

TM International Logistics Limited

Regd. Office: Tata Centre, 14th floor
43, Jawaharlal Nehru Road, Kolkata – 700 071.
Phone No: 033 22887051; **Fax No:** 022 22886342
CIN: U63090WB2002PLC094134 **Website:** www.tmilltd.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that an Extra ordinary general meeting of the Members of TM International Logistics Ltd. will be held at the Registered Office of the Company at Tata Centre, 43, Jawaharlal Nehru Road, Kolkata – 700 071, on Monday, 13th day of June, 2016 at 02.30 PM , to transact the following business:-

SPECIAL BUSINESS

1. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 180(1) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof for the time being in force, and the provisions of the Memorandum and Articles of Association, and subject to such other applicable statutes and regulations, and subject to such other requisite approvals, consents and clearance from the statutory authorities, the Board of Directors & the shareholders of TM Harbour Services Private Limited (TMHSPL), if and wherever necessary, and as may be required, consent be and is hereby accorded for Sale of 100% equity shares of TMHSPL, a Subsidiary of TMILL, held by TKM Global GmbH, Germany (74.18%) and International Shipping & Logistics FZE, Dubai (25.82%) to Adani Group for a consideration of Rs.87 crore (including cost of spares of Rs. 1.4 crore) plus closing date working capital, subject to due diligence and consequent value adjustment of upto 10% of the consideration, on such terms and conditions and with such modifications as may be required by any of the concerned authorities or as the Board of Directors of TMILL & TMHSPL may deem fit and appropriate in the interest of the Company and that the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or expedient.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to finalize the manner and method of disposal and execute all necessary agreements (including such representations, warranties, indemnities and covenants as may be customary in such transactions), deeds and documents and subsequent modifications thereto, and do all such acts and thing as may be deem necessary and/or expedient in the interest of the Company including without limitation, to settle any questions, difficulties, doubts that may arise in this regard, as it may in its absolute discretion deem fit”.

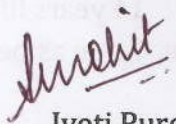
RESOLVED FURTHER THAT Mr. R N Murthy, Managing Director, Mr. Anand Chand, Group Chief Financial Officer, Ms. Jyoti Purohit, Company Secretary, jointly or severally, to do all acts and deeds as may be necessary in this connection, on behalf of the Company.

By order of the Board
For **TM International Logistics Ltd.**

Place: Kolkata

Date: 6th June, 2016




Jyoti Purohit
Company Secretary

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

For Item No. 1

Background:

TM Harbour Services Pvt. Ltd.(TMHSPL) started providing 3 nos. 65 ton bollard pull tugs to The Dhamra Port Co. Ltd.(DPCL) from June 2010 for towage services during berthing/un-berthing of vessels through a 15 years contract dated 21st May 2010. At that time DPCL was owned by Tata Steel Ltd. & L & T Ltd. TMHSPL made an initial investment of Rs.115 crore (Equity: Rs.35 crore and Debt: Rs.80 crore) while entering into a 15 years contract with DPCL. TKM Global GmbH, Germany and International Shipping and Logistics FZE, Dubai, subsidiaries of TMILL, holds 74.18% and 25.82% equity shares in TMHSPL respectively. Written Down Value of the tugs as on 31st March 2016 is Rs.65.2 crore.

Share of TMHSPL's revenue and EBITDA in TMILL's group financials are 5% & 32% respectively.

Current Status & Proposal

With changed ownership at Dhamra Port (DPCL), the new owner (Adani) has been revisiting all the existing contracts including this contract with TMHSPL and has been pushing to reduce the rental charges or alternatively terminate the contract by buying the tugs or the Company.

Initially Adani Ports has made an offer of Rs.70 crore for purchasing the tugs or the Company. After few rounds of negotiation, Adani Ports has improved the offer to purchase the shares of TMHSPL at Rs.87 crore (including cost of spares) plus working capital (including cash and equivalents) at actuals on date of closing. However, three employees, (excluding a company secretary, who is common to TMILL) will not be part of the deal and will be retained in TMILL.

Financials

- i. Company Valuation under DCF method at 15.4% WACC is Rs. 108 crore.
- ii. Replacement cost of 6 year old Tug Boats is USD 3.6 Mn each for 3 tugs which is equivalent to Rs. 72 crore + Import Duty @ 9.36% totaling to Rs. 78.7 crore.
- iii. Book Value of Tugs as on 31st March 2016 is Rs. 65.2 crore as per Companies' Act considering 14 years life. Operational life is about 20-25 years.
- iv. Value as per negotiation with Adani is Rs. 87 crore (including cost of spares Rs. 1.4 Cr.)



The proposed Special Resolution provides adequate flexibility and discretion to the Board to finalise the terms of the sale of TM Harbour Services Private Limited, in consultation with advisors, experts or other authorities as may be required.

As per the provisions of Section 180 (1) of the Companies Act, 2013 ('the Act'), the sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings requires the approval of the Shareholders by way of a Special Resolution.

The Directors recommend the resolution proposed at Item no.1 for your approval.

By order of the Board
For **TM International Logistics Ltd.**

Place: Kolkata
Date: 6th June, 2016



A handwritten signature in black ink, appearing to read "Jyoti Purohit".

Jyoti Purohit
Company Secretary