

Ref: 003/KSL MB/ 2025-26

Date: April 11, 2025

To,  
**The Audit Committee & The Board of Directors,**  
**KALUSHALYA LOGISTICS LIMITED ("Company")**  
 11, 2nd Floor, Guru Har Rai Complex,  
 Opp. Shiv Mandir, Near Manju Cinema,  
 Milerganj, Ludhiana, Punjab, India – 141003

Dear Members of the Audit Committee and the Board of Directors,

### 1. Engagement Background

We understand that the Management of **Kaushalya Logistics Limited ("KLL" or the "Demerged Company")** is contemplating demerger of the **Logistics Business** of KLL and its transfer to and vesting into **Bhumika Logistics and Services Limited ("BLSL" or "Resulting Company")** on a going concern basis pursuant to a Scheme of Arrangement between KLL and BLSL and their respective shareholders under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ('the Act').

The terms and conditions of the Proposed Demerger are more fully set out in the draft scheme of arrangement shared with us, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We understand that the fair share entitlement ratio thereof is based on the Share Swap Ratio Report dated April 11, 2025 issued by Finvox Analytics, IBBI Registered Valuer, Registration No. **IBBI/RV-E/06/2020/120** ("Valuer").

We, Khandwala Securities Limited, a SEBI registered Category-I Merchant Banker, have been engaged by KLL to give a fairness opinion ("Opinion") on Share Swap Ratio Report dated April 11, 2025 issued by Valuer.

### 2. Background of the companies and Rationale

**Kaushalya Logistics Limited ("KLL" or the "Demerged Company")** was incorporated as a private limited company on August 24, 2007 under the provisions of the Companies Act, 1956 in the name and style of Kaushalya Buildcon Private Limited. Further, the name of the company was changed from Kaushalya Buildcon Private Limited to Kaushalya Logistics Private Limited w.e.f. August 16, 2016. Later, the said company was converted into a public limited company on May 1, 2023 and the name of the company was changed to Kaushalya Logistics Limited. The registered office of KLL was shifted from the NCT of Delhi to the State of Punjab vide order of the Regional Director, Northern Region dated November 18, 2024 and the fresh Corporate Identification Number is U45400PB2007PLC063260. The registered office of KLL is situated at 11, 2nd Floor, Guru Har Rai Complex, Opp. Shiv Mandir, Near Manju Cinema, Milerganj, Ludhiana, Punjab, India – 141003. The equity shares of KLL are listed on the National Stock Exchange of India Limited ("NSE") on NSE Emerge Segment. KLL is engaged in the business of: (i) C&F agency and

transportation ("Logistics business"); (ii) Real estate and renting of properties ("Real Estate"); and (iii) Retail trade of various types of electronic appliances ("E-commerce trading").

**Bhumika Logistics and Services Limited ("BLSL" or "Resulting Company")** was incorporated as a public limited company on December 10, 2024 under the provisions of the Companies Act, 2013 (Corporate Identification Number: U52290PB2024PLC063027). The registered office of BLSL is situated at 11, 2nd Floor, Guru Har Rai Complex, Opp. Shiv Mandir, Near Manju Cinema, Milerganj, Ludhiana, Punjab, India – 141003. BLSL is incorporated for the purpose of engaging in the Logistics business. Currently, BLSL is a wholly owned subsidiary of KLL.

**Rationale of the Scheme:**

Segregation of different business verticals: KLL is engaged in the business of (i) Logistics; (ii) Real Estate; and (iii) E-commerce trading. The nature of risks, rewards, financial profile, competition and opportunities for Logistics business is separate and distinct from other businesses. Further, the Logistics business is capable of attracting different set of investors, strategic partners, lenders and other stakeholders.

The Demerger aims to establish KLL as a pure-play Real Estate and E-commerce trading entity, and as a result, it is considering to hive off the 'Logistics Business' to BLSL. Given that BLSL will be listed post Scheme, it will facilitate price discovery for the Logistics business.

The effectiveness of the proposed Scheme will lead to two listed entities with one entity continuing with the Real Estate and E-commerce trading business and on the other hand, other entity carrying on the Logistics business. This will enable both the entities pursue their respective strategies to deliver higher growth for all stakeholders with specific independent focus on the respective businesses.

It has also been informed by the management that the equity shares of the "Resulting Company" will be listed on the National Stock Exchange of India Limited ("NSE") on NSE Emerge Segment.

We understand that the appointed date for the Proposed Demerger as per the draft scheme shall be same date as the Effective date or such other date as may be mutually agreed by the Demerged Company and the Resulting Company, or such other date as may be directed by the NCLT or such other later date as the Board may decide.

**3. Recommended Share Exchange Ratio for the Proposed transaction**

The Valuer has recommended the following share entitlement ratio for the Proposed Demerger:

*1 (one) equity share of the face value of INR 10/- each fully paid-up of the Resulting Company for every 1 (one) equity share of face value INR 10/- each fully paid up held by equity shareholders of the Demerged Company.*

We have relied upon the draft Proposed Demerger Scheme and taken the aforementioned (together with the other facts and assumptions set forth therein) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.



#### 4. Exclusions and Limitations

Our opinion and analysis are limited to the extent of review of the Share Swap Ratio Report by the Valuer and the Draft Proposed Demerger Scheme. In connection with the opinion, we have

- a) Reviewed the Draft Scheme of Arrangement.
- b) Share Swap Ratio Report dated April 11, 2025, issued by Valuer.
- c) Held discussions with the Valuer, in relation to the approach taken to arrive at Share Swap ratio preparing the Share Swap Ratio Report and recommendations.
- d) Reviewed such other information and explanations as we have required, and which have been provided by the management of KLL.

This opinion is intended only for the sole use and information of KLL and BLSL and in connection with the Proposed Demerger, including for the purpose of obtaining judicial and regulatory approvals for the Proposed Demerger and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either KLL and/or KLL or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Khandwala Securities has relied on the Share Swap Ratio Report for the Proposed demerger of Logistics Business of Kaushalya Logistics Limited into Bhumika Logistics and Services Limited and information and explanation provided to it, the accuracy whereof has not been evaluated by KSL. KSL's work does not constitute certification or due diligence of any past working results and KSL has relied upon the information provided to it as set out in working results of the aforesaid reports.

KSL has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of KLL and BLSL and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the Proposed Demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Share Swap Ratio Report issued for the Proposed Demerger of Logistics business of KLL into BLSL and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

In this case where the shares of the BLSL are being issued as consideration to the shareholders of KLL, basis the Share Swap Ratio Report. We have assumed that the Final Scheme of Arrangement will not differ in any material respect from the Draft Scheme of Arrangement shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Proposed Demerger on BLSL, KLL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which BLSL, KLL and/or their associates/subsidiaries, are or may be a party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion. Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Proposed Demerger or any matter thereto.

## 5. Conclusion

Based on and subject to the foregoing, we are of the opinion that the share entitlement ratio of 1:1 is fair to the shareholders of KLL from the financial point of view. Further the fair share entitlement ratio of the Company as detailed by the valuer is fair.

For Khandwala Securities Limited



Pranav Khandwala  
Director

Date: April 11, 2025  
Place: Mumbai