announcement or any other advertisement in the newspapers and to propose and accept any change(s) or modification(s) in the Buyback and the documents connected with the Buyback and to propose closing of Buyback as may be deemed fit and necessary;
- c) To open, operate and close bank account(s), trading account(s), demat account(s), escrow account(s), Special account(s) or such other account(s) in the name of the Company as may be required and for that

purpose to sign and execute all agreements, deeds, papers, documents, applications, forms, undertakings, declarations and such other papers as may be required;

- d) To make any corrections, amendments, deletions, additions to the Public Announcement, draft offer letter/offer letter and any other advertisement and to give any information, explanation, declarations and confirmations in relation to the Public Announcement, draft offer letter/offer letter and any other advertisement, as may be required by the relevant authorities including SEBI and to file/publish/submit the revised Public Announcement, draft offer letter/offer letter and any other public notice as required by such relevant authorities;
- e) Preparation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, Registrar of Companies, the stock exchanges and other appropriate authority;
- f) Making and submission of all applications to the appropriate authorities for their requisite approvals;
- g) To approve, sign, execute and file or issue all necessary applications, intimations, disclosures, announcements, documents, declarations, forms, reports, deeds and writings with the appropriate authorities;
- h) Obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- i) Dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015;
- j) To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper;
- k) To resolve any question or difficulty of whatsoever nature as may arise while implementing this resolution in the best interest of the Company.
- l) To delegate all or any of the authorities conferred as above to any officer(s)/authorised representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate authorities or advisors.”

**“RESOLVED FURTHER THAT** the Common Seal of the Company, if required, be affixed in terms of its Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** any of Directors or Key Managerial Personnel of the Company be and are hereby severally authorised to sign and file certified copy of the resolution with the Registrar of Companies, Maharashtra, Mumbai, SEBI, Stock Exchanges and any other regulatory authorities as may be required under the Companies Act and SEBI Buyback Regulations.”

**“RESOLVED FURTHER THAT** certified true copy of this resolution be issued to whomsoever it may concern under signature of any of Directors or Key Managerial Personnel of the Company.”

## 5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 8(1) of the Buyback Regulations, the Company has made the Public Announcement dated Tuesday, November 8, 2016 for the Buyback of Equity Shares which was published within two Working Days i.e. on Wednesday, November 9, 2016 from the date of passing of the resolution at the meeting of the Board of Directors held on Monday, November 7, 2016 in the following newspapers:

Name of the Newspaper	Language	Editions
Financial Express	English	All Editions
Navshakti	Marathi	Regional Edition

Name of the Newspaper	Language	Editions
Jansatta	Hindi	All Editions

(A copy of the Public Announcement is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in))

## 6. DETAILS OF THE BUYBACK

- 6.1. The Board of the Company, at its' meeting held on Monday, November 7, 2016 ("Board Meeting"), pursuant to the provisions of Article 22 of Articles of Association of the Company and Sections 68, 69 and 70 and all other applicable provisions of the Act and applicable rules made thereunder and in compliance with the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board or any person authorised by the Board, approved the Buyback not exceeding 64,00,000 (Sixty Four Lakhs) Equity Shares (representing up to about 2.54% of the total number of outstanding Equity Shares of the Company) at a price of ₹ 195/- per Equity Share (Rupees One Hundred Ninety Five only) (including premium of ₹ 193/- per Equity Share), payable in cash for an aggregate amount of up to ₹ 1,24,80,00,000/- (Rupees One Hundred Twenty Four Crores Eighty Lakhs only) excluding costs such as brokerage, securities transaction tax, service tax, stamp duty, etc., ("Transaction Cost") which represents 9.17% of the fully paid-up equity share capital and free reserves (including securities premium account) as per latest audited balance sheet of the Company for the financial year ended March 31, 2016 on standalone basis, on a proportionate basis through the tender offer as prescribed under the Buyback Regulations from all the equity shareholders/beneficial owners of the Company who holds Equity Shares as on the record date i.e. November 18, 2016. The Buyback Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, fees and charges payable to Stock Exchanges, Public Announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.
- 6.2. The aggregate fully paid-up equity share capital and free reserves (including securities premium account) as per latest audited balance sheet of the Company for the financial year ended March 31, 2016 on standalone basis is ₹ 1,36,087 lakhs. The funds deployed for Buyback shall not exceed 10% of fully paid-up equity share capital and free reserves (including securities premium account) of the Company under the Board approval route, as provided under the proviso to Section 68(2)(b) of the Act. Accordingly, the maximum amount that can be utilised in the present Buyback is ₹ 13,608.70 lakhs. The Company has proposed to utilise an aggregate amount of up to ₹ 12,480 lakhs for the Buyback which is within the maximum amount as aforesaid and which represents 9.17% of fully paid-up equity share capital and free reserves (including securities premium account) of the Company.
- 6.3. The shareholding of the Promoter and Persons in Control as on the date of the Public Announcement i.e. November 8, 2016 is given below:

Sr. No.	Name of Promoter and Persons in Control	Number of Equity Shares	% of Equity Shares
1.	Shashi Kiran Shetty (Jointly with Arathi Shetty)*	15,50,93,528	61.52
2.	Shashi Kiran Shetty (A Trustee of Shloka Shetty Trust)	76,26,250	3.03
3.	Arathi Shetty (Jointly with Shashi Kiran Shetty)	75,19,440	2.98
4.	Adarsh Sudhakar Hegde (Jointly with Priya Hegde)	34,40,000	1.36
5.	Umesh Kumar Shetty (Jointly with Hita Shetty)	23,16,924	0.92
6.	Subhashini J Shetty (Jointly with Jagadeesha Shetty)	21,750	0.01
7.	Shobha Shetty (Jointly with Prabhakar Shetty)	21,750	0.01
8.	Asha Suresh Shetty (Jointly with Suresh Shetty)	21,748	0.01
9.	Usha Satish Shetty (Jointly with Satish Chandra Shetty)	7,250	Negligible
	<b>Total</b>	<b>17,60,68,640</b>	<b>69.84</b>

\* Out of the total number of Equity Shares held, 592 Equity Shares are held by Shashi Kiran Shetty in his individual capacity.

- 6.4. The Company does not have any Promoter and Persons in Control which are companies.
- 6.5. In terms of the Buyback Regulations, under the Tender Offer, the Promoter and Persons in Control have the option to participate in the Buyback. In this regard, some of the Promoter and Persons in Control have expressed their intention vide their letters dated November 7, 2016 to participate in the Buyback. Promoter and

Persons in Control hereby intend to offer at least such number of Equity Shares which is equal to their pro rata entitlement, as on the Record Date, out of 64,00,000 Equity Shares being the total number of Equity Shares to be bought back in the Buy-back. The extent of their participation in the Buyback has been detailed in paragraph 9.2, 9.3 and 9.4 of this DLOF.

- 6.6. The pre-Buyback shareholding of Promoter and Persons in Control of the Company is 69.84% of the total paid-up equity share capital of the Company and assuming that the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion of their respective Buyback Entitlement, post-Buyback shareholding of Promoter and Persons in Control of the Company will be [●]% of the total paid-up equity share capital of the Company. For details with respect to aggregate shareholding of Promoter and Persons in Control post-Buyback please refer paragraph 13.6 of this DLOF.
- 6.7. We confirm that on completion of the Buyback, the shareholding of the Equity Shareholders other than Promoter and Persons in Control shall not fall below the minimum level required as per the Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time.

## **7. AUTHORITY FOR THE BUYBACK**

- 7.1. The Buyback is being undertaken by the Company in accordance with the provisions of Article 22 of Articles of Association of the Company and Sections 68, 69 and 70 and all other applicable provisions of the Act and applicable rules made thereunder and in compliance with the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board or any person authorised by the Board.
- 7.2. The Buyback has been duly authorized by a resolution passed by the Board of Directors at their meeting held on November 7, 2016. Since the Buyback Size is less than 10% (ten percent) of the paid-up equity share capital and free reserves (including securities premium account) of the Company under the board of directors approval route, as provided under the proviso to Section 68(2)(b) of the Act, the approval of the Equity Shareholders of the Company is not required.

## **8. NECESSITY OF THE BUYBACK**

The Buyback is being proposed by the Company to service the equity more efficiently. Additionally, the Company's management strives to increase equity shareholders value and the Buyback would result in amongst other things:

- a) The Buyback may help in improving earnings per share, return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- b) The Buyback gives an option to the equity shareholders, who can either (i) choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback; or (ii) choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback, without additional investment;
- c) The Buyback, which is being implemented through the Tender Offer as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the Small Shareholders. The Company believes that this reservation for Small Shareholders would benefit a large number of public shareholders, who would get classified as Small Shareholder.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY**

- 9.1. We believe that the Buyback is not likely to cause any material impact on the profitability / earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion of their respective Buyback Entitlement, the funds deployed by the Company towards the Buyback would be ₹ 1,24,80,00,000/- (Rupees One Hundred Twenty Four Crores Eighty Lakhs only).

- 9.2. In terms of the Buyback Regulations, under the tender offer, the Promoter and Persons in Control have the option to participate in the Buyback. In this regard, some of the Promoter and Persons in Control vide their letters dated November 7, 2016 have expressed their intention to tender Equity Shares in the Buy-back.
- 9.3. Promoter and Persons in Control hereby intend to offer at least such number of Equity Shares which is equal to their pro rata entitlement, as on the Record Date, out of 64,00,000 Equity Shares being the total number of Equity Shares to be bought back in the Buy-back. Maximum number of Equity Shares to be tendered by the Promoter and Persons in Control are as under:

Sr. No.	Name of the Promoter and Persons in Control	Maximum Number of Equity Shares which may be tendered
1.	Shashi Kiran Shetty (Jointly with Arathi Shetty)	40,00,000
2.	Arathi Shetty (Jointly with Shashi Kiran Shetty)	2,00,000
3.	Umesh Kumar Shetty (Jointly with Hita Shetty)	60,000
4.	Adarsh Sudhakar Hegde (Jointly with Priya Hegde)	1,00,000
5.	Shashi Kiran Shetty (A Trustee of Shloka Shetty Trust)	2,00,000
<b>Total</b>		<b>45,60,000</b>

- 9.4. Details of the date and price of the Equity Shares allotted/acquired/credited/transferred/transmitted to the Promoter and Persons in Control, which are intended to be tendered, are set-out as below:

Date	Nature of Transaction	Number of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration (₹)
<b>Shashi Kiran Shetty (Jointly with Arathi Shetty)</b>					
March 18, 2005	Bonus	8,00,000	10 <sup>(1)</sup>	Nil	Nil
November 9, 2009	Split	32,00,000	2	Nil	Nil
<b>Total</b>		<b>40,00,000</b>			
<b>Arathi Shetty (Jointly with Shashi Kiran Shetty)</b>					
March 18, 2005	Bonus	40,000	10 <sup>(1)</sup>	Nil	Nil
November 9, 2009	Split	1,60,000	2	Nil	Nil
<b>Total</b>		<b>2,00,000</b>			
<b>Umesh Kumar Shetty (Jointly with Hita Shetty)</b>					
October 28, 2005	Bonus	12,000	10 <sup>(1)</sup>	Nil	Nil
November 9, 2009	Split	48,000	2	Nil	Nil
<b>Total</b>		<b>60,000</b>			
<b>Adarsh Sudhakar Hegde (Jointly with Priya Hegde)</b>					
June 30, 2005	Allotment against cash	20,000	10 <sup>(1)</sup>	10	2,00,000
November 9, 2009	Split	80,000	2	Nil	Nil
<b>Total</b>		<b>1,00,000</b>			
<b>Shashi Kiran Shetty (A Trustee of Shloka Shetty Trust)</b>					
March 2, 2006	Gift from Shashi Kiran Shetty (Jointly with Arathi Shetty)	40,000	10 <sup>(1)</sup>	Nil	Nil
November 9, 2009	Split	1,60,000	2	Nil	Nil
<b>Total</b>		<b>2,00,000</b>			

<sup>(1)</sup> The face value of Equity Shares has been split from ₹ 10/- to ₹ 2/- on November 9, 2009.

- 9.5. Assuming the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Promoter and Persons in Control post the Buyback may increase to [●]% from 69.84% prior to Buyback. Please refer to paragraph 13.6 for further details.

- 9.6. Assuming the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Equity Shareholders other than Promoter and Persons in Control, post the Buyback may decrease to [●]% from 30.16% prior to Buyback. Please refer to paragraph 13.6 for further details.
- 9.7. The Buyback of Equity Shares shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.8. Consequent to the Buyback and depending on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and other public shareholders, the shareholding of each such person shall undergo a change. Please refer to paragraph 13.6 for further details.
- 9.9. The debt-equity ratio immediately on completion of Buyback shall be in compliant with the permissible limit of 2:1 prescribed under the Act even if the response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement.
- 9.10. We believe that the Buyback is not expected to impact growth opportunities for the Company.
- 9.11. The Promoter and Persons in Control of the Company shall not deal in the Equity Shares of the Company on Stock Exchanges or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoter and Persons in Control during the period from the date of passing the board resolution of the Buyback i.e Monday, November 7, 2016 till the closing of the Buyback.
- 9.12. The Company shall not issue any new Equity Shares or other specified securities including by way of bonus till the date of closure of the Buyback.
- 9.13. The Company shall not raise further capital for a period of one year from the closure of the Buyback except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- 9.14. Salient financial parameters consequent to the Buyback based on the audited standalone and consolidated financial statements for the financial year ended on March 31, 2016 are as under:

Parameters	Based on Consolidated Financial Statements		Based on Standalone Financial Statements	
	Pre Buyback	Post Buyback	Pre Buyback	Post Buyback
Net Worth (₹ in Lakhs) <sup>(1)</sup>	204,323	191,843	134,645	122,165
Profit After Tax (₹ in Lakhs)	27,826	27,826	12,415	12,415
Return on Net Worth <sup>(2)</sup>	13.62%	14.50%	9.22%	10.16%
Earnings Per Equity Share (EPS) (Basic) (in ₹) <sup>(3)(4)</sup>	11.0	11.33	4.9	5.05
Book Value per share (in ₹) <sup>(5)</sup>	81.05	83.16	53.41	49.72
Price Earnings (PE) Multiple <sup>(6)</sup>	31.22	30.28	13.91	13.51
Debt/ Equity ratio <sup>(7)</sup>	0.27	0.28	0.15	0.16

(1) "Net Worth" shall have the meaning given to it under section 2(57) of the Act (Share Capital + Reserves and Surplus Less: reserves created out of revaluation of assets, capital redemption reserves, write-back of depreciation and amalgamation, deferred expenditure and miscellaneous expenditure not written off, if any)

(2) Return on Net Worth = Net Profit / (Loss) after Tax / Net worth

(3) Earnings per Share = Net Profit / (Loss) after Tax Attributable to Equity Share holders / Weighted number of Equity Shares outstanding. Earnings Per Share and Book Value Per Share for year ended March 31, 2015 and 2014 are adjusted for Bonus Share issued in year ended March 31, 2016

(4) EPS post Buyback is computed after reducing 64,00,000 Equity Shares to be bought back under the Buyback from weighted average number of Equity Shares outstanding

(5) Book value per Equity Share = Net worth / Number of Equity Shares

(6) PE Multiple = Market Value per Equity Share as on March 31, 2016 on NSE / EPS as per latest audited financial statements as on March 31, 2016

(7) Debt-Equity Ratio = Debt / Equity (Net worth)

## **10. BASIS OF CALCULATING THE BUYBACK PRICE**

- 10.1. The Equity Shares are proposed to be bought back at a price of ₹ 195/- (Rupees One Hundred Ninety Five Only) per Equity Share.
- 10.2. The Buyback Price of ₹ 195/- (Rupees One Hundred Ninety Five only) per Equity Share has been arrived at after considering various factors including, but not limited to, the volume weighted average market price of the Equity Shares on the NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) during 3 (three) months and 2 (two) weeks preceding the date of the intimation of the Board Meeting i.e. October 29, 2016, the closing market price on the date prior to the date of the intimation of the Board Meeting i.e. October 28, 2016 (date of intimation being a trading holiday) and the impact on the net worth of the Company and possible impact of Buyback on earnings and return on net worth per Equity Share.
- 10.3. The Equity Shares are proposed to be bought back through Tender Offer at a price of ₹195 per Equity Share. The Buyback Price represents a premium of 1.02% over the volume weighted average market price of the Equity Shares on the NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) for 3 (three) months preceding the date of the intimation of the Board Meeting i.e. October 29, 2016 which was ₹ 193.03 and 7.29% over the volume weighted average market price of the Equity Shares on the NSE for 2 (two) weeks preceding the date of the intimation of the Board Meeting i.e. October 29, 2016, which was ₹ 181.75. The closing market price of the Equity Shares as on the date prior to the date of the intimation of the Board Meeting i.e. October 28, 2016 (date of intimation being a trading holiday), was ₹ 181.50 on BSE and ₹ 182.10 on NSE.
- 10.4. The Buyback Price is 3.65 and 2.41 times of the book value per Equity Share of the Company as on March 31, 2016 which was ₹ 53.41 and ₹ 81.05 per Equity Share based on standalone financial statements and consolidated financial statements, respectively.
- 10.5. The earnings per Equity Share (basic) of the Company prior to the Buyback, for the financial year ended March 31, 2016, was ₹ 4.9 and ₹ 11.0 per Equity Share based on standalone financial statements and consolidated financial statements respectively. Assuming full acceptance under the Buyback, the earnings per Equity Share (basic) of the Company for the financial year ended March 31, 2016 will be ₹ 5.05 and ₹ 11.33 per Equity Share based on standalone financial statements and consolidated financial statements, respectively post the Buyback.
- 10.6. The return on net worth per Equity Share prior to the Buyback, for the financial year ended March 31, 2016 was 9.22% and 13.62% per Equity Share based on standalone financial statements and consolidated financial statements, respectively. Assuming full acceptance under the Buyback, the return on net worth per Equity Share for the financial year ended March 31, 2016 will be 10.16% and 14.50% per Equity Share based on standalone financial statements and consolidated financial statements, respectively post the Buyback.

## **11. SOURCES OF FUNDS FOR THE BUYBACK**

- 11.1. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be ₹ 1,24,80,00,000/- (Rupees One Hundred Twenty Four Crores Eighty Lakhs only).
- 11.2. The funds for the Buyback will be sourced from the current surplus available and / or cash and cash equivalents and / or internal accruals of the Company and no borrowings are made to discharge the Buy-Back obligations. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.3. The cost of financing the Buyback would be notional loss in income, if any.

## **12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN**

- 12.1. In accordance with Regulation 10 of the Buyback Regulations, the Company has appointed [●] as the Escrow Agent for the Buyback. The Company, the Manager to the Buyback and the Escrow Agent have entered into an Escrow Agreement dated [●], 2016, pursuant to which the Escrow Account in the name and style "[●]" bearing account number [●] has been opened with the Escrow Agent at its branch office located at [●], the Company will deposit ₹ [●] in the Escrow Account, in terms of the Buyback Regulations. The Manager has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.



- 12.2. The Company has adequate and firm financial resources to fulfill its obligations under the Buyback and the same has been certified vide a certificate dated November 7, 2016 by Rajendra B. Asher (Membership No.: 100/17029), Proprietor of R.B. Asher & Co., Chartered Accountants (ICAI Firm Registration No.: 100612W), having their office at A/72, Roop Darshan, C.D. Barfiwala Road, Andheri (West), Mumbai – 400 058 and Telephone No. +91 22 2671 1638.
- 12.3. Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that the firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

### 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1. The present capital structure of the Company pre Buyback and Post Buyback is as follows:

(₹ in Lakhs)

Sr. No.	Particulars	Pre Buyback	Post Buyback*
<b>1.</b>	<b>Authorized Share Capital:</b>		
	27,49,75,000 Equity Shares of ₹ 2 each	5,499.50	5,499.50
	500, 4% cumulative redeemable preference shares of ₹ 100 each	0.50	0.50
	<b>Total Authorized Share Capital</b>	<b>5,500.00</b>	<b>5,500.00</b>
<b>2.</b>	<b>Issued, Subscribed and Paid-up Capital:</b>		
	25,20,95,524 Equity Shares of ₹ 2 each	5,041.91	-
	24,56,95,524* Equity Shares of ₹ 2 each	-	4,913.91

\* Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement.

- 13.2. The Company did not implement any Buyback programme in the last three years.
- 13.3. As on date of this Draft Letter of Offer, there are no partly paid-up Equity Shares outstanding.
- 13.4. As on date of this Draft Letter of Offer, there are no outstanding securities convertible into Equity Shares.
- 13.5. As on date of this Draft Letter of Offer, there is no amount under calls in arrears.
- 13.6. The shareholding pattern of the Company (a) pre Buyback i.e. as on date of the Public Announcement; and (b) the post Buyback is as follows:

Category of Shareholder	Pre Buyback		Post Buyback*	
	Number of Shares	% to pre Buyback Equity Share capital	Number of Shares	% to post Buyback Equity Share capital
Promoter and Persons in Control	176,068,640	69.84	[●]	[●]
Foreign Investors (including Non-Resident Indians FIIs and Foreign Mutual Funds)	64,505,550	25.59	[●]	[●]
Financial Institutions/Banks & Mutual Funds promoted by Banks/ Institutions	250,421	0.10		
Others (Public, Public Bodies Corporate, etc.)	11,270,913	4.47		
<b>Total</b>	<b>25,20,95,524</b>	<b>100.00</b>	<b>[●]</b>	<b>[●]</b>

\* Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement.

- 13.7. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.
- 13.8. Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Promoter and Persons in Control post the Buyback may increase to [●]% from 69.84% prior to the Buyback.
- 13.9. No Equity Shares were either purchased or sold by the Promoter and Persons in Control, as mentioned in paragraph 6.3, during a period of six months preceding the date of the Board Meeting i.e. November 7, 2016 at which the Board approved the proposal for Buyback except the following:

Name of Shareholder	Aggregate No. of Equity Shares purchased or sold	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
Umesh Kumar Shetty (Jointly with Hita Shetty)	2,00,000	Sell	191.70	September 28, 2016	191.70	September 28, 2016

- 13.10. No Equity Shares were either purchased or sold by the Promoter and Persons in Control, as mentioned in paragraph 6.3, during a period of twelve months preceding the date of the Public Announcement i.e. November 8, 2016 except the following:

Name of Shareholder	Aggregate No. of Equity Shares purchased or sold	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
Umesh Kumar Shetty (Jointly with Hita Shetty)	2,00,000	Sell	191.70	September 28, 2016	191.70	September 28, 2016
Shashi Kiran Shetty	592*	Purchase	192.81	February 01, 2016	181.26	February 03, 2016

\* the Equity Shares have been bought in various tranches between January 27, 2016 and February 10, 2016 at various prices

Additionally on January 1, 2016 the Company has allotted bonus shares in the ratio of 1:1, pursuant to which Shashi Kiran Shetty (Jointly with Arathi Shetty) was allotted 7,75,46,468 Equity Shares, Shashi Kiran Shetty (A Trustee of Shloka Shetty Trust) was allotted 38,13,125 Equity Shares, Arathi Shetty (Jointly with Shashi Kiran Shetty) was allotted 37,59,720 Equity Shares, Adarsh Sudhakar Hegde (Jointly with Priya Hegde) was allotted 17,20,000 Equity Shares, Umesh Kumar Shetty (Jointly with Hita Shetty) was allotted 12,58,462 Equity Shares, Subhashini J Shetty (Jointly with Jagadeesha Shetty) was allotted 10,875 Equity Shares, Shobha Shetty (Jointly with Prabhakar Shetty) was allotted 10,875 Equity Shares, Asha Suresh Shetty (Jointly with Suresh Shetty) was allotted 10,874 Equity Shares and Usha Satish Shetty (Jointly with Satish Chandra Shetty) was allotted 3,625 Equity Shares.

- 13.11. The Company does not have any Promoter and Persons in Control which are companies.

#### 14. BRIEF INFORMATION ABOUT THE COMPANY

##### 14.1. History of the Company

The Company was incorporated on August 18, 1993 as a private company under the name of All Cargo Movers (India) Private Limited at Mumbai under the Companies Act, 1956. Subsequently the name of the Company was changed to Allcargo Movers (India) Private Limited on June 25, 2004. Thereafter, on December 8, 2005, the name of the Company changed to Allcargo Global Logistics Private Limited and on January 17, 2006, the Company was converted into a public limited company i.e. Allcargo Logistics Limited. Subsequently the name of the Company was further changed from Allcargo Global Logistics Limited to

Allcargo Logistics Limited on July 29, 2011. The registered office of the Company is situated at 6<sup>th</sup> Floor, Avvashya House, CST Road, Kalina, Santacruz (E), Mumbai 400 098. The CIN No. of the Company is L63010MH2004PLC073508. The Equity Shares of the Company are currently listed on BSE and NSE.

Allcargo Logistics Limited, is a Indian multinational Company providing integrated logistics solution worldwide. The Company offers specialized logistics services across global such as Multi-model Transport Operations (non-vessel operating common carrier (NVOCC), Less than Container Load and Full Container Load), Pan India Container Freight Stations, Inland Container Depot, Project & Engineering solutions, Ship Owning and Chartering and Contract Logistics. The Company has 119 subsidiaries and 10 associates and joint ventures which are engaged into various services including logistic services as on March 31, 2016.

#### 14.2. Growth of Business

- a) As per standalone financial statements for the financial years ended March 31, 2016, 2015 and 2014, the Company recorded total revenue of ₹ 124,617 Lakhs, ₹ 117,921 Lakhs and ₹ 102,204 Lakhs respectively, and Profit after tax of ₹ 12,415 Lakhs, ₹ 9,749 Lakhs and ₹ 5,612 Lakhs respectively. The Company has registered a growth of 5.68 % in total revenue in financial year ended March 31, 2016 as compared to financial year ended March 31, 2015 and . The total revenue increased by 15.38 % in financial year ended March 31, 2015 as compared to financial year ended March 31, 2014, the increase was due to increase in volumes and revenue across all business segment.

In financial year ended March 31, 2016, the Profit after Tax increased by 27.35 % as compared to financial year ended March 31, 2015 and the Profit after Tax increased by 73.72% in financial year ended March 31, 2015 as compared to financial year ended March 31, 2014, the increase was due to growth driven by all businesses, increase in capacity utilization, higher operating efficiencies and process excellence.

- b) As per consolidated financial statements for the financial years ended March 31, 2016, 2015, and 2014, the Company recorded total income of ₹ 571,424 Lakhs, ₹ 568,141 Lakhs and ₹ 489,593 Lakhs respectively, and Profit after tax of ₹ 27,826 Lakhs, ₹ 23,989 Lakhs and ₹ 14,933 Lakhs respectively. The Company has registered a marginal growth of 0.58 % in total revenue in financial year ended March 31, 2016 as compared to financial year ended March 31, 2015. The total revenue increased by 16.04 % in financial year ended March 31, 2015 as compared to financial year ended March 31, 2014. The increase was due to increase in revenue across all lines of business.

In financial year ended March 31, 2016, the Profit after Tax increased by 15.99 % as compared to financial year ended March 31, 2015 and the Profit after Tax increased by 60.64 % in financial year ended March 31, 2015 as compared to financial year ended March 31, 2014, the increase was due to growth driven by all businesses, increase in capacity utilization, higher operating efficiencies and process excellence.

#### 14.3. The details of changes in the equity share capital of the Company since its incorporation are as follows:

Sr. No.	Date of Allotment	No. of Equity Shares issued	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative No. of Equity Shares	Details
1	August 18, 1993	20	100	100	Cash	20	Subscribers to Memorandum
2	January 24, 1996	980	100	100	Cash	1,000	Allotment to the Promoter Group
3	March 29, 2000	9,000	100	100	Cash	10,000	Issue of shares on Rights basis.
4	March 31, 2002	40,000	100	-	Other than cash	50,000	Bonus Issue to Promoter Group in the ratio of 1:4

Sr. No.	Date of Allotment	No. of Equity Shares issued	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative No. of Equity Shares	Details
5	February 28, 2005	N.A.				5,00,000	One Equity Share of ₹100/- each was sub divided into 10 Equity Shares of ₹10/- each
6	March 18, 2005	95,00,000	10	-	Other than cash	1,00,00,000	Bonus issue to Promoter Group in the ratio of 1:9
7	June 30, 2005	1,20,000	10	10	Cash	1,01,20,000	Allotment to relatives and friends on private placement basis
8	October 28, 2005	30,36,000	10	-	-	1,31,56,000	Bonus issue to shareholders in the ratio of 10:3
9	January 12, 2006	1,75,344	10	10	Cash	1,33,31,344	Allotment to promoter as trustee of Allcargo Global Logistics Benefit Trust
10	January 12, 2006	12,10,132	10	685.88	Cash	1,45,41,476	Allotment to individuals, bodies corporate and venture capital fund on private placement basis and allotment to private equity investor
11	January 14, 2006	36,35,369	10	N.A	N.A	1,81,76,845	Bonus to shareholders in the ratio of 4:1
12	June 14, 2006	20,79,000	10	675	Cash	2,02,55,845	Initial Public Offer (IPO)
13	March 27, 2008	1000	10	934	Cash	2,02,56,845	Preferential Allotment
14	March 27, 2008	1,260	10	10	Cash	2,02,58,105	ESOP
15	March 27, 2008	305	10	-	Other than Cash	2,02,58,410	Bonus Issue - Equity Shares issued pursuant to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
16	May 20, 2008	840	10	10	Cash	2,02,59,250	ESOP
17	May 20, 2008	199	10	-	Other than Cash	2,02,59,449	Bonus Issue - Equity Shares issued pursuant

Sr. No.	Date of Allotment	No. of Equity Shares issued	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative No. of Equity Shares	Details
							to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
18	June 26, 2008	21,03,080	10	-	Other than Cash	2,23,62,529	Allotment pursuant to merger of Equipment division of Transindia Freight Services Pvt. Ltd with Company
19	July 24, 2008	525	10	10	Cash	2,23,63,054	ESOP
20	July 24, 2008	123	10	-	Other than Cash	223,63,177	Bonus Issue - Equity Shares issued pursuant to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
21	October 25, 2008	352	10	10	Cash	2,23,63,529	ESOP
22	October 25, 2008	82	10	-	Other than Cash	2,23,63,611	Bonus Issue - Equity Shares issued pursuant to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
23	February 17, 2009	1,662	10	10	Cash	2,23,65,273	ESOP
24	February 17, 2009	391	10	-	Other than Cash	2,23,65,664	Bonus Issue - Equity Shares issued pursuant to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
25	April 30, 2009	1,609	10	10	Cash	2,23,67,273	ESOP
26	April 30, 2009	385	10	-	Other than Cash	2,23,67,658	Bonus Issue - Equity Shares issued pursuant to bonus shares kept reserved for

Sr. No.	Date of Allotment	No. of Equity Shares issued	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative No. of Equity Shares	Details
							ESOP Option Holder for the ESOP Scheme 2006
27	September 29, 2009	10,81,081	10	934	Cash	2,34,48,739	Allotment on conversion of FCCDs
28	October 22, 2009	15,13,514	10	934	Cash	2,49,62,253	Allotment on conversion of Warrants
29	November 9, 2009	N.A.				12,48,11,265	Subdivision (5:1) – 1 equity share of ₹ 10 each was sub-divided into 5 equity shares of ₹ 2 each
30	February 24, 2010	27,035	2	2	Cash	12,48,38,300	ESOP
31	February 24, 2010	6,965	2	-	Other than cash	12,48,45,265	Bonus Issue - Equity Shares issued pursuant to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
32	April 29, 2010	56,63,105	2	184.8	Cash	13,05,08,370	QIP Allotment
33	July 12, 2010	6,825	2	2	Cash	13,05,15,195	ESOP
34	July 12, 2010	1,773	2	-	Other than Cash	13,05,16,968	Bonus Issue - Equity Shares issued pursuant to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
35	January 17, 2011	9,775	2	2	Cash	13,05,26,743	ESOP
36	January 17, 2011	2,461	2	-	Other than cash	13,05,29,204	Bonus Issue - Equity Shares issued pursuant to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
37	September 23, 2011	16,975	2	2	Cash	13,05,46,179	ESOP
38	September 23, 2011	1,143	2	-	Other than cash	13,05,47,322	Bonus Issue - Equity Shares

Sr. No.	Date of Allotment	No. of Equity Shares issued	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative No. of Equity Shares	Details
							issued pursuant to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
39	March 4, 2013 (buyback completion date)	(41,36,449)	2	- #	Cash	12,64,10,873	Buyback of Shares – (41,36,449) Equity Shares
40	May 29, 2013	4,300	2	2	Cash	12,64,15,173	ESOP
41	May 29, 2013	1,080	2	-	Other than Cash	12,64,16,253	Bonus Issue \ - Equity Shares issued pursuant to bonus shares kept reserved for ESOP Option Holder for the ESOP Scheme 2006
42	October 24, 2013	5,000	2	2	Cash	12,64,21,253	ESOP
43	January 24, 2014*	(3,73,491)	2	-	-	12,60,47,762	Extinguishment of 3,73,491 Equity Shares pursuant to merger of MHTC Logistics Pvt. Ltd. with Allcargo Logistics Ltd vide Bombay High Court Order dated 6 <sup>th</sup> Dec 2013
44	January 1, 2016	12,60,47,762	2	-	Other than cash	25,20,95,524	Bonus issue to the shareholders

\* Effective date of the scheme of arrangement.

# The buyback was through open market using stock exchange mechanism hence, the shares were bought back at various prices. The maximum buyback price was determined by the board of directors vide its resolution dated June 20, 2012 was ₹ 142.50

14.4. The Details of the Board of Directors of the Company as on date of Public Announcement i.e. November 8, 2016 are as follows:

Name, DIN, Age and Occupation of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships
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Name: Shashi Kiran Shetty DIN: 00012754 Age: 59 Yrs Occupation: Business	Chairman & Managing Director	B.Com	August 18, 1993 <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Avvashya CCI Logistics Private Limited</li> <li>• Alltrans Port Management Private Limited</li> <li>• ECU Line (India) Private Limited</li> <li>• AGL Warehousing Private Limited</li> <li>• Alltrans Logistics Private Limited</li> <li>• Ecu International (Asia) Private Limited</li> <li>• Allnet Infotech Private Limited</li> <li>• Avashya Corporation Private Limited</li> <li>• FTL (India) Private Limited</li> <li>• Avashya Holdings Private Limited</li> <li>• Talentos Entertainment Private Limited</li> <li>• Allcargo Shipping Co. Private Limited</li> <li>• Southern Terminal And Trading Private Limited</li> <li>• Ecu – Line Maroc S.A.</li> <li>• Ecu – Line Saudi Arabia LLC</li> <li>• SKS Ventures Private Limited</li> </ul>
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Name: Arathi Shetty DIN: 00088374 Age: 51 Yrs Occupation: Business	Non-Executive Director	B.A.	August 18, 1993 <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Jupiter Precious Gems And Jewellery Private Limited</li> <li>• Sealand Crane Private Limited</li> <li>• Allcargo Shipping Services Private Limited</li> <li>• Ecu International (Asia) Private Limited</li> <li>• N. R. Holdings Private Limited</li> <li>• Contech Logistics Solutions Private Limited</li> <li>• Prominent Estate Holdings Private Limited</li> <li>• Allnet Infotech Private Limited</li> <li>• Transindia Freight Services Private Limited</li> <li>• Avash Builders And Infrastructure Private Limited</li> <li>• Amfin Consulting Private Limited</li> <li>• Talentos (India) Private Limited</li> <li>• Southern Terminal And Trading Private Limited</li> <li>• Allcargo Shipping Co. Private Limited</li> <li>• AGLWarehousing Private Limited</li> <li>• Ecu Line (India) Private Limited</li> </ul>
Name: Adarsh Hegde DIN: 00035040 Age: 53 years Occupation: Business	Joint Managing Director	B.E. Mechanical	August 21, 2006 <sup>(3)</sup>	<ul style="list-style-type: none"> <li>• Transindia Freight Services Private Limited</li> <li>• Alltrans Logistics Private Limited</li> <li>• AMFINConsulting Private Limited</li> <li>• Contech Logistics Solutions Private Limited</li> <li>• Combi Line Indian Agencies P Ltd</li> <li>• Comptech Solutions Private Limited</li> <li>• Container Freight Station Association Of India (Renewal Old An 165281)</li> <li>• South Asia Terminals Private Limited</li> <li>• Allcargo Shipping Co. Private Limited</li> <li>• Allcargo Logistics Park Private Limited</li> <li>• Transindia Logistic Park Private Limited</li> <li>• Avvashya CCI Logistics Private Limited</li> <li>• Trans Nepal Freight Services Private Limited</li> </ul>

Name: Keki Elavia DIN: 00003940 Age: 70 Yrs Occupation: Professional	Non-Executive Independent Director	B.Com, C.A.	January 14, 2006 <sup>(4)</sup>	<ul style="list-style-type: none"> <li>• Godrej And Boyce Manufacturing Company Limited</li> <li>• Grindwell Norton Limited</li> <li>• Dai-Ichi Karkaria Limited</li> <li>• Go Airlines (India) Limited</li> <li>• Wonder City Buildcon Private Limited</li> <li>• Wonder Space Properties Private Limited</li> <li>• Uni-Abex Alloy Products Limited</li> <li>• Phoenix ARC Private Limited</li> <li>• Goa Carbon Limited</li> <li>• Godrej Industries Limited</li> <li>• Tata Asset Management Limited</li> <li>• DCBBank Limited</li> </ul>
Name: Mohinder Pal Bansal DIN: 01626343 Age: 59 Yrs Occupation: Business	Non-Executive Independent Director	B.Com, C.A	October 18, 2010 <sup>(5)</sup>	<ul style="list-style-type: none"> <li>• Avvashya CCILogistics Private Limited</li> <li>• Ecu International (Asia) Private Limited</li> <li>• Transindia Logistic Park Private Limited</li> <li>• Logbook Technosys Private Limited</li> <li>• K12 Techno Services Private Limited</li> <li>• Girik Wealth Advisors Private Limited</li> <li>• Allcargo Shipping Co. Private Limited</li> <li>• Blacksoil Capital Private Limited</li> <li>• Hindustan Cargo Limited</li> <li>• Navneet Education Limited</li> <li>• Concorde Motors (India) Limited</li> </ul>
Name: Hari Lakshminarayan Mundra DIN: 00287029 Age: 67 Yrs Occupation: Professional	Non-Executive Independent Director	B.A, MBA	May 30, 2012 <sup>(6)</sup>	<ul style="list-style-type: none"> <li>• CEAT Limited</li> <li>• Hindustan Cargo Limited</li> <li>• Tata Autocomp Systems Limited</li> <li>• Future Focus Infotech Private Limited</li> <li>• Allcargo Shipping Co. Private Limited</li> <li>• Transindia Logistic Park Private Limited</li> </ul>

Name: Jayaraman Ramachandran DIN: 00004593 Age: 59 Yrs Occupation: Professional	Non-Executive Independent Director	CA, CWA, Fellow ( PhD) from IIM - Ahmedabad	April 14, 2013 <sup>(7)</sup>	<ul style="list-style-type: none"> <li>•Reliance Communications Limited</li> <li>•Reliance Infratel Limited</li> <li>•Aquarius Investment Advisors (India) Private Limited</li> <li>•Redington (India) Limited</li> <li>•Polaris Consulting &amp; Services Limited</li> <li>•Aditya Auto Products And Engineering (India) Pvt Ltd</li> <li>•Sasken Communication Technologies Limited</li> <li>•MVP Group International Inc.</li> <li>•Ecuhold NV</li> </ul>
Name: Kaiwan Kalyaniwalla DIN: 00060776 Age:52 years Occupation: Professional	Additional Non- Executive Director	Solicitor	August 10, 2016 <sup>(8)</sup>	<ul style="list-style-type: none"> <li>• Gokak Power &amp; Energy Limited</li> <li>• Xprize Foundation</li> <li>• Transindia Logistic Park Private Limited</li> <li>• Gokak Textiles Limited</li> <li>• Modern India Limited</li> <li>• Synchro Investments Private Limited</li> <li>• Hindustan Cargo Limited</li> <li>• Bombay Metal And Alloys Mfg. Company Private Limited</li> <li>• Iorn &amp; Metal Traders Private Limited</li> <li>• Bombay Incorporated Law Society</li> <li>• Forbes &amp; Company Limited</li> <li>• Armada D1 Pte Ltd.</li> <li>• Armada D7 Pte Ltd.</li> <li>• Ecu Hold NV</li> </ul>

<sup>(1)</sup> Re-appointed as Managing Director w.e.f. April 1, 2015 and was re-appointed by rotation w.e.f. August 10, 2015

<sup>(2)</sup> Re-appointed by rotation as Non-Executive Director w.e.f. August 10, 2016

<sup>(3)</sup> Re-appointed as Joint Managing Director w.e.f. July 1, 2016

<sup>(4)</sup> Re-appointed as Non-Executive Independent Director w.e.f. August 7, 2014

<sup>(5)</sup> Re-appointed as Non-Executive Independent Director w.e.f. August 7, 2014

<sup>(6)</sup> Re-appointed as Non-Executive Independent Director w.e.f. August 7, 2014

<sup>(7)</sup> Re-appointed as Non-Executive Independent Director w.e.f. August 7, 2014

<sup>(8)</sup> Earlier he was holding office of Director from June 30, 2005 to October 30, 2014

14.5. The details of changes in the Board of Directors during the last 3 years preceding the date of Public Announcement are as under:

Name of the Director	Appointment/ Resignation/Change in Designation/Re-appointment	Effective Date	Reasons
Kaiwan Dossabhoy Kalyaniwala	Resignation	October 30, 2014	Resigned
Umesh Kumar Shetty	Resignation	November 6, 2014	Resigned
Shashi Kiran Shetty	Re-appointment	April 1, 2015	Reappointed as Managing Director
Shashi Kiran Shetty	Re-appointment	August 10, 2015	Re appointed as Director retire by rotation
Akhilesh Krishna Gupta	Resignation	February 10, 2016	Resigned
Adarsh Hegde	Appointment	July 1, 2016	Appointed as Joint

Name of the Director	Appointment/ Resignation/Change in Designation/Re- appointment	Effective Date	Reasons
			Managing Director
Kaiwan Dossabhoy Kalyaniwala	Appointment	August 10, 2016	Appointment
Arathi Shetty	Re-appointment	August 10, 2016	Reappointed as Non- Executive Director

14.6. The Buyback will not result in any benefit to any Directors of the Company except to the extent of the Equity Shares held by them in the Company which they may tender in the Buyback or the Promoter and Persons in Control of the Company except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share capital of the Company, post Buyback.

## 15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1. The salient financial information of the Company as extracted from the audited standalone financial statements and consolidated financial statements for the preceding three financial years being March 31, 2016, March 31, 2015 and March 31, 2014 and from the unaudited standalone financial statements and consolidated financial statements for three months ended June 30, 2016 are as under:

(a) Based on audited standalone financial statements for last three years and unaudited standalone financial statement for three months ended June 30, 2016<sup>5 & 6</sup>

(₹ in Lakhs)

Particulars	For three months period ended on June 30, 2016	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Un-audited	Audited	Audited	Audited
<b>Months</b>	<b>3</b>	<b>12</b>	<b>12</b>	<b>12</b>
Total Revenue	31,185	1,24,617	1,17,921	1,02,204
Total Expenses (other than Finance Cost and depreciation)	24,284	97,061	90,487	78,833
Finance Cost	451	2,548	3,800	2,863
Depreciation	2,453	10,031	11,086	13,475
Profit/(Loss) before Tax	3,997	14,977	12,548	7,033
Provision for Tax (including Deferred Tax)	1,167	2,562	2,799	1,421
Profit/(Loss) after Tax	2,830	12,415	9,749	5,612
Equity share capital	5,042	5,042	2,521	2,521
Reserves & Surplus <sup>1</sup>	1,34,667	1,31,128	1,25,504	1,19,066
Net worth <sup>2</sup>	1,38,184	1,34,645	1,26,500	1,20,062
<b>Key financial ratios</b>				
Earnings Per Share (₹) (Basic) <sup>3 &amp; 4</sup>	1.1	4.9	3.9	2.2
Earnings Per Share (₹) (Diluted) <sup>3 &amp; 4</sup>	1.1	4.9	3.9	2.2
Return on Net Worth (%) <sup>3</sup>	2.05	9.22	7.71	4.67
Book Value Per Share (₹) <sup>4</sup>	54.81	53.41	50.18	47.62
Debt-Equity Ratio	0.20	0.15	0.22	0.36

<sup>1</sup> Except revaluation reserves and miscellaneous expenditure to the extent not written off

<sup>2</sup> For the purpose of this certificate, "net worth" shall have the meaning given to it under section 2(57) of the Act

<sup>3</sup> Earnings Per Share and Return on Net worth are not annualised for 3 months period ended June 30, 2016.

<sup>4</sup> Earnings Per Share and Book Value Per Share for year ended March 31, 2015 and 2014 are adjusted for Bonus Share issued in year ended March 31, 2016.

<sup>5</sup> The unaudited results for the three month ended 30th June 2016, were prepared in accordance with the Indian Accounting Standard (IND-AS) specified under the Act.

<sup>6</sup> The Annual Audited financial statements were prepared in accordance with the Accounting Standard (AS) specified under the Act.

**(b) Based on audited consolidated financial statements for last three years and unaudited consolidated financial statement for three months ended June 30, 2016<sup>6 & 7</sup>**

(₹ in Lakhs)

Particulars	For three months period ended on June 30, 2016	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Un-audited	Audited	Audited	Audited
<b>Months</b>	<b>3</b>	<b>12</b>	<b>12</b>	<b>12</b>
Total Revenue	1,40,485	5,71,424	5,68,141	4,89,593
Total Expenses (other than Finance Cost and depreciation)	1,26,573	5,16,592	5,15,343	4,46,812
Finance Cost	754	4,249	5,347	5,632
Depreciation	4,357	15,286	15,737	17,546
Profit/(Loss) before Tax	8,801	35,297	31,714	19,603
Provision for Tax (including Deferred Tax)	2,557	6,998	6,996	4,159
Profit/(Loss) after Tax <sup>1</sup>	6,102	27,826	23,989	14,933
<b>Share Capital</b>	<b>5,045</b>	<b>5,045</b>	<b>2,524</b>	<b>2,524</b>
- Equity share capital	5,042	5,042	2,521	2,521
- Preference share capital	3	3	3	3
Reserves & Surplus <sup>2</sup>	1,75,531	2,15,589	1,88,255	1,76,788
Net worth <sup>3</sup>	1,77,213	2,04,323	1,79,889	1,60,234
<b>Key financial ratios</b>				
Earnings Per Share (₹) (Basic) <sup>4 &amp; 5</sup>	2.4	11.0	9.5	5.9
Earnings Per Share (₹) (Diluted) <sup>4 &amp; 5</sup>	2.4	11.0	9.5	5.9
Return on Net Worth (%) <sup>3</sup>	3.44	13.62	13.34	9.32
Book Value Per Share (₹) <sup>5</sup>	70.30	81.05	71.36	63.56
Debt-Equity Ratio	0.33	0.27	0.34	0.62

<sup>1</sup> Profit / Loss attributable to Equity holders of the parent are considered for Profit / (Loss) after Tax.

<sup>2</sup> Except revaluation reserves and miscellaneous expenditure to the extent not written off

<sup>3</sup> For the purpose of this certificate, "net worth" shall have the meaning given to it under section 2(57) of the Act

<sup>4</sup> Earnings Per Share and Return on Net worth are not annualised for 3 months period ended June 30, 2016.

<sup>5</sup> Earnings Per Share and Book Value Per Share for year ended March 31, 2015 and 2014 are adjusted for Bonus Share issued in year ended March 31, 2016.

<sup>6</sup> The unaudited results for the three month ended 30th June 2016, were prepared in accordance with the Indian Accounting Standard (IND-AS) specified under the Act.

<sup>7</sup> The Annual Audited financial statements were prepared in accordance with the Accounting Standard (AS) specified under the Act.

The key financial ratios, mentioned herein above, have been computed as under:

Net worth	Share Capital + Reserves and Surplus Less: reserves created out of revaluation of assets, capital redemption reserves, write-back of depreciation and amalgamation, deferred expenditure and miscellaneous expenditure not written off, if any
Earning Per Shares	Net Profit or (Loss) after Tax Attributable to Equity Share holders / Weighted

	Number of Equity Shares outstanding
Book Value	Net worth / Number of Equity Shares
Debt-Equity Ratio	Debt / Net Worth
Return on Net Worth (%)	Net Profit or (Loss) after Tax Attributable to Equity Share holders / Net worth

- 15.2. The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable.

## 16. STOCK MARKET DATA

- 16.1. The Equity Shares are currently listed and traded on BSE and NSE.

- 16.2. The high, low and average market prices in preceding three financial years (April to March) and the monthly high, low and average market prices for the six completed calendar months preceding the date of publication of Public Announcement and the corresponding volumes on NSE (the Stock Exchange where the maximum volume of trading in the Equity Shares is recorded) are as follows:

Period	High (₹) <sup>(1)</sup>	Date of High	No. of equity shares traded on that day	Low (₹) <sup>(2)</sup>	Date of Low	No. of equity shares traded on that day	Average Price (₹) <sup>(3)</sup>	Total volume traded in that period
<b>Preceding three Financial years (F.Y.)</b>								
April 1, 2013 – June 20, 2013	121.55	April 5, 2013	1,563	94.20	June 20, 2013	2,429	111.83	85,485
June 21, 2013 – November 7, 2013 <sup>(4)</sup>	106.50	September 30, 2013	30,629	59.45	August 6, 2013	4,171	83.82	12,62,749
November 8, 2013 – February 10, 2014 <sup>(5)</sup>	151.80	January 10, 2014	1,86,909	98.10	November 13, 2013	98.10	118.44	6,37,170
February 11, 2014 – March 31, 2014 <sup>(6)</sup>	168.70	February 28, 2014	93,971	128.30	February 12, 2014	2,473	148.15	4,78,405
Financial year 2015	357.7	November 18, 2014	5,63,537	137.75	May 15, 2014	3,178	258.02	2,20,10,843
April 1, 2015 – December 29, 2015	428.55	December 29, 2015	3,62,457	256.00	August 25, 2015	66,754	324.66	2,28,33,429
December 30, 2015 – March 31, 2016 <sup>(7)</sup>	217.75	December 30, 2015	3,21,038	135.35	February 29, 2016	90,400	169.27	76,96,943
<b>Preceding six months</b>								

Period	High (₹) <sup>(1)</sup>	Date of High	No. of equity shares traded on that day	Low (₹) <sup>(2)</sup>	Date of Low	No. of equity shares traded on that day	Average Price (₹) <sup>(3)</sup>	Total volume traded in that period
May 2016	164.40	May 20, 2016	5,08,097	144.00	May 11, 2016	52,835	152.75	29,16,027
June 2016	184.90	June 29, 2016	4,16,394	156.00	June 20, 2016	1,77,627	170.23	68,52,492
July 2016	214.80	July 29, 2016	13,65,689	175.90	July 5, 2016	1,73,579	187.27	83,91,579
August 2016	221.50	August 1, 2016	7,92,284	181.40	August 16, 2016	1,11,997	190.46	90,20,543
September 2016	196.50	September 22, 2016	85,343	170.00	September 29, 2016	1,66,308	189.12	35,46,491
October 2016	190.90	October 3, 2016	1,40,686	170.35	October 14, 2016	73,640	180.75	19,43,966

Source: www.nseindia.com

<sup>(1)</sup>High of daily high prices

<sup>(2)</sup>Low of daily low prices

<sup>(3)</sup>Average of the daily closing prices

<sup>(4)</sup>5,380 equity shares allotted commenced trading w.e.f. June 21, 2013

<sup>(5)</sup>5,000 equity shares allotted commenced trading w.e.f. November 8, 2013

<sup>(6)</sup>Extinguishment of shares upon amalgamation of MHTC Logistics Pvt. Ltd with Company w.e.f. February 11, 2013

<sup>(7)</sup>Ex-bonus w.e.f. December 30, 2015

16.3. The closing market price of the Equity Shares on BSE and NSE on November 4, 2016, being the Working Day previous to the day on which the Board approved the proposal for Buyback, was ₹ 192.00 and ₹ 192.20, respectively. The closing market price of the Equity Shares as on the date of the Board Meeting was ₹ 190.45 on the BSE and ₹ 191.60 on the NSE. The closing market price of the Equity Shares as on the date prior to the date of the intimation of the Board Meeting i.e. October 28, 2016 (date of intimation being a trading holiday), was ₹ 181.50 on BSE and ₹ 182.10 on NSE.

## 17. DETAILS OF THE STATUTORY APPROVALS

17.1. The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, 2013, FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.

17.2. Non-Resident Shareholders (excluding OCBs) permitted under the automatic route prescribed under Regulations 10B of FEMA 20/2000-RB, dated 3-5-2000, read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI, subject to the adherence to pricing guidelines, documentation and reporting requirements for such transfers as specified by RBI.

17.3. Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.

17.4. As on date, there are no other statutory or regulatory approvals required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.

## 18. DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRE

### 18.1. REGISTRAR TO THE BUYBACK



**Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra – 400078.

**Tel. No.:** +91 22 6171 5400; **Fax:** +91 22 2596 0329;

**Contact person:** Ganesh Mhatre;

**Email:** allcargo.buyback@linkintime.co.in; **Website:** www.linkintime.co.in;

**SEBI Registration Number:** INR000004058; **CIN:** U67190MH1999PTC118368.

## 18.2. COLLECTION CENTRE

Eligible Sellers are requested to submit their Tender Form(s) and requisite documents either by registered post / speed post to the Registrar to the Buyback, superscribing the envelope as “**Allcargo Buyback Offer 2016**”, or hand deliver the same to the Registrar to the Buyback at the address mentioned in paragraph above, so that the same are received not later than 2 (two) days from the Buyback Closing Date (by 5 PM).

**THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.**

## 19. PROCESS AND METHODOLOGY FOR THE BUYBACK

19.1. The Company proposes to Buyback up to 64,00,000 (Sixty Four Lakhs) fully paid-up Equity Shares (representing upto about 2.54% of the total number of outstanding Equity Shares of the Company) from the Eligible Sellers, on a proportionate basis, through the Tender offer using stock exchange mechanism at a price of ₹ 195/- (Rupees One Hundred Ninety Five Only) per Equity Share, payable in cash for an aggregate maximum amount of upto ₹ 1,24,80,00,000/- (Rupees One Hundred Twenty Four Crores Eighty Lakhs Only). The Buyback is in accordance with the provisions of Section 68, 69, 70 and other applicable provisions, if any, of the Act and in accordance with Article 22 of the Articles of Association of the Company and subject to Regulation 4(1)(a) and other applicable provisions contained in the Buyback Regulations and such other approvals, permissions and sanctions as may be required, from time to time from statutory authorities and/ or regulatory authorities. The Buyback Size is 9.17% of the fully paid-up equity share capital and free reserves (including securities premium account) as per the latest audited balance sheet of the Company for the financial year ended March 31, 2016 on standalone basis.

19.2. The aggregate shareholding of the Promoter and Persons in Control as on the date of the Draft Letter of Offer is 17,60,68,640 Equity Shares which represents 69.84% of the existing equity share capital of the Company. In terms of the Buyback Regulations, under the Tender offer, some of the Promoter and Persons in Control of the Company have an option to participate in the Buyback. In this regard, the Promoter and Persons in Control have expressed their intention vide their letters dated November 7, 2016 to participate in the Buyback. Promoter and Persons in Control hereby intend to offer at least such number of Equity Shares which is equal to their pro rata entitlement, as on the Record Date, out of 64,00,000 Equity Shares being the total number of Equity Shares to be bought back in the Buy-back. The extent of their participation in the Buyback has been detailed in paragraph 9.2, 9.3 and 9.4 of this DLOF.

19.3. Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Sellers in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Promoter and Persons in Control post the Buyback will be [●] number of Equity Shares representing [●]% of paid-up equity share capital of the Company, post the Buyback.

### 19.4. Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:

(i) The Board at its meeting held on Monday, November 7, 2016 announced Friday, November 18, 2016 as Record Date for the purpose of determining the Buyback Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buyback.

(ii) The Equity Shares to be bought back as a part of this Buyback are divided into two categories:

(a) Reserved category for Small Shareholders (“**Reserved Category**”); and



- (b) General category for Eligible Sellers other than the Small Shareholders (“**General Category**”).
- (iii) As defined in the Buyback Regulations, Small Shareholder includes a shareholder, who holds Equity Shares of the Company, as on the Record Date, whose market value, on the basis of closing price on the recognized Stock Exchange registering the highest trading volume, as on Record Date, is not more than ₹ 2,00,000/- (Rupees Two Lakhs Only). As on the Record Date, the closing price on [●], being the stock exchange registering the highest trading volume, was ₹ [●]/-. Accordingly, all Equity Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as “Small Shareholders” for the purpose of the Buyback.
- (iv) Based on the above definition, there are [●] Small Shareholders in the Company with aggregate shareholding of [●] Equity Shares as on the Record Date, which constitutes [●]% of the total number of Equity Shares of the Company and [●]% of the maximum number of Equity Shares which the Company proposes to buyback as a part of this Buyback.
- (v) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be higher of:
- (a) 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 64,00,000 (Sixty Four Lakhs) Equity Shares which works out to 960,000 (Nine Lakhs Sixty Thousand) Equity Shares; or
- (b) The number of Equity Shares entitled as per their shareholding as on Record Date i.e. Friday, November 18, 2016, which works out to be [●] Equity Shares.
- (1) All the outstanding Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Persons in Control also intend to offer Equity Shares held by them in the Buyback.
- (2) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, [●] (Rounded off) Equity Shares have been reserved for Small Shareholders. Accordingly, General Category shall consist of [●] Equity Shares.
- (vi) Based on the above Buyback Entitlement, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved category for Small Shareholders	[●] Equity Shares out of every [●] Equity Shares held on the Record Date.
General category Eligible Sellers other than Small Shareholders	[●] Equity Shares out of every [●] Equity Shares held on the Record Date.

#### 19.5. Fractional Entitlements:

If the Buyback Entitlement under the Buyback, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Sellers.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

#### 19.6. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:

Subject to the provisions contained in this DLOF, the Company will accept the Equity Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less.
- (ii) Post the acceptance as described in paragraph 19.6 (i) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buyback, shall be given preference and 1 (one) share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- (iii) Post the acceptance as described in paragraph 19.6 (i) and 19.6 (ii) above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) above, shall be reduced by 1 (one).
- (iv) Adjustment for fractional results in case of proportionate Acceptance, as described in paragraph 19.6 (iii) above:
  - (a) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - (b) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

**19.7. Basis of Acceptance of Shares validly tendered in the General Category:**

Subject to the provisions contained in the DLOF, the Company will accept the Equity Shares tendered in the Buyback by Eligible Sellers other than Small Shareholders in the General Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from Eligible Sellers other than Small Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (ii) Post the Acceptance as described in paragraph 19.7 (i) above, in case there are any Equity Shares left to be bought back in the General Category, then the Additional Equity Shares tendered by the other Eligible Sellers over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Sellers divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be Accepted in General Category.
- (iii) Adjustment for fractional results in case of proportionate acceptance as described in paragraph 19.7 (i) and (ii) above:
  - (a) For any Eligible Seller, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- (b) For any Eligible Seller if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

#### **19.8. Basis of Acceptance of Equity Shares between Categories**

- (i) In case there are any Equity Shares left to be bought back in one category (“**Partially filled Category**”) after acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be accepted proportionately, i.e. valid acceptances per Eligible Seller shall be equal to the Additional outstanding Equity Shares validly tendered by an Eligible Seller in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the Partially filled Category.
- (ii) If the Partially filled Category is the General Category, and the second category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) shall be reduced by 1 (one).
- (iii) Adjustment for fraction results in case of proportionate Acceptance, as defined in paragraph 19.8 (i) and (ii) above:
  - (a) For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - (b) For any shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

#### **19.9. For avoidance of doubt, it is clarified that:**

- (i) The Equity Shares accepted under the Buyback from each Eligible Seller, in accordance with paragraphs above, shall not exceed the number of Equity Shares tendered by the respective Eligible Seller;
- (ii) The Equity Shares accepted under the Buyback from each Eligible Seller, in accordance with paragraphs above, shall not exceed the number of Equity Shares held by respective Eligible Seller as on the Record Date; and
- (iii) The Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the paragraphs above.
- (iv) In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Board or any person(s) authorized by the Board will have the authority to decide such final allocation with respect to such acceptance or rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in this paragraph.

### **20. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT**

- 20.1. The Buyback is open to all Eligible Sellers of the Company, holding Equity Shares either in physical and/or electronic form on the Record Date.
- 20.2. The Company proposes to effect the Buyback through a Tender Offer method, on a proportionate basis. The Letter of Offer and Tender Form will be mailed physically to all the Eligible Sellers.

- 20.3. The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/ sale of such Equity Shares.
- 20.4. The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
- 20.5. Eligible Sellers will have to transfer the Equity Shares from the same demat account, in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Sellers are required to tender the applications separately from each demat account..
- 20.6. The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Sellers, on the basis of their Buyback Entitlement as on the Record Date and also Additional Equity Shares if any tendered by Eligible Sellers will be accepted as per paragraph 19.6, 19.7, 19.8, 19.9 and 20.8.
- 20.7. As elaborated under paragraph 19.4 above, the Equity Shares proposed to be bought as a part of the Buyback are divided into two categories; (a) Reserved category for Small Shareholders and (b) the General category for Eligible Sellers other than Small Shareholders and the Buyback Entitlement of an Eligible Seller in each category shall be calculated accordingly.
- 20.8. After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Sellers in that category, and thereafter, from Eligible Sellers who have tendered over and above their Buyback Entitlement, in other category.
- 20.9. The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and following the procedure prescribed in the Act and the Buyback Regulations, and as may be determined by the Board (including any person authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 20.10. For implementation of the Buyback, the Company has appointed Motilal Oswal Securities Limited as the registered broker to the Company (the “**Company’s Broker**”) through whom the purchases and settlement on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:
- Motilal Oswal Securities Limited  
 Motilal Oswal Tower, Rahimtullah Sayani Road  
 Opposite Parel ST Depot, Prabhadevi, Mumbai- 400 025  
 Maharashtra, India  
 Tel. No.: +91 22 3980 5459  
 Contact Person: Mr. Parvez Moossani; Tel.: +91 22 3982 5459;  
 Email: parvez@motilaloswal.com; Website: <http://www.motilaloswalgroup.com>;  
 SEBI Registration Number: NSE: INB231041238; BSE: INB011041257;  
 Corporate Identity Number: U65990MH1994PLC079418
- 20.11. The Acquisition Window will be provided by the BSE to facilitate placing of sell orders by Eligible Sellers who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by BSE from time to time.
- 20.12. At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through Company’s Broker.
- 20.13. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Sellers through their respective stock brokers during normal trading hours of the secondary market. The stock brokers (“Seller Member(s)”) can enter orders for demat shares as well as physical shares.

- 20.14. Modification / cancellation of orders and multiple bids from a single Eligible Seller will be allowed during the Tendering Period of the Buyback. Multiple bids made by single Eligible Seller for selling the Equity Shares shall be clubbed and considered as “one” bid for the purposes of Acceptance.
- 20.15. The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period.
- 20.16. All documents sent by the Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.
- 20.17. **Procedure to be followed by Eligible Sellers holding Equity Shares in the dematerialised form**
- (i) Eligible Sellers who desire to tender their Equity Shares in the electronic/dematerialized form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
  - (ii) The Seller Member would be required to place an order/bid on behalf of the Eligible Sellers who wish to tender Equity Shares in the Buyback using the Acquisition Window of the BSE. Before placing the bid, the concerned Seller Member would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation, by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order/bid entry.
  - (iii) The details of the special account of Clearing Corporation shall be informed in issue opening circular that will be issued by BSE / Clearing Corporation.
  - (iv) For custodian participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
  - (v) Upon placing the order, the Seller Member shall provide transaction registration slip (“TRS”) generated by the stock exchange bidding system to the Eligible Seller. TRS will contain details of order submitted like bid ID No., DP ID, client ID, no. of Equity Shares tendered, etc.
  - (vi) Eligible Sellers who have tendered their Equity Shares in the Buyback can ‘hand deliver’ Tender Form duly signed (by all Eligible Sellers in case Equity Shares are in joint names) in same order in which they hold the Equity Shares, along with the TRS generated by the exchange bidding system at the head-office (mentioned in paragraph 18 of this Draft Letter of Offer) of Registrar to the Buyback. TRS will be generated by the respective Seller Members. Eligible Sellers who cannot hand deliver the Tender Form and other documents at the office of Registrar to the Buyback, may send the same by registered post / speed post, at their own risk, superscribing the envelope as “**Allcargo Buyback Offer 2016**”, to the Registrar to the Buyback at their office mentioned on the cover page of this DLOF, so that the same are received not later than 2 (two) days from the Buyback Closing Date (by 5 PM). One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Seller Member/ Eligible Seller.
  - (vii) All Eligible Sellers shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
    - (a) Duly attested power of attorney, if any person other than the Eligible Seller has signed the Tender Form;
    - (b) Duly attested death certificate and succession certificate / legal heirship certificate, in case any Eligible Seller has expired; and
    - (c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).

- (viii) In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the clearing corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Equity Shareholders.
- (ix) The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback decided by the Company.

**20.18. Procedure to be followed by Registered Eligible Sellers holding Equity Shares in physical form**

- (i) Eligible Sellers who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Seller Member along with the complete set of documents for verification procedures to be carried out including the
  - a) original share certificate(s);
  - b) valid Form SH 4 duly filled and signed by the Eligible Seller (in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company;
  - c) self-attested copy of the Eligible Seller's PAN Card;
  - d) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable; and
  - e) In addition, if the address of the Eligible Seller has undergone a change from the address registered in the Register of Members of the Company, the Eligible Sellers would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- (ii) Based on these documents, the concerned Seller Member shall place a bid on behalf of the Eligible Sellers holding Equity Shares in physical form and who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Seller. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- (iii) The Seller Member/ Eligible Seller has to deliver the original share certificate(s) and documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post or courier or hand delivery to the Registrar to the Buyback (at the address mentioned on the cover page of this DLOF or the collection centre of the Registrar details of which will be included in this Draft Letter of Offer) within 2 (two) days of bidding by Seller Member. The envelope should be superscribed as "**Allcargo Buyback Offer 2016**". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Seller Member/ Eligible Seller.
- (iv) Eligible Sellers holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as "unconfirmed physical bids". Once, Registrar confirms the bids it will be treated as "Confirmed Bids".
- (v) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Company and Registrar shall have the right to reject such Equity Shares tendered. The Equity Shares shall be liable for rejection on the following grounds amongst others: (a) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (b) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (c) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (d) In case the signature on the Tender Form and Form SH-4 does not match as per the specimen signature recorded with Company/Registrar.
- (vi) In case any Eligible Seller has submitted Equity Shares in physical form for dematerialization, such Eligible Seller should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before Buyback Closing Date.

20.19. **For Equity Shares held by Eligible Sellers, being Non-Resident Shareholders of Equity Shares (Read with paragraph 17 “Details of the Statutory Approvals”):**

- (i) Eligible Sellers, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- (ii) In case the Equity Shares are held on repatriation basis, the Eligible Sellers who are Non-Resident Shareholders shall obtain and enclose a letter from its authorized dealer / bank confirming that at the time of acquiring the Equity Shares, payment for the same was made by such non-resident Eligible Seller from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Eligible Sellers who are Non-Resident Shareholders is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Seller shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buyback. If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback are liable to be rejected.

20.20. **In case of non-receipt of the Letter of Offer:**

- (i) **In case the Equity Shares are in dematerialised form:** An Eligible Seller may participate in the Buyback by downloading the Tender Form from the website of the Company i.e. [www.allcargologistics.com](http://www.allcargologistics.com) or by providing their application in writing on plain paper, signed by Eligible Seller or all Eligible Sellers (in case Equity Shares are in joint name), stating name and address of Eligible Sellers, number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- (ii) **In case the Equity Shares are in physical form:** An Eligible Seller may participate in the Buyback by providing their application in writing on plain paper signed by Eligible Seller or all Eligible Sellers (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, bank account details together with the original share certificate(s), copy of Eligible Sellers PAN card(s) and executed Form SH-4 in favour of the Company. The transfer Form SH-4 can be downloaded from the Company’s website [www.allcargologistics.com](http://www.allcargologistics.com). Eligible Sellers must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.18 (i) above), reach the collection centers not later than 2 (two) days from the Buyback Closing Date (by 5 PM). If the signature(s) of the Eligible Sellers provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar / Company or are not in the same order (although attested), the Company / Registrar shall have a right to reject such applications.

Please note that Eligible Seller(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member in the electronic platform to be made available by BSE before the Buyback Closing Date.

The Company shall accept Equity Shares validly tendered by the Equity Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Seller(s) who intend to participate in the Buyback using the “plain paper” option as mentioned in this paragraph are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.

- 20.21. Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to, any Eligible Seller, shall not invalidate the Buyback in any way.
- 20.22. The acceptance of the Buyback made by the Company is entirely at the discretion of the Eligible Sellers of the Company. The Company does not accept any responsibility for the decision of any Eligible Seller to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Eligible Sellers are advised to adequately safeguard their interest in this regard.

## 20.23. Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations and in terms of this DLOF:

- (i) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
  - (ii) The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Seller Member/ Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Eligible Sellers validly participating in the Buyback will be made in Indian National Rupees.
  - (iii) The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company ("**Special Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Special Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.
  - (iv) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to the respective Seller Members by Clearing Corporation as part of the exchange payout process, not later than [●], 2016. In case of custodian participant orders, excess demat Equity Shares or unaccepted demat Equity Shares, if any, will be returned to the respective custodian participant. The Seller Members / custodian participants would return these excess demat Equity Shares or unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
  - (v) Equity Shares in physical form, to the extent tendered but not accepted, will be returned back to the Equity Shareholders directly by Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback and return the same to the sole/ first Equity Shareholder (in case of joint Equity Shareholders). Share certificates in respect of unaccepted/ rejected Equity Shares and other documents, if any, will be sent by registered post/ speed post at the Eligible Sellers sole risk to the sole / first Equity Shareholder (in case of joint Eligible Sellers), at the address recorded with the Registrar / Company, not later than [●], 2016.
  - (vi) The Seller Member would issue contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- 20.24. Eligible Sellers who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Eligible Sellers for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Sellers from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company and no other intermediaries associated with the Buy-back accept any responsibility to bear or pay such additional cost, applicable taxes, charges and expenses (including brokerage) incurred solely by the Eligible Sellers.
- 20.25. The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

## 21. NOTE ON TAXATION

**THE TAX CONSIDERATIONS GIVEN HEREUNDER ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY,**



**ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.**

**FURTHER, IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.**

**THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THE TAX CONSIDERATIONS GIVEN HEREUNDER. THEREFORE, ELIGIBLE SHAREHOLDERS SHOULD NOT RELY ON THE SAME AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUY BACK OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE. TAX CONSIDERATIONS GIVEN HEREUNDER SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

## **I. GENERAL**

- A) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 following March 31. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 (“the Income Tax Act”).
- B) A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person’s India sourced income or income received by such person in India. In case of shares of a Company, the source of income from shares would depend on the “situs” of such shares. As per judicial precedents, generally the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since Allcargo Logistics Limited (“The Company”) is incorporated in India, the shares of the Company would be “situated” in India and any gains arising to a non-resident on transfer of such shares would be taxable in India under the Income Tax Act. Further, the non-resident can avail the beneficial provisions of the Double Taxation Avoidance Agreement (“DTAA”), if any, between India and the respective jurisdiction of the shareholder subject to meeting relevant conditions and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- C) The Income Tax Act also provides for different tax regimes / rates applicable to the gains arising on buyback of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary tax implications on buyback of equity shares listed on the stock exchange is set out below. All references to equity shares in this note refer to listed equity shares unless stated otherwise.

## **II. CLASSIFICATION OF SHAREHOLDERS**

Shareholders can be classified under the following categories:

### **A) Resident Shareholders being:**

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

### **B) Non Resident Shareholders being:**

- Non Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs)
- Others:
  - Company
  - Other than Company

## **III. CLASSIFICATION OF INCOME**

Shares can be classified under the following two categories:

- A) Shares held as investment (Income from transfer of shares taxable under the head “Capital Gains”)
- B) Shares held as stock-in-trade (Income from transfer of shares taxable under the head “Profits and Gains of Business or Profession”, hereinafter referred to as “business income”)

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterisation of income arising from sale of shares has been a subject matter of litigation with the tax authorities. There have been various judicial pronouncements as to whether gains from transactions in securities should be taxed as “business income” or as “capital gains”. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Recently, the apex body of Income-tax has issued Circular no. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as its business income. Also, if such shares are held for a period of more than 12 months and if the taxpayer desires to treat the income arising from the transfer thereof as “capital gains”, the same shall not be put to dispute by the Tax Officer.

Further, investments by Foreign Institutional Investor in any securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be treated as capital asset and the transfer of such shares would be treated as “capital gains” under the provisions of the Income Tax Act.

#### **A) SHARES HELD AS INVESTMENT**

- i. As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per computation provisions contained in section 48 of the Income Tax Act. The provisions of buyback tax on the Company under section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange.

##### **ii. Period of holding**

Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long term capital gain’ as stated below :

- In respect of listed equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same shall be treated as a ‘short-term capital asset’, and the gains arising therefrom shall be taxable as ‘short term capital gains (“STCG”)
- Similarly, where listed equity shares are held for a period more than 12 months prior to the date of transfer, the same shall be treated as a ‘long-term capital asset’, and the gains arising therefrom shall be taxable as ‘long-term capital gains’ (“LTCG”).

##### **iii. Taxability on Buyback of shares through a recognized stock exchange**

Where transaction for transfer of such equity shares (i.e. buyback) is transacted through a recognized stock exchange then the taxability will be as under (for all categories of shareholders):

- LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
  - STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.
- iv. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under section 111A of the Income Tax Act. In such cases, where the total income as reduced by such STCG is below the maximum amount not chargeable to tax, then such STCG shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable

to income tax and on the balance of STCG, if any, income tax @ 15% is charged. In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph. V. below for rate of surcharge and cess).

- v. Further in case of Eligible Sellers being companies as defined under the Income Tax Act, the tax provisions of minimum alternate tax on book profits as provided u/s. 115JB of the Income Tax Act need to be considered depending on their income and losses etc for the year.
- vi. Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement (“DTAA”), if any, entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.
- vii. As an overall point, since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax (“STT”). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security transacted.

## **B) SHARES HELD AS STOCK-IN-TRADE**

If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profits and Gains of Business or Profession”. In such a case, the provisions of section 46A and section 48 of the Income Tax Act will not apply.

### **i. Resident Shareholders**

- a) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- b) For persons other than stated in a) above, profits would be taxable @ 30% or other applicable tax rate.

No benefit of indexation by virtue of period of holding would be available in any case.

### **ii. Non Resident Shareholders**

- a) Non-resident shareholders can avail beneficial provisions of the applicable double taxation avoidance agreement (‘DTAA’), if any, entered into by India with relevant shareholder country but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.
- b) Where DTAA provisions are not applicable:
  - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
  - For foreign companies, profits would be taxed in India @ 40%.
  - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to paragraph . V. below for rate of surcharge and cess).

## **IV. TAX DEDUCTION AT SOURCE**

### **A) In case of Resident Shareholders**

In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax at source on the consideration payable to resident shareholders pursuant to the said Buyback.

### **B) In case of Non-resident Shareholders**

Since the buy-back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder. It is therefore important for the non-resident shareholders to appropriately compute such gains (if any) on this transaction and immediately pay taxes in India (either through deduction at source or otherwise) in consultation with their custodians / authorized dealers / tax advisors appropriately.

## **V. RATE OF SURCHARGE AND CESS**

In addition to the basic tax rate, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

### **A) Surcharge**

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds ₹ 10 crores and @ 7% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores and @ 2% where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crores.
- In case of other assessee (i.e. other than companies): Surcharge @15% (increased to 15% by Finance Act, 2016 applicable from Financial year 2016-17) is leviable where the total income exceeds ₹ 1 crore.

### **B) Cess**

Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases

**The above note on taxation sets out the provisions of law in a summary manner only and is not a complete/exhaustive analysis or listing of all potential tax consequences on the disposal of equity shares under the Buyback. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.**

## **22. DECLARATION BY THE BOARD OF DIRECTORS**

The Board of Directors made declaration as on the date of passing the board resolution approving the Buyback i.e. November 7, 2016 as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulations. Subsequently, pursuant to the authority granted to the Buyback Committee by the Board of Directors of the Company, in terms of resolutions dated November 7, 2016, the Buyback Committee has confirmed on behalf of Board of Directors that :

1. There are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
2. It has, based on a full enquiry conducted into the affairs and prospects of the Company and taking into account its liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act formed an opinion that:
  - a) immediately following the date of the Draft Letter of Offer, there will be no grounds on which the Company could be found unable to pay its debts;
  - b) as regards the Company's prospects for the year immediately following the date of Draft Letter of Offer, that, having regard to their intention with respect to the management of Company's business during the said year and to the amount and character of the financial resources, which will be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

This declaration is made and issued under the authority of the Board pursuant to resolution passed by the Buyback Committee on November 17, 2016

For and on behalf of the Board of Directors of **Allcargo Logistics Limited**

Sd/-

Shashi Kiran Shetty  
Chairman and Managing Director

Sd/-

Arathi Shetty  
Non Executive Director

## 23. AUDITORS CERTIFICATE

The report dated November 7, 2016 received from, S.R. Batliboi & Associates LLP, Chartered Accountants and Shaparia Mehta & Associates LLP, Chartered Accountants, the joint statutory auditors of the Company, addressed to the Board of Directors of the Company is reproduced as under:

### Quote

**“Statutory Auditor’s Report on buy back of shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended.**

To,  
The Board of Directors  
Allcargo Logistics Limited  
6th Floor, Avvashya House,  
CST Road, Santacruz (E),  
Mumbai - 400098

1. This Report is issued in accordance with the terms of our service scope letter dated November 04, 2016 with Allcargo Logistics Limited.
2. In connection with the proposal of Allcargo Logistics Limited (“the Company”) to buy back its equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (“the Act”) and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (“the Regulations”), and in terms of the resolution passed by the directors of the Company in their meeting held on November 07, 2016, which is not subject to the approval of the shareholders of the Company based on the provisions of the Act, we have been engaged by the Company to perform a reasonable assurance engagement on the Statement of determination of the amount permissible capital payment (“the Statement”), which we have initialed for identification purposes only.

### Board of Directors Responsibility for the Statement

3. The preparation of the Statement of determination of the amount permissible capital payment for the buy-back is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible and have made a full inquiry into the affairs and prospectus of the Company and has formed an opinion that the Company will not be rendered insolvent within a period of one year from the date of the meeting of the Board of Directors.

### Auditor’s Responsibility

5. Pursuant to the requirements of the Regulations, it is our responsibility to obtain reasonable assurance on the following “Reporting Criteria”:
  - (i) Whether the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;

- (ii) Whether the Board of Directors has formed the opinion, as specified in Clause (x) of Part A of Schedule II to the Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of the meeting of the Board of Directors.
6. The financial statements for the year ended March 31, 2016 have been jointly audited by S.R. Batliboi & Associates LLP and Appan & Lokhandwala Associates, on which an unmodified audit opinion is issued vide the auditor's report dated May 20, 2016. The audit of these financial statements was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that the auditor's plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
  - i) We have inquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2016;
  - ii) Examined authorization for buyback from the Articles of Association of the Company;
  - iii) Examined that the amount of capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
  - iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such buy-back;
  - v) Examined that all shares for buy-back are fully paid-up;
  - vi) Examined resolutions passed in the meetings of the Board of Directors;
  - vii) Examined Director's declarations for the purpose of buy back and solvency of the Company;
  - viii) Obtained necessary representations from the management of the Company.

### **Opinion**

10. Based on our examination as above, and the information and explanations given to us, in our opinion;
  - (i) We have inquired into the state of affairs of the Company with reference to its audited financial statements for the year ended March 31, 2016 on standalone basis as adopted by the Board of Directors of the Company at its meeting held on May 20, 2016 which have been audited by S.R. Batliboi & Associates LLP and Appan & Lokhandwala Associates;;
  - (ii) the Statement of permissible capital payment towards buyback of equity shares, as stated in Annexure A, is in our view determined in accordance with Section 68 of the Act; and
  - (iii) the Board of Directors, in their meeting held on November 07, 2016, have formed the opinion, as specified in clause (x) of Part A of Schedule II of the Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from November 07, 2016 and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

### **Restriction on Use**

11. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it in the public announcement to be made to the Shareholders of the Company, Draft Letter of Offer and Letter of Offer, to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For S. R. Batliboi & Associates LLP  
ICAI Firm registration no: 101049W/E300004  
Chartered Accountants

For Shaparia Mehta & Associates LLP  
ICAI Firm registration no: 112350W/W100051  
Chartered Accountants

per Kalpesh Jain  
Partner  
Membership No.:106406  
Mumbai  
November 07, 2016

per Paresh Shaparia  
Partner  
Membership No.: 036051  
Mumbai  
November 07, 2016

## Annexure A

### Allcargo Logistics Limited

#### Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68 (2) of the Act

Particulars	March 31, 2016 (₹ in lacs unless otherwise stated)
Equity share capital	5,042
General reserve	14,033
Surplus in the statement of profit & loss	71,696
Securities premium account	45,316
<b>Total</b>	<b>1,36,087</b>
Permissible capital payment towards buyback of equity shares in accordance with Section 68 (2) of the Act (10% of paid up equity capital and free reserves)	13,608.70

**Note:**

a) Calculation in respect of Permissible Capital Payment for Buyback of Equity Shares is done on the basis of the standalone audited financial statements for the year ended March 31, 2016.”

**Unquote**

## 24. MATERIAL DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at 6<sup>th</sup> Floor, Avvashya House, CST Road, Kalina, Santacruz (East), Mumbai 400 098 between 10 a.m. and 5.00 p.m. on all working days (Monday to Friday) during the Offer Period:

- (i) Certificate of Incorporation of the Company.
- (ii) Memorandum and Articles of Association of the Company.
- (iii) Annual reports of the Company for the preceding three financial years viz. March 31, 2016, 2015 and 2014 and unaudited financial results approved by the Board for the quarter ended June 30, 2016 as filed with the Stock Exchanges.
- (iv) Copy of resolution passed by the Board of Directors at their meeting held on November 7, 2016 approving the proposal of the Buyback.

- (v) Certificate dated November 7, 2016 received from S.R. Batliboi & Associates LLP, Chartered Accountants and Shaparia Mehta & Associates LLP, Chartered Accountants, the joint statutory auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations.
- (vi) Copy of Public Announcement dated November 8, 2016 published in the newspapers on November 9, 2016 regarding Buyback.
- (vii) Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (viii) Certificate dated November 7, 2016 by Rajendra B. Asher (Membership No.: 100/17029), Proprietor of R.B. Asher & Co., Chartered Accountants (ICAI Firm Registration No.: 100612W) certifying that the Company has adequate and firm financial resources to fulfill its obligations under the Buyback.
- (ix) Copy of the Escrow Agreement dated [●] executed amongst the Company, Escrow Agent and the Manager to the Buyback.
- (x) A confirmation letter dated [●] from Escrow Bank confirming the balance to the credit of Escrow Account.
- (xi) SEBI comments received on DLOF vide letter dated [●] issued in terms of the Buyback Regulations.

## 25. DETAILS OF THE COMPLIANCE OFFICER

Investors may contact the Compliance Officer of the Company for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Shruti Sanghavi

**Company Secretary & Compliance Officer**

6<sup>th</sup> Floor, Avvashya House, CST Road, Kalina,

Santacruz (East), Mumbai 400 098

**Tel. No.:** +91 22 6679 8100; **Fax:** +91 22 6679 8195

**Email:** investor.relations@allcargologistics.com;

**Website:** www.allcargologistics.com

## 26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SELLERS

- (i) In case of any grievances relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the Eligible Sellers can approach the compliance officer of the Manager to the Buyback at allcargo.buyback@ingacapital.com and/ or Registrar to the Buyback and/ or Compliance Officer of the Company for redressal.
- (ii) If the Company makes any default in complying with the provisions of Section 68 of the Companies Act, 2013 or any rules made there-under, for the purposes of clause (f) of sub-section (2) of Section 68 of the Companies Act, 2013, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013, as the case may be.

(iii) The address of the concerned office of the Registrar of Companies is as follows:

**The Registrar of Companies, Maharashtra, Mumbai**

100, Everest, Marine Drive Mumbai- 400002.

## 27. DETAILS OF INVESTOR SERVICE CENTRE

In case of any queries, Equity Shareholders may also contact the Registrar to the Buyback, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

**Registrar to the Buyback**

**Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),

Mumbai, Maharashtra – 400078.

**Tel. No.:** +91 22 6171 5400; **Fax:** +91 22 2596 0329;



**Contact person:** Ganesh Mhatre;  
**Email:** allcargo.buyback@linkintime.co.in;  
**Website:** www.linkintime.co.in;  
**SEBI Registration Number:** INR000004058;  
**CIN:** U67190MH1999PTC118368.

**28. MANAGER TO THE BUYBACK**



**Inga Capital Private Limited**

Naman Midtown, 21st Floor, 'A' Wing,  
 Senapati Bapat Marg, Elphinstone (West),  
 Mumbai 400 013, Maharashtra.

**Tel. No.:** +91 22 4031 3489, **Fax No.:** +91 22 4031 3379;

**Contact Person:** Ashwani Tandon;

**Email:** allcargo.buyback@ingacapital.com; **Website:** www.ingacapital.com;

**SEBI Registration No:** INM000010924;

**CIN:** U74140MH1999PTC122493.

**29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER**

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer. This Draft Letter of Offer is issued under the authority of the Board pursuant to resolution passed by the Buyback Committee on November 17, 2016.

**For and on behalf of the Board of Directors of Allcargo Logistics Limited**

Sd/-	Sd/-	Sd/-
<b>Shashi Kiran Shetty</b> <b>Chairman &amp; Managing</b> <b>Director</b>	<b>Arathi Shetty</b> <b>Non-Executive Director</b>	<b>Shruta Sanghavi</b> <b>Company Secretary &amp;</b> <b>Compliance Officer</b>

**Date:** November 17, 2016

**Place:** Mumbai

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT  
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)**

**Bid Number:**

**Date:**

BUYBACK OPENS ON		[●]
BUYBACK CLOSING ON		[●]
<b>For Registrar / Collection Centre use</b>		
Inward No.	Date	Stamp
<b>Status (please tick appropriate box)</b>		
<input type="checkbox"/> Individual	<input type="checkbox"/> FII	<input type="checkbox"/> Insurance Co
<input type="checkbox"/> Foreign Co.	<input type="checkbox"/> NRI/OCB	<input type="checkbox"/> FVCI
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank/FI	<input type="checkbox"/> Pension/PF
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Others
<b>India Tax Residency Status: Please tick appropriate box</b>		
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India	Resident of _____ (shareholder to fill in country of residence)

To,  
The Board of Directors  
**Allcargo Logistics Limited**  
C/o Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078

Dear Sirs,

**Sub: Buyback upto 64,00,000 (Sixty Four Lakhs) Equity Shares of Allcargo Logistics Limited (the “Company”) at a price of Rs.195/- (Rupees One Hundred Ninety Five Only) per Equity Share (“Buyback Price”), payable in cash.**

- I / We (having read and understood the Letter of Offer) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us and are free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder, in case of joint holders.
- In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Eligible Sellers.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Seller Member as per secondary market mechanism.
- I/We agree that the excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered would be returned to the Selling Member by Clearing Corporation in payout.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Buyback Regulations.
- Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the Equity Shares are bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned by me/ us on such Buyback of Equity Shares.
- Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (November 18, 2016)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (Including Additional Shares)		

**Note:** An Eligible Seller may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by Eligible Seller over and above his Buyback Entitlement shall be accepted in accordance with paragraphs 19.6, 19.7, 19.8, 19.9 and 20.8 of the Letter of Offer. Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

**Acknowledgement Slip: ALLCARGO BUYBACK OFFER 2016**  
(to be filled by the Equity Shareholder) (subject to verification)

DP ID	Client ID
Received from Mr./Ms./Mrs.	
<b>Form of Acceptance-cum-Acknowledgement, Original TRS along with:</b>	
No. of Equity Shares offered for Buyback (In Figures)	(in words)
Please quote Client ID No. & DP No. for all future correspondence	
Stamp of Broker	

13. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID No. with the DP				

14. Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of the Holder				
Signature(s)*				
PAN				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

\* Corporate must affix rubber stamp

*This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.*

1. This Buyback will open on [●] and close on [●].
2. The Equity Shares tendered in the Buyback shall be rejected if (i) the Equity Shareholder is not an Equity Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the Equity Shareholder.
3. The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
4. Eligible Sellers to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement but in no case over and above the number of Equity Shares held by such Eligible Seller as on the Record Date.
5. For the procedure to be followed by Eligible Sellers for tendering in the Buyback, please refer to paragraph 20 of the Letter of Offer.
6. All documents sent by Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.
7. The buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of shares in the special account of the Clearing Corporation and/or a non-receipt of valid bid in the exchange bidding system.
8. Non-Resident Equity Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).

*All capitalised terms shall have the meaning ascribed to them in the Letter of Offer.*

Tear along this line

**ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO  
REGISTRAR TO  
THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:**

**Investor Service Centre, ALLCARGO BUYBACK OFFER 2016**

Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup West, Mumbai 400 078, Maharashtra, India.

**Tel:** +91 22 6171 5400 | **Fax:** +91 22 2596 0329 | **Email:** allcargo.buyback@linkintime.co.in | **Website:** www.linkintime.co.in

**Contact Person:** Mr. Ganesh Mhatre

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT  
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)**

**Bid Number:**

**Date:**

BUYBACK OPENS ON	[●]		
BUYBACK CLOSSES ON	[●]		
<b>For Registrar / Collection Centre use</b>			
<b>Inward No.</b>	<b>Date</b>	<b>Stamp</b>	
<i>Status (please tick appropriate box)</i>			
<input type="checkbox"/> Individual	<input type="checkbox"/> FII	<input type="checkbox"/> Insurance Co	
<input type="checkbox"/> Foreign Co.	<input type="checkbox"/> NRI/OCB	<input type="checkbox"/> FVCI	
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank/FI	<input type="checkbox"/> Pension/PF	
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Others	
<b>India Tax Residency Status: Please tick appropriate box</b>			
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India	Resident of _____ (shareholder to fill in country of residence)	

To,  
The Board of Directors  
**Allcargo Logistics Limited**  
C/o Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078

Dear Sirs,

**Sub: Buyback upto 64,00,000 (Sixty Four Lakhs) Equity Shares of Allcargo Logistics Limited (the “Company”) at a price of Rs.195/- (Rupees One Hundred Ninety Five Only) per Equity Share (“Buyback Price”), payable in cash**

- I / We (having read and understood the Letter of Offer) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us and are free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder, in case of joint holders.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Seller Member as per secondary market mechanism.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We agree that the Company is not obliged to accept any Equity Shares tendered/offered for Buyback where loss of share certificates has been notified to the Company.
- I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (November 18, 2016)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (including Additional Shares)		

**Note:** An Eligible Seller may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by Eligible Seller over and above his Buyback Entitlement shall be accepted in accordance with paragraph 19.6, 19.7, 19.8, 19.9 and 20.8 of the Letter of Offer tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

**Acknowledgement Slip: ALLCARGO BUYBACK OFFER 2016**  
(to be filled by the Equity Shareholder) (subject to verification)

Folio No.			
Received from Mr./Ms./Mrs.			
<b>Form of Acceptance-cum-Acknowledgement, Original TRS along with:</b>			
No. of Equity Shares offered for Buyback (In Figures)		(in words)	
Please quote Folio No. for all future correspondence		Stamp of Broker / Registrar	

## 12. Details of Share Certificate:

Total No. of Share Certificates Submitted:

In case the number of folios and share certificates enclosed exceed 4 nos., please attach a separate sheet giving details in the same format as under.

Sr. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
Total					

## 13. Equity Shareholders Bank Details:

Name of the Bank	Branch and City	IFSC and MICR Code	Account Number (indicate type of account)

## 14. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

	Power of Attorney		Corporate Authorization
	Succession Certificate		TRS
	Permanent Account Number (PAN Card)		
	Others (please specify)		

## 15. Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of the Holder				
Signature(s)*				
PAN				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

\* Corporate must affix rubber stamp

## 16. Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the shares are bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me/ us.

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.

## Instructions:

- This Buyback will open on [●] and close on [●].
- Eligible Sellers who wish to tender their Equity Shares in response to this Buyback should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before [●] by 5 PM (i) The relevant Tender Form duly signed (by all Eligible Sellers in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) Original Equity Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN) Card; (iv) Share Transfer Form (Form SH 4) duly signed (by all Eligible Sellers in case Equity Shares are held jointly) in the same order in which they hold the Equity Shares.
- Eligible Sellers should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Seller has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate or probated will in case any Eligible Seller is deceased; and (iii) Necessary corporate authorisations, such as Board Resolutions etc., in case of companies; (iv) if the address of the Eligible Seller has undergone a change from the address registered in the Register of Members of the Company, the Eligible Sellers would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- Eligible Sellers to whom the Buyback offer is being made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement but in no case over and above the number of Equity Shares held by such Eligible Seller as on the Record Date.
- All documents sent by the Seller Member/ custodian will be at their own risk and the seller member/ custodian is advised to adequately safeguard their interests in this regard.  
For the procedure to be followed by Equity Shareholders for tendering in the Buyback Offer, please refer to paragraph 20 of the Letter of Offer.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH-4 doesn't match as per the specimen signature recorded with Company/Registrar.
- Non-Resident Equity Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).

All capitalised terms shall have the meaning ascribed to them in the Letter of Offer.

Tear along this line

**ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO**

**THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:**

**Investor Service Centre, ALLCARGO BUYBACK OFFER 2016**

Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup West, Mumbai 400 078, Maharashtra, India.

**Tel:** +91 22 6171 5400 | **Fax:** +91 22 2596 0329 | **Email:** allcargo.buyback@linkintime.co.in | **Website:** www.linkintime.co.in

**Contact Person:** Mr. Ganesh Mhatre