

September 5, 2014

The National Stock Exchange of India Ltd
Listing Department
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051

Dear Sir,

Re.: News Clarification – “Allcargo buys 30% in tennis league team”

Ref.: Your email dated September 4, 2014

We refer to your yesterday's email on the captioned subject and would like to clarify as under:

1. International Premier Tennis League (Asia) JLT, U.A.E. (IPTL) has developed a franchise system for operation of professional tennis teams in a tennis league known as International Premier Tennis League (Asia) JLT wherein franchisees own and operate a team;
2. Allcargo Logistics Limited has through its wholly owned Dubai based subsidiary company Asia Line Limited has invested in a company known as Love All Sports Holdings FZE which holds franchise rights for one of the teams of IPTL for participating in professional tennis league owned run and managed by IPTL;
3. Love All Sports Holdings FZE (JV Company) is a joint venture between three companies out of which Asia Line Limited is one of the JV partner holding 30% stake in the JV Company;
4. JV Company has entered into a Franchise Agreement with IPTL for acquisition of franchisee of team Singapore (Singapore Slammers);
5. In accordance with the provisions of the JV agreement, the JV Company needs to pay franchisee fee of USD 12 million in 10 equal yearly installments i.e. USD 1.20 million per year. Besides the franchisee fees, the Company also need to bear the expense such as players fees which is estimated to USD 6 million, arrangement of venue for playing matches in Singapore, hospitality and logistics arrangement for players and others which is estimated at USD 1.50 million etc.



6. The JV Company will earn income generated out of matches played and also by way of revenue sharing arrangement with the League subject to minimum guarantee amount of USD 3 million per year, title sponsor, associate sponsors, prize money won and ticketing revenue etc.
7. The Company's stake in JV Company, through its wholly owned subsidiary, will be restricted to 30% only and hence the Company does not anticipate any material impact on it, financial or otherwise. The investment made by the Company is with a view to boost its corporate identity and branding globally;
8. Since this is a new venture which is at very nascent stage, the Company will make appropriate disclosures as and when it progresses.

Hope above meets your requirements.

Kindly acknowledge the receipt and take on record the above information.

Thanking you,

Yours faithfully,
For Allcargo Logistics Limited


Shailesh Dholakia
Company Secretary

