

PATEL INTEGRATED LOGISTICS LIMITED

CHAIRMAN'S ADDRESS

**(To be delivered by the Chairman of the 60th Annual General Meeting to be held on
23rd August 2022)**

Ladies and Gentlemen,

I warmly welcome you all to this 60th Annual General Meeting of your Company on behalf of the Board of Directors, the Management and the Employees of the Company.

Despite the massive disruptions in both demand and supply-side factors caused by the Covid-19 pandemic and the Russia-Ukraine conflict, India has shown the most consistent improvement in macroeconomic performance among the top ten economies in the world. India has fared better in managing the pandemic, as well as, protecting the economic fabric of the country.

While major economies are facing steep inflation and the threat of recession, India achieved a GDP growth of 8.7% in FY22 and is expected to maintain a growth of over 7.3% in GDP in FY 23. Given the Government's continued thrust on spending on the capital expenditure plans and good monsoon, the prognosis for FY23 is considered positive. The uptrend in GST collections month after month is also reflective of the strong fundamentals of the economy

I would have very much liked to meet and address you in person, but as you know, we are holding this meeting over a virtual platform due to the prevailing circumstances. I would like to thank you for sparing the time to join us today from wherever you are, and for your continued faith in our Company. I hope you and your family members are healthy and staying safe. On behalf of the Board of Directors and my colleagues, I thank you for joining us today.

The Company's air cargo business performed satisfactorily during the year 2021-22. The COVID-19 pandemic continued its impact in the first three months of FY21. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business and it will take a few months for the economic activities to revive and gain momentum. The future outlook of the business is highly dynamic.

Financials:

Now, let me turn to the financial performance of your Company for the last financial year. Your Company posted a Profit After Tax of Rs.2.27 Cr for the year ended 31st March, 2022 as compared to Rs.0.054 cr for the year ended 31st March 2021. Income from operations for the year ended 31st March 2022 was Rs. 234.01 cr. as compared to Rs.212.25 cr. for the year ended 31st March 2021. The EBITDA was Rs 10.209 cr. for the year ended 31st March 2022 as compared to Rs.10.214 cr. for the year ended 31st March 2021. The unprecedented Covid-19 pandemic seriously impacted the general economy since March 2020 as several restrictions were imposed by Governments across the globe on travel, goods movement, and transportation, considering public health and safety measures. Net Worth for the year stood at Rs.117.26 cr. Basic and Diluted EPS was Rs. 0.77 and Rs. 0.67 respectively.

The future operations of the Company largely depend upon the dynamics of the air cargo business with new entrants in the airlines.

Highlights:

- Aviation sector is now quickly reaching the growth cycle of the pre-pandemic level paving an opportunity for growth in the overall business.
- Government is putting a lot of thrust into the aviation sector which in turn is boosting the air freight logistics industry as well.
- India's Air Freight market is estimated to be at approximately USD 12.41 Bn this year and is expected to reach around USD 16.37 Bn by the year 2027, growing at a CAGR of 5.7%
- Increased digital literacy in urban & rural India has given a thrust in momentum for the E-Commerce Industry.
- Since the onset of the Pandemic, Surface & Sea Cargo has overflowed, spilling over onto Air Cargo in turn creating an opportunity for us.
- Number of airports will be increasing from 140 to 220 which will enable the Company to have its presence in more airports. Consequently, cargo space available will increase.
- New airline, Akasa Air has started its operation as well as Jet Airways resuming its operations, will augment business growth.
- Air India being privatized, there will be a lot of synergy between Vistara, Air Asia, and Air India giving an overall boost to the cargo sector.
- Additional passenger aircraft are increasing day by day giving additional belly capacity for air cargo.
- High Degree of urbanization will help in expanding our customer database.
- Our country's Gati Shakti, Sagarmala, PLI Scheme, and the National Asset Monetisation policy are all poised to aid & augment the Logistics Industry.
- With the Government's focus on 'Make in India' the Indian Warehouse market is on a trajectory for huge demand.

The company continues to be concerned about reducing its operational cost and receivables as per the industrial standards. Your Company has been approaching the current situation with cautious optimism and with a growth outlook. With the positive turnaround in the Indian economy, your Company is expected to post better results in the immediate foreseeable future. Presently, the Company is focused and engaged in Air Cargo Consolidation business under the division Patel Airfreight which offers transportation of high-density cargo by air and surface within India as well as internationally. With branches across the country, it offers the specialised services. Additionally, it also offers import consolidation services. During the past year, the Company ventured into the health and fitness industry by taking the franchisee of the GYM business which took off well despite the pandemic and we are optimistic that it will continue to do well in the next year too, which will improve our revenue.

Ladies and Gentlemen, now I come to the dividend proposal for the year 2022. The Board of Directors decided to recommend a 1% dividend for the year ended 31st March 2022. The dividend payout for the year under review has been recommended after carefully considering various factors like Cash Flows, cost of servicing dividends, Company's long term objectives of growth,

and conservation of resources for diversification. I eagerly look for your continued support to ensure that Company will achieve more than what is expected and pay higher dividends in years to come.

During the year, Ms. Bindya Raichura joined the Board as an additional director. All your Directors are accomplished in their respective fields of expertise and I strongly believe their experience and insight will bring value to your company. Their profile is already given in the Notice of this Annual General Meeting and their appointment as Director is subject to the approval of shareholders in this Annual General Meeting.

In conclusion, I wish to place on record my deep sense of gratitude to my colleagues on the Board for their counsel and support. I am thankful to the Chairman Emeritus Mr. Asgar Patel, the insights of whom I deeply value. I would also like to appreciate all the employees for their continuous efforts and commitment towards the growth of the company and the management team for their continuous guidance. And last, but most certainly not least, I would like to express my gratitude to you, our loyal shareholders for your continued support and for reposing your trust in us.

Ladies and Gentlemen, I once again thank you for your presence today and your keen & wholehearted interest in the Company.
